

# **STATE OF COLORADO STATEWIDE SINGLE AUDIT**

**Fiscal Year Ended June 30, 2009**



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STATE AUDITOR**

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*The mission of the Office of the State Auditor is to improve the efficiency, effectiveness, and transparency of government for the people of Colorado by providing objective information, quality services, and solution-based recommendations.*



## STATE OF COLORADO

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State Auditor

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February 16, 2010

### Members of the Legislative Audit Committee:

Included herein is the report of the Statewide Single Audit of the State of Colorado for the fiscal year ended June 30, 2009. The audit was conducted under the authority of Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct audits of all state departments, institutions, and agencies.

The purpose of this report is to present the results of the Statewide Single Audit for the year ended June 30, 2009. The report includes our reports on compliance and other matters and internal control over financial reporting in accordance with *Government Auditing Standards* and requirements related to Office of Management and Budget *Circular A-133*, and our audit opinion on the Schedule of Expenditures of Federal Awards. This report also contains our findings, conclusions, and recommendations, and the responses of the respective state agencies and institutions. Our opinion on the State's financial statements is presented in the State's Comprehensive Annual Financial Report for Fiscal Year 2009, which is available under separate cover.

This report may not include all of the findings and recommendations related to audits performed of state institutions and agencies. Some findings and recommendations are issued under separate report covers. However, in accordance with the federal Single Audit Act, this report includes all findings and questioned costs related to federal awards that came to our attention through either the Statewide Single Audit or other audits.

The report is intended solely for the use of management and the Legislative Audit Committee and should not be used for any other purpose. This restriction is not intended to limit distribution of the report, which, upon release by the Legislative Audit Committee, is a matter of public record.

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## TABLE OF CONTENTS

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	PAGE
REPORT SUMMARY .....	I - 1
Summary of Auditor's Results .....	I - 11
Recommendation Locator .....	I - 15

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS

#### FINANCIAL STATEMENT FINDINGS

Department of Agriculture .....	II - 1
Department of Corrections .....	II - 5
Department of Education .....	II - 9
Department of Health Care Policy and Financing .....	II - 13
Department of Higher Education .....	II - 27
Department of Human Services .....	II - 33
Judicial Department .....	II - 55
Department of Labor and Employment .....	II - 61
Department of Law .....	II - 71
Department of Personnel & Administration .....	II - 75
Department of Public Safety .....	II - 93
Department of Regulatory Agencies .....	II - 105
Department of Revenue .....	II - 109
Department of State .....	II - 129
Office of the State Treasurer .....	II - 139
Department of Transportation .....	II - 153

#### FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Department of Education .....	III - 1
-------------------------------	---------

	PAGE
Department of Health Care Policy and Financing .....	III - 5
Department of Higher Education .....	III - 137
Department of Human Services .....	III - 167
Department of Labor and Employment .....	III - 275
Department of Public Health and Environment .....	III - 299
Office of the State Treasurer .....	III - 303
Department of Transportation .....	III - 307
<b>DISPOSITION OF PRIOR AUDIT RECOMMENDATIONS .....</b>	<b>IV - 1</b>

#### **REPORTS AND FEDERAL AWARDS SCHEDULE**

<b>Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....</b>	<b>V - 1</b>
<b>Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB <i>Circular A-133</i> and on the Schedule of Expenditures of Federal Awards .....</b>	<b>V - 3</b>
<b>Schedule of Expenditures of Federal Awards .....</b>	<b>V - 7</b>
<b>Notes to the Schedule of Expenditures of Federal Awards .....</b>	<b>V - 143</b>

#### **REQUIRED COMMUNICATIONS**

<b>Required Communications Letter .....</b>	<b>VI - 1</b>
---	---------------

#### **APPENDICES**

<b>Appendix A - Federal Single Audit Recommendation Locator .....</b>	<b>VII - A-1</b>
<b>Appendix B - Audit Adjustments .....</b>	<b>VII - B-1</b>

#### **OTHER REPORTS ISSUED APPLICABLE TO THE SINGLE AUDIT**

The State's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009, is available electronically from the Office of the State Controller at:

<http://www.colorado.gov/dpa/dfp/sco/CAFR/cafr09/cafr09.htm>



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### STATE OF COLORADO STATEWIDE SINGLE AUDIT FISCAL YEAR ENDED JUNE 30, 2009

#### Authority, Purpose, and Scope

This audit was conducted under the authority of Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct audits of all departments, institutions, and agencies of state government. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and with *Government Auditing Standards* issued by the Comptroller General of the United States. We performed our audit work during the period from February through December 2009.

The purpose of this audit was to:

- Express an opinion on the State's financial statements for the fiscal year ended June 30, 2009.
- Express an opinion on the State's Schedule of Expenditures of Federal Awards for the fiscal year ended June 30, 2009.
- Review internal accounting and administrative control procedures as required by generally accepted auditing standards and *Government Auditing Standards*.
- Evaluate compliance with applicable state and federal laws, rules, and regulations.
- Evaluate progress in implementing prior audit recommendations.

We have issued three reports in connection with our audit. First, we issued an unqualified opinion on the State's financial statements for the fiscal year ended June 30, 2009. Our opinion on the financial statements is presented in the State's Comprehensive Annual Financial Report for Fiscal Year 2009, which is available electronically from the Office of the State Controller's website at <http://www.colorado.gov/dpa/dfp/sco/CAFR/cafr09/cafr09.htm>.

Second, we issued a report on the State's compliance with internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*. These standards and Statement on Auditing Standards No. 112 (SAS 112) issued by the American Institute of Certified Public Accountants (AICPA) require that we communicate matters related to the State's internal control over financial reporting identified during our audit of the State's financial statements. The standards define three levels of internal control weaknesses that must be reported. These are described on the following page.

*For further information on the report, contact the Office of the State Auditor at 303.869.2800.*

- A *control deficiency* is the least serious level of internal control weakness. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. Control deficiencies are reported in the accompanying Schedule of Findings and Questioned Costs as Recommendation Nos. 1-2, 4, 7-9, 15, 18, 26, 30-33, 35-36, 38, 41, 46-49, 72, 122-123, and 125.
- A *significant deficiency* is a higher level of internal control weakness. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. Significant deficiencies are reported in the accompanying Schedule of Findings and Questioned Costs as Recommendation Nos. 3, 5-6, 10-14, 16-17, 19-25, 27-29, 34, 37, 39-40, 43-45, 50-51, 56-57, 65, 69-71, 85, 97-98, and 120-121.
- A *material weakness* is the most serious level of internal control weakness. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. We did not note matters involving the internal control over financial reporting and its operation during our audit that we consider to be material weaknesses.

Prior to each recommendation in this report, we have indicated the classification of the finding.

The third report we issued is on the State's compliance with requirements applicable to major federal programs and internal control over compliance in accordance with the federal Office of Management and Budget's (OMB) *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. We planned and performed the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements that could have a direct and material effect on a major federal program occurred. As with matters identified during our audit of the State's internal control over the financial reporting, we are required to communicate three levels of internal control issues related to each of the major federal programs. These three levels of internal control weaknesses over major federal programs are as follows:

- A *control deficiency* is the least serious level of internal control weakness. A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a compliance requirement of a federal program on a timely basis. Control deficiencies are reported in the accompanying Schedule of Findings and Questioned Costs as Recommendation Nos. 63, 72-80, 83-84, 86-96, 102, 105-108, 115, 122-123, 126-132, and 148.

- A *significant deficiency* is a higher level of internal control weakness. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. Significant deficiencies are reported in the accompanying Schedule of Findings and Questioned Costs as Recommendation Nos. 52-62, 64-71, 81-82, 85, 97, 99-101, 103-104, 109-114, 116-121, 124, 133-144, and 149-150.
- A *material weakness* is the most serious level of internal control weakness. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Material weaknesses are reported in the accompanying Schedule of Findings and Questioned Costs as Recommendation Nos. 52-61, 65-66, 85, 97, 99-100, 133-134, and 149.

Prior to each recommendation in this report, we have indicated the classification of the finding.

During our testing of compliance with federal requirements, we determined the State did not comply with requirements regarding Matching, Level of Effort, or Earmarking that are applicable to the Secure Payments for States and Counties Containing Federal Lands Program (CFDA No. 10.665); Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, and Subrecipient Monitoring that are applicable to the Supplemental Nutrition Assistance Programs Cluster (CFDA Nos. 10.551 and 10.561); Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, and Subrecipient Monitoring that are applicable to the Children's Health Insurance Program (CFDA No. 93.767), and Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Period of Availability, Program Income, Reporting, Subrecipient Monitoring, and Special Tests and Provisions that are applicable to the Medicaid Cluster (CFDA Nos. 93.777 and 93.778). Compliance with such requirements is necessary to meet requirements applicable to those programs. Material noncompliance associated with the above mentioned programs is described in the accompanying Schedule of Findings and Questioned Costs as Recommendations Nos. 53, 56-59, 61, 65-66, 85, 100, 133-134, and 149.

## Current Year Findings and Recommendations

The Statewide Single Audit report presents our financial and compliance audit of the State of Colorado for Fiscal Year 2009. The report may not include all findings and recommendations from separately issued reports on audits of state departments, institutions, and agencies. However, in accordance with the federal Single Audit Act, this report includes all findings and questioned costs related to federal awards that came to our attention through our audit.

As part of our audit, we examined, on a test basis, evidence supporting the amounts and disclosures in the State's financial statements. We considered the internal control over financial reporting; tested compliance with certain provisions of federal and state laws, regulations, contracts, and grants; and tested account balances and transactions for proper financial reporting.

The following section presents highlights of findings included in our report. The Recommendation Locator, following the Summary of Auditor's Results, includes a complete listing of all recommendations, agency responses, and implementation dates, as well as references to the location of each recommendation in the report.

## **Internal Controls**

State agencies are responsible for having adequate internal controls in place to ensure compliance with laws and regulations and with management's objectives. As part of our audit, we tested controls over the processing of transactions and accounting for financial activity and identified the need for improvements in the following areas:

- The Department of Revenue had internal control weaknesses related to severance tax refunds, business tax refunds, estimated taxes, and electronic funds transfers.
- Five agencies' internal controls over travel expenditures were inadequate. Overall the sample of transactions tested at the Departments of Human Services, Personnel & Administration, Public Safety, and Secretary of State, as well as the Colorado Historical Society showed a total error rate of 28 percent. Problems identified included lack of sufficient supporting documentation, reimbursements to employees claiming excess mileage, and coding errors.
- Four agencies did not have adequate controls over the preparation of year-end exhibits. Exhibits prepared by the Departments of Human Services, Labor and Employment, Personnel & Administration, and Regulatory Agencies contained errors and/or omissions when submitted to the Office of the State Controller. These exhibits are necessary to ensure appropriate disclosures are made in the State's annual financial statements.
- The Department of Health Care Policy and Financing lacked adequate controls over the financial reporting process, Medicaid payment liability calculation, and communication of audit adjustments.
- Four agencies did not have adequate payroll controls. At the Department of Agriculture two employees were underpaid for four months because the funding percentages were inaccurate. At the Department of Human Services 47 percent of the 198 time sheets tested were not properly certified by employees and/or supervisors. The Judicial Department's payroll review process failed to catch two instances in which hours were not recorded appropriately and one instance in which recorded leave time did not accurately reflect approved leave. At

the Department of Personnel & Administration 10 percent of the 58 payroll adjustments tested identified over-and under-payments to employees.

- The Department of Human Services lacked adequate internal controls over rentals of state-owned surplus facilities, mental health institutes and nursing home revenue, and timely deposits for its Background Investigation Unit.
- The Department of Revenue had internal control weaknesses related to severance tax refunds, business tax refunds, estimated taxes, and electronic funds transfers.

## Financial Reporting

State agencies are responsible for reporting financial activity accurately, timely, and completely. The Office of the State Controller establishes standard policies and procedures that must be followed by state agencies and institutions. As part of our audit, we reviewed the agencies' and institutions' control processes, policies, and procedures related to financial reporting and tested a sample of financial transactions to ensure that controls were adequate and financial activity was reported properly. We found:

- The Department of Human Services continues to be unable to reconcile differences between amounts due to or due from the counties recorded on the State's accounting system, COFRS, and amounts recorded on the Department's County Financial Management System, CFMS. During our Fiscal Year 2009 audit the difference between the two systems was approximately \$1.3 million.
- The Department of Personnel & Administration had difficulties calculating accounting gains and losses on vehicles sold, reconciling the Colorado Automotive Reporting System (CARS) to COFRS, and recording depreciation. The Department overstated its gain in COFRS on a sample of tested vehicle disposals by approximately \$37,000 and overstated depreciation expenses on COFRS by approximately \$1.2 million.

## Federal Grants

The State expended approximately \$8.5 billion in federal grants in Fiscal Year 2009. As part of our audit, we determined compliance with federal regulations and grant requirements, such as activities allowed or unallowed, allowable costs, cash management, eligibility, reporting, and subrecipient monitoring. Our testing included \$552.9 million expended under the federal American Recovery and Reinvestment Act (Recovery Act). The three largest areas of Recovery Act expenditures for the State in Fiscal Year 2009 were \$252.5 million for the Medicaid program, \$175.6 million for the State Fiscal Stabilization Cluster, and \$97.6 million for the Unemployment Insurance program.

## **Federal American Recovery and Reinvestment and Act**

Enacted in response to a significant slowdown in the American economy and increased unemployment nationwide, the federal American Recovery and Reinvestment Act (Recovery Act) became law in February 2009.

The Recovery Act is expected to direct approximately \$787 billion in federal funds toward the American economy primarily over the next several years. To meet the commitment to provide an unprecedented level of transparency and accountability over how funds are invested, the federal Office of Management and Budget (OMB) has issued guidance for implementation of the Recovery Act. As part of this guidance, OMB expanded audit requirements for entities that receive Recovery Act funds.

In August 2009 OMB designated programs receiving funding under the Recovery Act as higher risk and issued additional guidance specific to the audit of these programs. This high-risk designation will affect the scope of the audits conducted for the period in which Colorado expends Recovery Act funds, beginning in Fiscal Year 2009.

OMB formalized an early reporting process by establishing the Internal Control Pilot Project (Pilot Project) in the fall of 2009. Participation in the Pilot Project was available to all non-federal entities expending Recovery Act dollars, including all 50 states, with the goal of at least 10 states volunteering. Colorado was one of 14 states that volunteered to participate in the Pilot Project.

The Pilot Project required that states report on the results of the Single Audit work for at least two federal programs, which the auditor was required to select from a list of 11 federally-designated programs. Audit work was to be completed by November 30, 2009, and the auditor was required to issue a report to management and those charged with governance by December 31, 2009. The Office of the State Auditor conducted the *American Recovery and Reinvestment Act of 2009 Internal Control Pilot Project*, Report No. 2047, dated November 2009. The information and comments contained in the Pilot are also included in this Statewide Single Audit report as Recommendation Nos. 89, 93, 94, and 107-113.

**Colorado Benefits Management System (CBMS):** For Fiscal Year 2009 we evaluated transactions processed by CBMS through review of four federal programs. Two programs are overseen by the Department of Human Services (DHS): Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP). The other two programs, Medicaid and the Children's Basic Health Plan (CBHP), are overseen by the Department of Health Care Policy and Financing (HCPF). We reviewed the Departments' procedures for complying with federal requirements for determining individuals' eligibility to receive SNAP, TANF, Medicaid and CBHP. For three of the four programs we found significant error rates. In general, these errors related to problems with the recipient's eligibility or the amount of the benefit issued.

- **TANF/Colorado Works:** We found that 5 of the 60 benefit payments in our sample (8 percent) contained at least one error. For these 5 payments we identified questioned costs of \$987 out of the total sampled costs of \$13,906 (7 percent of costs). We identified an additional \$4,914 in questioned costs from payments not included in our original sample of 60 payments but were paid to the recipients whose case files we reviewed as part of our original sample. The total amount of questioned costs for all errors found was \$5,901. Total TANF benefit payments for Fiscal Year 2009 were \$161 million, and the average monthly caseload was 10,471.
- **SNAP/Food Assistance:** We found that 24 of the 60 benefit payments in our sample (40 percent) contained at least one error. For these 24 payments we identified questioned costs of \$2,034 out of the total sampled costs of \$15,330 (13 percent). We identified an additional \$8,368 in questioned costs from payments not included in our original sample of 60 payments but were paid to the recipients whose case files we reviewed as part of our original sample. The total amount of questioned costs for all errors found was \$10,402. Total SNAP/Food Assistance benefit payments for Fiscal Year 2009 were nearly \$443 million, and the average monthly caseload was 128,200.
- **Medicaid:** We found that 38 of the 63 payments sampled (60 percent) contained at least one error. For these 38 payments we identified questioned costs of about \$16,986 out of the total sampled costs of \$131,563 (13 percent). We identified an additional 27 errors from payments not included in our sample, resulting in another \$448,783 in questioned costs. These payments were not included in our original sample of 63 payments but were paid to the recipients whose case files we reviewed as part of our original sample. The total amount of questioned costs for all errors found was \$465,769.
- **CBHP:** We found that 27 of the 60 case files sampled (45 percent) contained at least one error. For these 27 case files with errors, we identified questioned costs of \$12,250 out of the total sampled costs of \$68,837 (18 percent). We identified an additional 15 errors in the reviewed cases, resulting in another \$27,552 in questioned costs. These errors were not included in our original sample of 60 case files but were paid to the recipients whose case files we reviewed as part of our sample. The total amount of questioned costs for all errors found was \$39,802.

**Medicaid and CBHP:** The Medicaid program is the State's largest federal program with expenditures for administration and claims paid by HCPF totaling about \$3.6 billion (state and federal funds) during Fiscal Year 2009. HCPF expended \$135.3 million (state and federal funds) for the CBHP program during Fiscal Year 2009. In addition to the error rates noted above we found significant problems with the management of the Medicaid Program.

- HCPF lacked adequate internal controls for identifying and recording about \$252.5 million in expenditures of American Recovery and Reinvestment Act funds.

- HCPF continued to lack adequate controls over provider eligibility. Of the 100 providers sampled, 83 were required to be licensed. We found that for 52 (63 percent) of the 83 providers, current licensing information was not reflected in the Medicaid Management Information System. Additionally, 5 of the 100 providers did not have provider participation agreements in the files.
- HCPF lacked policies and internal controls over the process for calculating Family Planning expenditures and under-reported its expenditures by about \$450,000.

**Student Financial Aid and the Research and Development Cluster:** State higher education institutions disbursed about \$1.2 billion in student loans and grants and expended \$588.8 million in Research and Development (R&D) funds in Fiscal Year 2009. We found the following problems at various state institutions:

- The Colorado School of Mines expended approximately \$24.9 million in R&D funds during Fiscal Year 2009 and failed to review contracting entities to determine if the entities were either suspended or debarred from receiving federal dollars.
- Colorado State University-Pueblo and the Colorado School of Mines lacked sufficient review processes over the Fiscal Operation Report and Application to Participate (FISAP) report, which contains information related to the Student Financial Aid Cluster.
- The University of Colorado, Colorado State University-Pueblo, University of Northern Colorado, and the Colorado School of Mines lacked adequate controls to ensure the return of Title IV student financial aid funds was in compliance with federal requirements.

## Federal Reporting

The Departments of Human Services, Labor and Employment, and Colorado State University - Pueblo failed to initially report expenditures correctly on the Exhibit K, which directly affects the Schedule of Expenditures of Federal Awards (SEFA).

## Communication of Audit-Related Matters

There were no unusual or significant audit-related matters to report in connection with the audit of the State of Colorado for the year ended June 30, 2009. Uncorrected misstatements identified during the Fiscal Year 2009 audit were determined by management and the Office of the State Auditor to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The net effect of the uncorrected misstatements would have been to decrease the net assets by more than \$8 million, increase assets by more than \$1.8 million, increase liabilities by nearly \$8.6 million, decrease revenue by more than \$33.1 million, and decrease expenditures by more than \$30.2 million. Appendix VII - B shows the net and gross passed audit adjustments by agency and the net and gross posted audit adjustments by agency. A full disclosure of communications required under generally accepted auditing standards can be found in the VI. Required Communications section of this report.

## Recommendation Locator

The Recommendation Locator following this summary is arranged by department. In addition, Appendix VII - A contains a separate Locator with additional columns to provide the information necessary to meet Single Audit reporting requirements. The Catalog of Federal Domestic Assistance (CFDA) No./Compliance Requirement/Federal Entity column indicates the federal program, category of compliance requirement, and applicable federal agency. The contact for the Corrective Action Plan designates the state agency contact person. For those findings not subject to reporting under the Single Audit Act, the CFDA No./Compliance Requirement/Federal Entity column is marked "not applicable."

## Summary of Progress in Implementing Prior Recommendations

This report includes an assessment of the disposition of prior audit recommendations reported in the previous Statewide Single Audit Reports. Prior years' recommendations that were implemented in Fiscal Year 2008 or earlier are not included.

<b>Outstanding Statewide Single Audit Report Recommendations by Fiscal Year</b>								
	<b>Total</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2002</b>	<b>2001</b>
Implemented	64	45	13	4	-	-	2	-
Partially Implemented	65	42	17	2	2	1	-	1
Not Implemented	18	16	2	-	-	-	-	-
Deferred	9	6	3	-	-	-	-	-
<b>Total</b>	<b>156</b>	<b>109</b>	<b>35</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>1</b>

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# Summary of Auditor's Results

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## Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- Material weaknesses identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☒ Yes ☐ No

Noncompliance material to financial statements noted?

☐ Yes ☒ No

## Federal Awards

Internal control over major programs:

- Material weaknesses identified? ☒ Yes ☐ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☒ Yes ☐ No

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

Unqualified for all major programs except for the Secure Payments for States and Counties Containing Federal Lands Program, Supplemental Nutrition Assistance Program Cluster, Children's Health Insurance Program, and Medicaid Cluster, which were qualified.

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

☒ Yes ☐ No

## Identification of major programs:

<b>CFDA Number</b>	<b>Name of Federal Program or Cluster</b>
10.551, .561	Supplemental Nutrition Assistance Program Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
10.665	Secure Payments for States and Counties Containing Federal Lands
15.unknown	Royalties Management
17.207, .801, .804	Employment Service Cluster
17.225	Unemployment Insurance (UI)
17.258, .259, .260	Workforce Investment Act Cluster
20.205	Highway Planning and Construction (Federal-Aid Highway Program)
84.010, .389	Title I Part A Cluster
84.027, .173	Special Education (IDEA) Cluster
84.048	Career and Technical Education - Basic Grants to States
84.357	Reading First State Grants
84.367	Improving Teacher Quality State Grants
84.394, .397	State Fiscal Stabilization Cluster
93.558	Temporary Assistance for Needy Families (TANF)
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance Program (LIHEAP)
93.575, .596	Child Care and Development Fund Cluster
93.658	Foster Care_Title IV-E

93.659	Adoption Assistance
93.667	Social Services Block Grant
93.713	American Recovery and Reinvestment Act – Child Care and Development Block Grant
93.767	Children’s Health Insurance Program (CHIP)
93.775, .777, .778	Medicaid Cluster
93.959	Block Grants for Prevention and Treatment of Substance Abuse
Various	Research and Development Cluster
Various	Student Financial Aid Cluster (including CFDA No. 84.032 Federal Family Education Loans-Lenders)

Dollar threshold used to distinguish

Between type A and B programs: \$18.2 million

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes        X   No

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## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
<b>Financial Statement Findings</b>				
1	II - 3	The Department of Agriculture should improve its internal controls over payroll by (a) ensuring that human resources staff review the payroll-related data provided by division supervisors for accuracy and completeness before inputting the data into the Colorado Personnel Payroll System and (b) expanding the existing monthly payroll reconciliation process to include a review of employee job-split percentages.	Agree	December 2009
2	II - 6	The Department of Corrections' Division of Correctional Industries should improve controls over user rights in the Global Shop Solutions (Global Shop) system by (a) implementing formalized policies and procedures for adding and removing users, and establishing user rights within Global Shop and (b) periodically performing a formally documented review of all user rights in Global Shop to determine that rights are representative of each employee's role and responsibilities within the Division.	Agree	January 2010
3	II - 11	The Department of Education should continue to improve and strengthen controls over hiring employees by (a) retaining complete personnel files, reference check forms and other selection materials to assure that important documentation regarding employee hiring is maintained; (b) assuring that the Personnel and/or Position Action forms (CDE-43) are reviewed by human resources before an offer is extended to assure that all signatures are appropriate, that the form has been completed prior to an offer being extended, and that all of the signatures required on the CDE-43 form have been obtained; and (c) evaluating, by an independent and objective committee, any objections made during the hiring process, with the final conclusion documented before an offer is extended to an applicant.	Agree	February 2010
4	II - 16	The Department of Health Care Policy and Financing should improve its controls over the calculation of the Incurred But Not Reported expenditure estimate for Medicaid by (a) implementing an independent review of the calculation, including the drug rebate amounts and (b) continuing to annually evaluate the calculation methodology and modify it, if necessary, to ensure a more accurate estimate.	Agree	a. July 2010 b. August 2010
5	II - 18	The Department of Health Care Policy and Financing should strengthen its internal controls over financial reporting by (a) cross-training staff on the preparation and reporting of financial information and (b) segregating the responsibility for preparing year-end financial information from the responsibility for reviewing and approving that information.	Agree	July 2010

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**RECOMMENDATION LOCATOR**

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<b>Rec. No.</b>	<b>Page No.</b>	<b>Recommendation Summary</b>	<b>Agency Response</b>	<b>Implementation Date</b>
6	II - 20	The Department of Health Care Policy and Financing should improve its internal controls over financial reporting process by (a) creating and documenting the process for communicating financial adjustments to the accounting section and the Office of the State Controller and (b) providing training throughout the Department on this process.	Agree	June 2010
7	II - 21	The Department of Health Care Policy and Financing should establish and document a process to gather and analyze related party information throughout the year to ensure appropriate analysis and understanding of how related parties' transactions may affect the State's financial statements and report this information as appropriate to the Office of the State Controller.	Agree	June 2010
8	II - 23	The Department of Health Care Policy & Financing should follow its established policies in completing performance plans and consider changing policies to be consistent with current practice. If changes are warranted, a revised policy should be issued and communicated to staff.	Agree	April 2010
9	II - 24	The Department of Health Care Policy and Financing should establish and implement policies and procedures for recording, investigating, and refunding, if appropriate, excess amounts repaid by providers.	Agree	April 2010
10	II - 30	The Colorado Historical Society should strengthen controls over travel expenditures by (a) ensuring that travel expenditures are appropriately reviewed prior to approval, that correct per diem rates are used, that travel expenditures are coded correctly in the State's accounting system, COFRS, and that all other State Fiscal Rules regarding travel are followed; (b) training staff and supervisors on state travel rules and policies; and (c) obtaining repayment from employees for excess reimbursements.	Agree	October 2009

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
11	II - 38	The Department of Human Services' Division of Facilities Management should address statutory compliance issues and strengthen controls over the rental of state-owned surplus facilities by (a) evaluating the lease agreements for the two buildings leased to nonprofit organizations and either renegotiate the leases to include terms that will not result in a loss to the State as required under House Bill 08-1268 or seek statutory change to allow these arrangements to continue; (b) ensuring that expenditures for facility improvements are evaluated for capitalization requirements and capitalizing as required and making appropriate adjustments for the leasehold improvements identified during the audit that should have been capitalized; (c) instituting periodic secondary reviews of all leases of State-owned property, to ensure that they are current, documented on the approved Office of the State Architect lease agreement, clearly describe the property to be rented, and are properly authorized; (d) renegotiating any leases found after review to be inadequately documented, authorized, expired, or out of compliance; and (e) assigning rental collections to another division within the Department, such as Central Accounting, and ensuring rents are collected on time and referred to Central Collection Services as appropriate.	Agree	a. June 2010 b. June 2010 c. June 2010 d. June 2010 e. March 2010
12	II - 41	The Department of Human Services should improve controls over donated capital assets by instituting notification procedures to ensure that all donated assets are properly and timely recorded in the State's accounting system, COFRS.	Agree	January 2010
13	II - 42	The Department of Human Services should ensure that the financial data in COFRS related to counties' administration of public assistance programs are accurate and complete by (a) developing a procedure by which to reconcile the County Financial Management System (CFMS) and COFRS data each month, (b) assigning responsibility to specific employees for conducting the monthly reconciliation process and the supervisory review of the process, and (c) reconciling the CFMS and COFRS accounts of the reimbursement due the counties at the end of Fiscal Year 2009 and making the necessary adjustments.	Agree	June 2010
14	II - 45	The Department of Human Services should improve controls over financial reporting for Medicare Part D revenue and receivables at the Fort Logan and Pueblo Mental Health Institutes by ensuring monthly and fiscal year-end reconciliations are performed on the Part D revenue and related accounts receivable balances in COFRS to billings from the pharmacy subsystem, and making adjustments as appropriate.	Agree	June 2010

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
15	II - 46	The Department of Human Services should improve controls over financial reporting of revenue and receivables at the Fitzsimons, Florence, Rifle, and Trinidad nursing homes operated by the Department by implementing and formally documenting a reconciliation process in which monthly and fiscal year-end reconciliations are performed on revenue and related accounts receivable balances in COFRS to amounts recorded in the Achieve-Matrix system, and making adjustments as appropriate.	Agree	February 2010
16	II - 48	The Department of Human Services should improve its controls over the payroll process by ensuring that time sheets are certified within the timeframes specified in Department policy and are maintained and available for review.	Agree	April 2010
17	II - 50	The Department of Human Services should improve its controls over the preparation of fiscal year-end exhibits submitted to the Office of the State Controller by (a) continuing to ensure that the staff who prepare the exhibits receive adequate training each year on exhibit preparation and (b) continuing to conduct secondary reviews of exhibits, including in-depth, detailed reviews of all supporting documentation used to prepare the exhibits.	Agree	August 2010
18	II - 51	The Department of Human Services should improve its controls over the processing and deposit of background check payments to ensure that the payments are deposited with the State Treasurer in accordance with State Fiscal Rules.	Agree	March 2010
19	II - 53	The Department of Human Services should establish adequate controls over benefit authorization and issuance data for the cash programs by (a) performing routine and comprehensive reconciliations among the Colorado Benefits Management System (CBMS), CFMS, the State's Electronic Benefits Transfer service provider, and COFRS to ensure that financial information is accurately and completely recorded; (b) ensuring that all reconciliations are reviewed by knowledgeable personnel not involved in preparing the reconciliations; and (c) making any necessary adjustments in a timely manner to the appropriate systems.	Agree	June 2010
20	II - 57	The Judicial Department should implement processes to ensure that appropriate fees and charges are assessed in accordance with statutory requirements. In addition, in instances where the fees and charges assessed are waived or reduced from statutory requirements, the Judicial Department should ensure that the reasoning behind the waivers or reductions is documented in the electronic case file.	Agree	Ongoing

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
21	II - 58	The Judicial Department should ensure that supervisory review is performed on the accuracy of time sheet data entered into the Department's timekeeping system, JETRS, with emphasis on the areas identified.	Agree	February 2010 and July 2013
22	II - 59	The Judicial Department should strengthen its internal controls to ensure appropriate sign offs as evidence that all bank reconciliations are reviewed and approved.	Agree	July 2010
23	II - 62	The Department of Labor and Employment should continue the process started in Fiscal Year 2009 to evaluate the accuracy of the liability to employers for overpayment of Unemployment Insurance taxes.	Agree	June 2010
24	II - 64	The Department of Labor and Employment should continue to evaluate the process for preparing and reviewing significant estimates and implement detailed supervisory review procedures for the Unemployment Insurance Taxes Receivable and Unemployment Benefits Payable estimates.	Agree	April 2010
25	II - 68	The Department of Labor and Employment should improve its Information Technology controls over the Colorado Unemployment Benefits System (CUBS) and the Colorado Automated Tax System (CATS) by (a) developing, documenting, and implementing a user access management process, including procedures for periodically producing and reviewing a list of current system users; (b) developing and implementing a written procedure for granting user access to CUBS and CATS; (c) generating and reviewing application activity logs (i.e., audit logs) to identify and investigate anomalous activity; (d) increasing the activities of the internal fraud staff by having them regularly review CUBS and CATS transactions for anomalous activity; (e) developing written configuration management and change control policies and procedures, including procedures for handling emergency changes; and (f) implementing an annual security awareness program that addresses topics relevant to CUBS and CATS and the data they contain and process.	Agree	a. July 2010 b. March 2010 c. December 2010 d. December 2010 e. July 2010 f. December 2010
26	II - 73	The Department of Law should strengthen its controls over the processing of revenue transactions by ensuring that staff are adequately trained on accounting policies, that revenue transactions are reviewed and deposited in a timely manner, and that all State Fiscal Rules and requirements regarding revenue are followed.	Partially Agree	July 2010

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
27	II - 78	The Department of Personnel & Administration should develop and implement procedures to ensure that potential overexpenditures are identified timely so that they can be prevented or limited. The Department should also ensure that supplemental or emergency appropriation requests are submitted timely and meet required criteria.	Partially Agree	Ongoing
28	II - 80	The Department of Personnel & Administration should improve its internal controls over capital assets by (a) ensuring that useful lives are accurately applied when calculating the accounting gain or loss on the disposal of vehicles, (b) investigating and resolving differences identified during the reconciliation process to ensure that Colorado Automotive Reporting System and the State's accounting system, COFRS data are accurate and that necessary adjustments are made, and (c) ensuring that vehicle sale losses and depreciation expense are accurately recorded in COFRS.	Agree	Implemented and Ongoing
29	II - 83	The Department of Personnel & Administration should improve controls over the preparation of fiscal year-end exhibits submitted to the Office of the State Controller by (a) ensuring staff who prepare exhibits are adequately trained on exhibit preparation requirements, (b) developing procedures that address the compilation of required documents for exhibit preparation, and (c) implementing a documented secondary review process over exhibits that includes a detailed review of all supporting documentation used to prepare the exhibits.	Agree	a. July 2010 b. July 2010 c. Ongoing
30	II - 85	The Department and Personnel & Administration should improve its internal controls over payroll by (a) strengthening its secondary review process over the monthly payroll reconciliations to include a comparison of data to supporting documentation and (b) making adjustments to employee pay as necessary to address over- and underpayments noted in the audit.	Agree	a. July 2010 and Ongoing b. Implemented
31	II - 87	The Department of Personnel and Administration should strengthen controls over travel expenditures by (a) ensuring that travel expenditures are appropriately reviewed and approved, that correct per diem rates are used, that travel expenditures are coded consistently in COFRS, and that all other State Fiscal Rules and Department policies regarding travel are followed; (b) training staff and supervisors on state travel rules and policies; and (c) obtaining repayment from employees for excess reimbursements.	Agree	a. July 2009 and Ongoing b. July 2009 and Ongoing c. Implemented

## RECOMMENDATION LOCATOR

<b>Rec. No.</b>	<b>Page No.</b>	<b>Recommendation Summary</b>	<b>Agency Response</b>	<b>Implementation Date</b>
32	II - 88	The Department of Personnel & Administration should strengthen overall accounting controls by (a) developing written procedures to ensure that all accounting functions are appropriately performed, such as calculation and preparation of account balance reconciliations and significant adjustments; (b) ensuring that adequate supervisory reviews are in place and documented for all accounting functions; and (c) providing additional training to staff, as necessary.	Agree	June 2010
33	II - 91	The Department of Personnel & Administration should ensure that State Archives develops a schedule for the timely conversion of all remaining state agencies from a paper cataloging system to an electronic cataloging system, as resources allow.	Agree	September 2009
34	II - 95	The Department of Public Safety should strengthen controls over travel expenditures by (a) ensuring that travel expenditures are appropriately reviewed and approved, that correct per diem rates are used, that travel expenditures are coded correctly in COFRS, and that all other State Fiscal Rules and Department policies regarding travel are followed and (b) address over- and underpayments to employees for inaccurate reimbursements.	Partially Agree	March 2010
35	II - 102	The Department of Public Safety should strengthen its internal controls over the Colorado Auto Theft Prevention Cash Fund by (a) ensuring that the review of grant reimbursement requests includes verifying that the amounts requested are accurate, are accompanied by supporting documentation, are appropriately authorized, and comply with all Department policies; (b) educating grant recipients on invoicing procedures, necessary supporting documentation, and reporting; and (c) developing a standardized reimbursement request form.	Agree	February 2010
36	II - 107	The Department of Regulatory Agencies should ensure that the information reported on its Exhibit K is accurate and complete, reconciles to COFRS, and complies with the Office of the State Controller's Fiscal Procedures Manual.	Agree	September 2010
37	II - 113	The Department of Revenue should strengthen its internal controls over the processing of severance tax returns by (a) updating written severance tax procedures to reflect procedures in place with the GenTax system and providing training to tax examiners on the processes and procedures and (b) ensuring that severance tax processes and procedures are followed.	Agree	December 2009

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
38	II - 116	The Department of Revenue should improve controls over the processing of business tax refunds by (a) developing written policies and procedures to address the computation of interest and reimbursement of interest and penalty overpayments, (b) strengthening its existing supervisory review process to ensure that refund errors are identified and corrected, and (c) ensuring that staff are adequately trained on existing business tax policies and procedures.	Agree	December 2009
39	II - 118	The Department of Revenue should improve controls over refunds of estimated taxes by (a) adopting formal, written procedures for the secondary refunds review process and (b) assigning specific staff responsibility for the review and training them on the review procedures.	a. Partially Agree b. Agree	a. December 2010 b. December 2010
40	II - 121	The Department of Revenue should strengthen controls over EFT payments by (a) updating written procedures for the EFT undistributed cash reconciliation process; (b) ensuring that reconciliation variances, including errors and irregularities, are identified and that necessary adjustments are made in a timely manner; and (c) incorporating a secondary review over the EFT undistributed cash reconciliation process.	Agree	April 2010
41	II - 124	The Department of Revenue should improve internal controls over Information Security Awareness and Anti-Fraud Awareness Training by (a) enforcing its policy requiring employees to attend Information Security Awareness and Anti-Fraud Awareness training and sign and timely submit the acknowledgment form to the Department's Office of Human Resources on an annual basis and (b) ensuring training records in the internal database used to track employee training attendance are accurate and complete.	a. Partially Agree b. Agree	Implemented
42	II - 126	The Department of Revenue should seek statutory change to require transfer of expired business tax warrants to the Office of the State Treasurer's Unclaimed Property Division.	Agree	June 2011
43	II - 127	The Department of Revenue should improve controls over the processing of severance tax refunds by (a) reviewing the current system edits to determine if additional edits are necessary, (b) establishing a secondary review process for refunds released from manual review, and (c) reviewing its current established threshold for severance tax refunds for efficiency and accuracy.	Agree	a. December 2009 b. Implemented c. December 2009
44	II - 127	The Department of Revenue should strengthen controls over the security of tax warrants by ensuring that its new tax information system is designed to allow the internal transfer of funds for the collection of costs associated with county and special district taxes.	Agree	November 2010

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
45	II - 127	The Department of Revenue should improve controls over taxpayer accounts by instituting a secondary review and approval process over modifications of taxpayer information within the individual income and business tax systems.	Partially Agree	November 2010
46	II - 131	The Department of State should strengthen its controls over travel and bingo hall investigation expenditures by (a) verifying that travel expenditures are allowable, properly supported, submitted timely, and coded correctly in COFRS, and that all other State Fiscal Rules regarding travel are followed; (b) ensuring that supervisors thoroughly review travel expenditure requests and resolve any problems before approving reimbursements; (c) obtaining repayment from employees for excess and other improper reimbursements; and (d) establishing written procedures for the allowability and appropriateness of expenditures for bingo hall investigations and for the reporting of bingo game winnings.	a. Agree b. Agree c. Disagree d. Agree	a. July 2009 b. Implemented c. Not Applicable d. December 2009
47	II - 136	The Department of State should improve its general computer controls related to the Sizler application and the protection of credit card data by (a) ensuring system administrators adhere to Department policy that requires written approval by an employee's supervisor prior to the creation of user IDs and assignment of user access; (b) reviewing all system and network IDs and ensuring that each ID is associated with an identified and documented owner; (c) developing and implementing formal configuration management and control policies and procedures, including procedures for handling emergency changes; (d) developing and implementing written policies and procedures for data backups; (e) documenting and implementing procedures for creating and retaining backup logs; and (f) reevaluating its strategy for achieving compliance with PCI DSS, including the option of implementing compensating controls.	Agree	a. January 2010 b. March 2010 c. April 2010 d. May 2010 e. May 2010 f. January 2010
48	II - 142	The Department of Treasury should strengthen internal controls over unclaimed property and ensure compliance with state statute by (a) conducting periodic physical inventories to ensure that the inventory list of unclaimed property is accurate and current and that all items on the inventory list can be located in a timely manner; (b) strengthening and fully implementing written procedures for conducting timely sales and disposals of unclaimed property, as appropriate; (c) strengthening and fully implementing written procedures for distinguishing collectible currency from uncollectible currency and for promptly depositing uncollectible currency in the Trust Fund; and (d) determining the face value of the currency held in the vault and ensuring that the inventory listing details the face value of all currency held in the vault.	Agree	a. June 2010 b. March 2010 c. March 2010 d. March 2010

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**RECOMMENDATION LOCATOR**

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<b>Rec. No.</b>	<b>Page No.</b>	<b>Recommendation Summary</b>	<b>Agency Response</b>	<b>Implementation Date</b>
49	II - 144	The Department of Treasury's Unclaimed Property Division should improve controls over claims processing by (a) ensuring that staff obtain adequate documentation to support identity and rights to claims prior to claims processing and maintain the documentation in processing files; (b) strengthening its existing supervisory review process to ensure that instances in which supporting documentation is lacking are identified and corrected prior to payment and that all claims are appropriately reviewed in accordance with Division procedures; (c) ensuring that proper segregation of duties exists over claims processing by requiring separate individuals to review and approve claims, and making system modifications as appropriate; and (d) expanding existing claims processing guidelines to further address the use of staff discretion.	Agree	a. Ongoing b. Ongoing c. October 2009 d. May 2010
50	II - 155	The Department of Transportation should review the contractor expenditures that were processed in SiteManager after the period 13 close and determine why and how such expenditures were not identified during the year-end accrual process. The Department should then determine if there is a need to revise or develop new accrual procedures to reduce or prevent such expenditures from not being accrued.	Agree	September 2010
51	II - 157	The Department of Transportation should strengthen its controls over local agency receivables, revenue, and deferred revenue by (a) ensuring that supervisory reviews of accounts receivable are adequate to identify and correct errors in a timely manner, (b) completing the research on the seven confirmations from local agencies who disputed their account balances and making adjustments as appropriate, (c) following up with local agencies on a regular and timely basis regarding outstanding balances owed to the State and providing sufficient detail to the local agencies that supports the outstanding balance, (d) considering the need for an allowance for outstanding balances that are 60 days or more in arrears, and (e) ensuring that SAP operates as intended when processing transactions related to accounts receivable and that all system errors are addressed.	Partially Agree	June 2010

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
<b>Federal Award Findings</b>				
52	III - 3	The Department of Education should ensure compliance with federal grant requirements by (a) evaluating job descriptions and ensuring that descriptions are consistent with related job activities and salary allocations correspond with time worked on grants for employees, (b) documenting employee time and effort capturing the work actually performed for grant objectives, and (c) adequately supporting the allocation of non-payroll expenditures with written documentation.	Agree	July 2010
53	III - 10	The Department of Health Care Policy and Financing should improve controls over documentation in Medicaid case files to support eligibility by (a) continuing to monitor counties and MA sites to ensure that they are obtaining and maintaining the required case file documentation to support eligibility determinations, (b) requiring that counties and MA sites review case files to ensure consistency of information between the case file and CBMS, and (c) working with the Department of Human Services to identify and implement revisions to policies and procedures for documenting and monitoring Medicaid eligibility determination/redetermination for the Title IV-E population.	a. Agree b. Agree c. Partially Agree	February 2010 through December 2013
54	III - 14	The Department of Health Care Policy and Financing should improve controls over Medicaid program eligibility determinations and data entry into the Colorado Benefits Management System by (a) ensuring that county departments of human/social services and medical assistance sites have in place effective supervisory reviews of CBMS data entry, including comparisons of case file data with CBMS data as part of the eligibility determination process; (b) reviewing counties' and medical assistance sites' data input and monitoring their supervisory reviews; and (c) expanding the Medicaid training and technical assistance provided to counties and medical assistance sites to emphasize the issues identified.	Agree	February 2010 through December 2010
55	III - 17	The Department of Health Care Policy and Financing should ensure that county departments of human/social services and medical assistance sites are addressing Income, Eligibility, and Verification System (IEVS) discrepancies within 45 days of receiving notification of a discrepancy, including discrepancies related to Department of Labor and Employment data, as required by federal regulations and in accordance with its state plan filed with the federal government.	Agree	January 2011 - Contingent upon Department of Human Services acceptance

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
56	III - 20	The Department of Health Care Policy and Financing should improve its controls over eligibility of Medicaid providers by (a) ensuring that the Medicaid Management Information System (MMIS) contains current licensing information for all Medicaid providers that are required to have a license; (b) developing and implementing a process for verifying the current licensure of all providers that are required to have a license, including out-of-state providers; and (c) ensuring that all providers have valid current provider participation agreements or contracts.	Agree	February 2010 through December 2013
57	III - 24	The Department of Health Care Policy and Financing should improve controls over requests for federal funds through the American Recovery and Reinvestment Act (Recovery Act) by (a) adequately segregating duties related to preparing and approving requests for Recovery Act funds, (b) documenting written procedures and ensuring adequate review of federal draws and supporting information to ensure their accuracy, (c) submitting an adjustment on the next quarterly federal report for amounts excluded in its October 2008 Recovery Act draw, and (d) request reimbursement for those amounts not already corrected that were identified by this audit.	Agree	a. March 2010 b. March 2010 c. Implemented d. June 2010
58	III - 28	The Department of Health Care Policy and Financing should ensure that the Colorado Benefits Management System (CBMS) alerts are working as designed and that Medicaid eligibility is terminated in a timely manner, when appropriate, by (a) correcting the CBMS problem related to the Transitional Medicaid program to ensure prompt termination of eligibility when a beneficiary does not submit a Transitional Benefits Report as required; (b) ensuring that CBMS alerts are working as designed for all Medicaid programs that have specified time limitations for eligibility, such as the Medicaid Qualified Pregnant Woman program; and (c) identifying and recovering any additional erroneous Medicaid payments that may have occurred as a result of the system problems, within CBMS and MMIS, as appropriate.	Agree	a. March 2010 b. January 2011 c. Implemented
59	III - 33	The Department of Health Care Policy and Financing should reduce eligibility determination errors for Children's Basic Health Plan (CBHP) by improving oversight and training of eligibility sites by (a) continuing to provide eligibility sites with CBHP training and technical assistance on eligibility and documentation requirements; (b) enforcing eligibility sites' supervisory review processes and corrective action plans by following up on problems identified through the Department's monitoring program and this audit; (c) investigating the causes of the CBMS errors identified in the audit and modify CBMS as needed to correct them; and (d) recovering payments made after a beneficiary's eligibility has ended, as appropriate.	Agree	a., b., c. March 2009 through December 2013 d. Implemented

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**RECOMMENDATION LOCATOR**

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<b>Rec. No.</b>	<b>Page No.</b>	<b>Recommendation Summary</b>	<b>Agency Response</b>	<b>Implementation Date</b>
60	III - 37	The Department of Health Care Policy and Financing should ensure that all county departments of human/social services and medical assistance sites have access to IEVS data and address any discrepancies, including those related to Department of Labor and Employment data, as required by state regulations. Additionally, the Department should incorporate IEVS requirements within the Children's Basic Health Plan program's state plan and within the Department rules for this program.	Partially Agree	January 2011 Contingent upon Department of Human Services acceptance
61	III - 39	The Department of Health Care Policy and Financing should ensure that requirements related to determining whether an individual has creditable coverage and is therefore ineligible for the CBHP program are met by (a) investigating and resolving all reports of other health insurance coverage for applicants or beneficiaries and documenting the basis for the determination of whether the coverage precludes an individual from being eligible for CBHP and (b) denying eligibility or disenrolling individuals determined to have other creditable coverage and recovering any unallowable payments, as appropriate.	Agree	a. January 2010 b. January 2011
62	III - 41	The Department of Health Care Policy and Financing should improve controls over CBHP program data entry into CBMS by (a) ensuring that county departments of human/social services and medical assistance sites have in place effective supervisory reviews of CBMS data entry, including comparisons of case file data with CBMS data as part of the eligibility determination process; (b) reviewing counties' and medical assistance sites' data input and monitoring their supervisory reviews; and (c) expanding the CBHP training and technical assistance provided to counties and medical assistance sites to emphasize the issues identified, such as CBMS income calculations.	Agree	February 2010 through December 2013
63	III - 45	The Department of Health Care Policy and Financing should ensure compliance with federal regulations governing Medicaid and CBHP programs by (a) ensuring that all Medicaid applications include the citizenship and identity documentation required by the Deficit Reduction Act (DRA) prior to approving or denying eligibility for Medicaid, (b) maintaining DRA documentation received with Medicaid applications in CBHP case files, and (c) working with the Centers for Medicare and Medicaid Services to ensure the appropriateness of the Department's corrective action plan for implementing the DRA as it affects CBHP.	Agree	January 2010 through December 2013

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
64	III - 50	The Department of Health Care Policy and Financing should ensure that all program processing requirements for Medicaid and CBHP eligibility are met by (a) using existing mechanisms, such as CBMS reports and the Monitoring and Quality Unit, to identify all cases, including long-term-care cases, which exceed processing guidelines and (b) working with county departments of human/social services and Medical Assistance sites to improve the application processing timeliness by offering technical assistance that focuses on the cause of untimely processing to ensure that new cases and redeterminations for Medicaid and for the CBHP program are processed within state and federal guidelines.	Agree	February 2010 through December 2013
65	III - 53	The Department of Health Care Policy and Financing should improve its controls over the calculation and reporting of family planning expenditures under the Medicaid Managed Care Program by (a) completing its review of the methodology used to calculate and report family planning expenditures and developing and implementing written policies and procedures for the methodology; (b) training all staff on the policies and procedures involved with the methodology; (c) maintaining all supporting documentation used for the calculation of the family planning expenditures; (d) ensuring that supervisors review the data used, the calculations, and the supporting documentation for compliance with the established methodology prior to submission of reports to the federal government; (e) ensuring all data from the State's accounting system, COFRS are extracted in a consistent manner and in accordance with policies and procedures; and (f) submitting the Department's methodology for calculating and reporting Family Planning expenditures to the federal government for approval, as appropriate.	Agree	a. June 2010 b. July 2010 c. June 2010 d. June 2010 e. June 2010 f. Implemented
66	III - 56	The Department of Health Care Policy and Financing should improve controls over payments to laboratory providers for the Medicaid program by (a) ensuring that MMIS edits necessary for accepting complete certification information from providers are working as intended to ensure compliance with the Clinical Laboratory Improvement Amendment (CLIA) requirements; (b) until system edits can be completed, establishing an alternative method to verify that only providers with CLIA certification are receiving payment through the Medicaid program; and (c) identify and recover any payments erroneously made to laboratories that were not CLIA-certified.	Agree	a. July 2011 b. December 2009 c. March 2010
67	III - 59	The Department of Health Care Policy and Financing should improve controls over occupational and physical therapy claims processed through MMIS by working with Affiliated Computer Services, Inc., and policy staff to ensure that the resolution text related to these claims is consistent with Department policy, including the requirement to receive authorization prior to processing these claims when the annual service limit has been reached.	Agree	December 2009

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
68	III - 61	The Department of Health Care Policy and Financing should improve controls in the Medicaid program over the date of death match process by (a) developing formal, written procedures that outline the process for performing the data match, the schedule and frequency for conducting the match, and the process for recovering payments that appear unallowable and (b) continuing to work to recoup erroneous payments identified through the date-of-death match process conducted by the Department and during our Fiscal Years 2008 and 2009 audits.	Agree	a. December 2009 b. November 2009
69	III - 63	The Department of Health Care Policy and Financing should improve its monitoring and reporting of the State Survey and Certification grant, by ensuring that (a) all expenditures are properly recorded and included in the monitoring of grant awards and expenditures, (b) the review of supporting documentation for expenditures is adequate to identify and correct errors, and (c) the federally approved indirect cost rate is applied to indirect cost expenditures when determining the amount of reimbursement to request from the federal government.	Agree	April 2010
70	III - 65	The Department of Health Care Policy and Financing should improve its controls over the Medicare Supplementary Medical Insurance Benefits (SMIB) program to ensure the accuracy of, and proper support for, federal reporting and reimbursements by (a) training all staff involved in the SMIB program on the program policies and procedures; (b) ensuring that all program staff and their supervisors are cross-trained in program and accounting areas and that their supervisors perform adequate reviews; and (c) developing an automated reporting system for SMIB reporting, including performing adequate testing of the new system to ensure that it is operating as intended prior to implementation.	Agree	a. August 2010 b. August 2010 c. July 2010
71	III - 69	The Department of Health Care Policy and Financing should ensure compliance with federal regulations governing payments to providers for the Disproportionate Share Hospitals and the Upper Payment Limits by (a) ensuring that the Medicaid State Plan contains the current methodology used to calculate payments to providers and that the methodology has been approved by CMS prior to implementing the methodology and making payments to providers, (b) following up with the Centers for Medicare and Medicaid Services (CMS) about the allowability of payments calculated under the revised methodology and paid before the Department had obtained CMS approval of the revised methodology, and (c) performing periodic reviews of providers classified as publicly owned to ensure that these providers meet the definition of a publicly owned provider and maintaining supporting documentation of the reviews.	a. Agree b. Disagree c. Partially Agree	a. Implemented and Ongoing b. Not Applicable c. Implemented and Ongoing

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
72	III - 72	The Department of Health Care Policy and Financing should improve its controls over expenditures by strengthening its supervisory review process to ensure the accuracy of expenditure allocations among Medicaid, the Children's Basic Health Plan, and the Old Age Pension program, and request reimbursement for the \$22,000 in federal funds identified in the audit.	Agree	April 2010
73	III - 74	The Department of Health Care Policy and Financing should improve MMIS user access controls by immediately implementing our prior year recommendation and strengthening MMIS's operating system, including (a) evaluating MMIS user access profiles and identifying those profiles, or combinations of profiles, that are appropriate for different system users. This information should be shared with the supervisors of MMIS users; (b) establishing a written procedure that HCPF IT security staff follow when MMIS access is requested; (c) ensuring that profiles or profile combinations that provide escalated system privileges are identified and tightly controlled, including the establishment of compensating controls; (d) periodically reviewing MMIS user access levels for appropriateness and promptly removing access for terminated users, including comparing active MMIS users to termination information contained in the Colorado Personnel Payroll System and requiring business managers to annually verify the accuracy and relevance of access levels belonging to the MMIS users they supervise; and (e) strengthening the configuration of the MMIS operating system by implementing the recommendations made under separate cover.	Agree	a. March 2010 b. January 2010 c. May 2010 d. May 2010 e. February 2010
74	III - 80	The Department of Health Care Policy and Financing should ensure that Medicare is the primary payer on claims processed through MMIS for dual-eligible Medicaid clients by (a) reviewing and revising its policies, as necessary, to require providers to submit a Medicare explanation of benefits for paper claims after Medicare makes a payment determination; (b) analyzing the paid claims for all clients whose eligibility changed from Medicaid-only to dual-eligible, identifying claims for which recovery should be sought, and instituting recovery action; (c) instituting a quarterly audit of all claims paid for dual-eligible clients and identifying claims that may have been paid incorrectly; and (d) enhancing its effort to educate providers about the Department's billing policies and processes for claims associated with dual-eligible clients.	Agree	a. December 2011 b. Implemented c. Implemented d. March 2010 and Ongoing
75	III - 84	The Department of Health Care Policy and Financing should review its policy that excludes certain procedures from the Medicare lower of pricing logic to assess the appropriateness of these exclusions, particularly related to cost-control strategies for the Medicaid Program.	Agree	January 2011

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
76	III - 87	The Department of Health Care Policy and Financing should improve controls to prevent Medicaid payments for services to deceased individuals by (a) periodically evaluating the effectiveness of methods used to identify payments made for services provided after a client's death and implementing changes to these methods, as necessary; (b) working with its contractor, Health Management Systems, to expand data matches and recoveries for claims paid after a client's death to include oxygen services and other rental supplies; (c) continuing to investigate the claims identified by this audit that were paid for services provided after the date of death recorded in CDPHE's or the Department's files for Medicaid clients; and (d) enhancing its efforts in educating providers on claims payment issues surrounding clients' date of death, including proper death notification and billing for services provided during the month of death.	a. Agree b. Agree c. Partially Agree d. Agree	a. July 2010 b. July 2011 c. July 2010 d. June 2010 and Ongoing
77	III - 94	The Department of Health Care Policy and Financing should improve its monitoring of and communication with Medicaid durable medical equipment and supplies providers by (a) performing periodic clinical reviews of providers, preferably on-site, to assess whether claims paid by the Medicaid Program meet medical necessity, prior authorization, and other clinical requirements.; (b) developing uniform standards for providers to follow for the purchase and billing of new and used equipment and related-party purchases and referrals; (c) regularly updating its provider manual and bulletins to include detailed information about providers' responsibilities for maintaining documentation in each client's medical record; and (d) strengthening communication with providers and educating them about the Medicaid Program and technical assistance available to them from the Department and its contractors.	a. Partially Agree b. Agree c. Agree d. Agree	a. Ongoing b. June 2010 c. March 2010 d. November 2009 and Ongoing
78	III - 98	The Department of Health Care Policy and Financing should improve its oversight of Medicaid laboratory and radiology providers by (a) performing periodic clinical reviews, preferably on-site, of laboratory and radiology providers to assess whether providers comply with the six criteria established in state regulations related to laboratory and radiology services; (b) periodically reviewing laboratory and radiology claims to ensure that it has not double paid for the technical and professional components of these services; and (c) developing utilization and cost trend reports.	a. Partially Agree b. Agree c. Agree d. Agree	a. Ongoing b. October 2009 c. October 2009 d. July 2011

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**RECOMMENDATION LOCATOR**

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<b>Rec. No.</b>	<b>Page No.</b>	<b>Recommendation Summary</b>	<b>Agency Response</b>	<b>Implementation Date</b>
79	III - 105	The Department of Health Care Policy and Financing should strengthen contract provisions and its monitoring of contractors responsible for performing prior authorization reviews of durable medical equipment and supplies requested for Medicaid clients by (a) standardizing the requirements in its contracts related to prior authorization and medical necessity activities for durable medical equipment and supplies; (b) strengthening the contracts by defining the qualifications of staff performing prior authorization and medical necessity functions; (c) implementing a formal oversight program for each of its prior authorization contractors, including on-site visits; (d) requiring its prior authorization contractors to standardize how providers submit prior authorization requests, including the use of electronic processing and interfaces; (e) assessing whether consolidating prior authorization functions under one contract would be cost-effective.	a. Agree b. Partially Agree c. Agree d. Agree e. Agree	July 2010
80	III - 109	The Department of Health Care Policy and Financing should hold its management staff accountable for the effectiveness of its data systems and for timely, accurate, and complete responses to audit and other information requests by oversight agencies.	Partially Agree	Implemented
81	III - 120	The Department of Health Care Policy and Financing should ensure a comprehensive and uniform assessment process for determining functional eligibility and the services necessary to address the needs of individuals seeking long-term care services by (a) improving written guidance to direct Single Entry Point (SEP) agencies on all aspects of the intake, functional assessment, and service planning processes, including how case managers should document information in the Benefits Utilization System; (b) modifying State Medicaid Rules to more clearly define how to score functioning when the individual uses an assistive device, and making appropriate corresponding changes to the Department's functional assessment instrument; (c) strengthening its state-sponsored training by making standard core training courses available to all SEP agencies; and (d) setting minimum standards for SEP agencies' quality assurance and case file review practices. Standards should include steps for measuring inter-rater reliability of functional assessment scoring and for systematically compiling, reporting, and addressing systematically compiling, reporting, and addressing the results of the case file reviews.	Agree	October 2009

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
82	III - 127	The Department of Health Care Policy and Financing should ensure eligible individuals have timely access to Medicaid long-term care services by developing an integrated approach to monitor the timeliness of all components of the eligibility determination process, identify problems, and make improvements by (a) providing clear and consistent written guidance to SEP agencies regarding how the timeliness of the functional assessment and other processes will be measured; (b) making improvements to the Benefits Utilization System to capture all dates necessary to evaluate the timeliness of SEP agencies' intake and functional assessment processes; (c) providing written guidance to ensure county Medicaid technicians consistently and accurately capture the start of the Medicaid application processing timeframe in CBMS; (d) making changes to weekly reports in CBMS to identify all pending Medicaid long-term care applications that exceed required processing timeframes and compile summary statistics on the timely processing of Medicaid applications by county and statewide; (e) working with the disability determination contractor and county departments of human/social services to investigate and address the underlying factors contributing to delays in transmitting disability applications; (f) capturing and analyzing data on an ongoing basis to monitor and evaluate how long it takes eligible individuals to gain access to Medicaid long-term care services from the time they first enter the system; and (g) establishing an overall goal or timeframe for determining whether access to long-term care services is timely.	Agree	<ul style="list-style-type: none"> <li>a. October 2009</li> <li>b. December 2009</li> <li>c. Spring 2009</li> <li>d. Contingent upon available funding and joint prioritization with the Department of Human Services</li> <li>e. June 2009</li> <li>f. October 2010</li> <li>g. Ongoing</li> </ul>
83	III - 132	The Department of Health Care Policy and Financing should ensure that reports submitted to the federal government regarding the Home and Community Based Services (HCBS) waivers are accurate and complete by (a) developing procedures to review the accuracy of CMS-372 reports and the underlying data prior to submitting the reports to CMS and (b) completing its research on the discrepancy identified during the audit regarding the Fiscal Year 2007 CMS-372 report for the Elderly, Blind, and Disabled Waiver and submitting a corrected report to CMS as necessary.	Agree	June 2009
84	III - 134	The Department of Health Care Policy and Financing should improve monitoring and oversight of its interagency agreement with the Division to ensure compliance with agreement provisions, as well as with federal requirements. The Department should make monitoring improvements to ensure the Division (a) develops clear, written fiscal and administrative procedures for the HCBS-DD waiver program; (b) provides timely training and technical assistance to the CCBs; and (c) monitors service provision, quality, and financial accountability.	Agree	June 2010

## RECOMMENDATION LOCATOR

<b>Rec. No.</b>	<b>Page No.</b>	<b>Recommendation Summary</b>	<b>Agency Response</b>	<b>Implementation Date</b>
85	III - 136	The Department of Health Care Policy and Financing should improve controls over updating Medicaid provider licenses in MMIS by (a) ensuring that all Medicaid providers required to have a license have current license information entered into MMIS, (b) continuing to develop and implement a plan to automate the process for updating licenses for providers participating in the Medicaid program, and (c) developing a process for obtaining all current licenses for all out-of-state providers.	Agree	December 2010
86	III - 138	The University of Colorado should implement review procedures at University of Colorado at Denver over the Return of Title IV calculations.	Agree	August 2009
87	III - 142	Colorado State University - Pueblo should develop policies and procedures to help assure that institutionally scheduled breaks are excluded from its calculation of amount earned for the return of Title IV funds for students who have withdrawn and have been recipients of Title IV grant or loan assistance.	Agree	September 2009
88	III - 143	Colorado State University - Pueblo should implement a review process to assure the amounts reported on the Fiscal Operations Report and Application to Participate (FISAP) are reconciled to both the financial aid and financial reporting systems prior to the October 1 submission of the FISAP report. Differences noted on such reconciliations should be investigated and documented on a timely basis.	Agree	October 2010
89	III - 145	Colorado State University should ensure that discrepancies in federal grant information are investigated and addressed on a timely basis. Furthermore, any required changes should also be communicated timely to subrecipients. Differences in the Catalog of Federal Domestic Assistance (CFDA) number should be discussed by Colorado State University and the awarding agency to resolve the discrepancy in a timely manner.	Agree	September 2009
90	III - 147	The University of Northern Colorado should ensure that federal requirements for return of funds under federal Title IV are met by improving the process for calculating the number of days per semester by ensuring proper withdrawal dates are used in calculations, and implementing a review process for adjustments to student accounts.	Agree	July 2009
91	III - 149	The Colorado School of Mines should develop policies and procedures to assure that the calculation of amounts earned for withdrawn students who are receiving Title IV loan or grant assistance excludes institutionally scheduled breaks.	Agree	September 2009

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
92	III - 151	The Colorado School of Mines should implement a review process that includes a detailed review prior to the submission of the FISAP and approval by an individual other than the person preparing the report. The review should be formally documented by the reviewing individual.	Agree	September 2009
93	III - 152	The Colorado School of Mines should use the <i>Excluded Parties List System (EPLS)</i> system to verify subrecipients (subcontracts and vendors) have not been suspended or debarred and obtain amendments to all subcontract agreements entered into prior to the addition of the certification clause in the standard federal subcontract agreement template.	Agree	July 2009
94	III - 154	The Colorado School of Mines should assure that its existing review policies are strictly adhered to for documenting supervisory review of project summary sheets and financial reports for federally funded projects.	Agree	July 2009
95	III - 155	The Colorado School of Mines should implement policies and procedures to increase the frequency of reporting to the National Student Clearinghouse from once a month to twice a month, as well as to establish internal policies and procedures to assure all changes in student status are dealt with in the 60-day reporting requirement.	Agree	November 2009
96	III - 158	Colorado Community College System (CCCS) should work with Northeastern Junior College (NJC) to strengthen controls over the cash management process and establish segregation of duties so that no one person has the ability to calculate the amount to request for reimbursement, and submit for reimbursement, and approve the request and associated journal entry.	Agree	September 2009
97	III - 160	Western State College should improve the internal controls over bank accounts by (a) modifying and implementing policies and procedures that ensure the proper segregation of duties for all bank accounts and (b) establishing electronic funds transfers for these accounts with appropriate segregation of duties.	Agree	June 2010
98	III - 162	Colorado Student Loan Program dba College Assist should establish procedures to periodically test the accuracy and completeness of the default aversion rebate reports from Nelnet Guarantor Solutions (NGS) to ensure the proper functioning of the new system.	Agree	January 2010

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
99	III - 165	CollegeInvest should strengthen its processes for monitoring its third party service provider with respect to the 9.5 percent SAP-eligible loans. Specifically (a) properly document its internal controls over tracking 9.5 percent SAP-eligible loan balances in order to comply with the requirements of the Department, (b) retain all source documents related to its comparison of data provided by Nelnet to the actual LaRS/799 reports submitted to the United States Department of Education, and (c) reconcile the LaRS/799 filings with the population certified by the independent audit firm and re-perform the extraction of eligible loan data to ensure correct filings with the Department.	a. Disagree b. Agree c. Partially Agree	a. Not Applicable b. Ongoing c. October 2009
100	III - 172	The Department of Human Services should continue to work with the county departments of human/social services to ensure the accuracy of SNAP/Food Assistance program eligibility determinations and benefits by (a) monitoring the counties' maintenance of case file documentation, data entry, and follow up on Income, Eligibility, and Verification System (IEVS) discrepancies and (b) ensuring that county review reports are provided to the counties within 60 days of completing the review and that corrective action plans are obtained from the counties within 30 days of the report.	Agree	Implemented and Ongoing
101	III - 174	The Department of Human Services should continue to work with the counties to ensure that applications for SNAP/Food Assistance benefits are processed within federal and state requirements.	Agree	Implemented and Ongoing
102	III - 178	The Department of Human Services should continue to work with the county departments of human/social services to ensure the accuracy of eligibility determinations and benefit payments for the Temporary Aid for Needy Families/Colorado Works (TANF) program by monitoring and reviewing counties' case file documentation and data entry.	Agree	Ongoing
103	III - 182	The Department of Human Services should improve controls over the Child Support Enforcement program by (a) ensuring that counties document all relevant information, including medical coverage information, according to federal and state regulations; (b) correcting the programming error in the Automated Child Support Enforcement System (ACSES) to ensure timely attempts to locate non-custodial parents; (c) ensuring that counties enforce medical support obligations by using the National Medical Support Notice, where appropriate; (d) ensuring that counties conduct interstate referrals within federally required timeframes; and (e) finalizing and implementing guidelines that define "diligent effort" for service of process.	Agree	a. July 2010 b. Implemented c. Implemented d. September 2010 e. March 2010

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
104	III - 185	The Department of Human Services should strengthen controls over the reporting process for the federal Social Services Block Grant (SSBG) by (a) ensuring staff preparing reports are adequately trained on the reporting requirements, (b) ensuring that reports are reviewed by a supervisor prior to being submitted, and (c) correcting and resubmitting the 2008 "Post-Expenditure Report" to the federal awarding agency.	Agree	June 2009
105	III - 187	The Department of Human Services should ensure that staff are aware of all federal requirements that must be met for funds transferred from the TANF program to the SSBG program.	Agree	January 2011
106	III - 190	The Department of Human Services should strengthen controls over case file documentation for the Title IV-E Adoption Assistance program by using training and monitoring programs to ensure that county case workers are aware of all eligibility requirements of the Adoption Assistance program and maintain all required documentation in the case files.	Partially Agree	January 2010
107	III - 194	The Department of Human Services should ensure, through continued monitoring and training, that the counties are obtaining and maintaining in the case files all the documents required to demonstrate families' eligibility for Child Care and Development Program Cluster subsidies under the Colorado Child Care Assistance Program.	Agree	October 2009, with full implementation by November 2010
108	III - 195	The Department of Human Services should ensure that it has procedures in place to identify and monitor federal earmarking requirements related to Child Care and Development Program Cluster funds and makes use of the mechanisms it has in place to track and report compliance.	Agree	November 2009
109	III - 197	The Department of Human Services should improve controls related to manual overrides of Colorado Child Care Assistance Program (CCCAP) eligibility determinations within the Child Care Automated Tracking System (CHATS) by (a) completing the drafting and implementation of rules governing the acceptable reasons for overrides and documentation required at the counties to support them and (b) monitoring overrides through the use of reports that identify state and county trends and irregularities, and ensuring proper follow-up.	Agree	a. April 2010 b. October 2009

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**RECOMMENDATION LOCATOR**

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<b>Rec. No.</b>	<b>Page No.</b>	<b>Recommendation Summary</b>	<b>Agency Response</b>	<b>Implementation Date</b>
110	III - 199	The Department of Human Services should ensure that county departments of human/social services properly authorize child care for CCCAP participants by (a) promulgating rules to clarify that counties shall authorize only the amount of child care needed by CCCAP families based on their schedule of eligible activities and (b) working with the counties to improve their internal control systems, such as requiring counties to conduct monthly CCCAP case file reviews to identify errors in their case management and their causes and require corrective actions to prevent future errors.	Agree	April 2010
111	III - 201	The Department of Human Services should improve the review of CCCAP provider attendance records by county departments of human/social services by (a) providing guidance to the counties on how to select samples of providers' attendance sheets for review and (b) revising Department regulations to require that counties implement a risk-based approach for conducting the reviews.	Agree	a. May 2010 b. April 2010
112	III - 204	The Department of Human Services should improve its oversight of quality initiative spending for CCCAP by county departments of human/social services by (a) auditing the \$2.8 million transaction we identified as a potential questioned cost to ensure that the expenditure was made in accordance with all applicable requirements; (b) requiring counties to institute formal grant processes for distributing quality initiative funds to child care providers and reviewing the counties' grant processes to ensure that counties distribute and monitor funds appropriately; (c) ensuring that its guidance to counties on the allowability of types of quality initiative expenditures reflects current Department policy and federal requirements; and (d) clarifying whether administrative expenses and paying for the expenses of other programs such as Head Start are appropriate uses of county quality initiative funds and, if so, establishing limits for such expenses.	Agree	a. December 2009 b. January 2010 c. December 2009 d. January 2010
113	III - 207	The Department of Human Services should improve controls over the preparation of the Exhibit K and supporting documentation by (a) developing formal, written procedures for preparing the Exhibit K and related supporting documentation; (b) ensuring adequate supervisory review of the Exhibit K and supporting documentation; and (c) continuing to provide training to staff who prepare the Exhibit K and the supporting documentation.	Agree	September 2010

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## RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
114	III - 211	The Department of Human Services should improve its oversight of Title IV-E child welfare funds by (a) reimbursing the Ute Mountain Ute Tribe only for the costs of foster care services provided to children previously determined to be eligible under federal Title IV-E, (b) discontinuing the practice of implementing hold harmless agreements with the Ute Mountain Ute Tribe that allow the Tribe to receive reimbursements for the costs of foster care services provided to children determined to be ineligible under federal Title IV-E, (c) including appropriate reimbursements to the Ute Mountain Ute Tribe in the Department's federal Title IV-E reimbursement claims to the federal government, and (d) documenting in writing the compensating controls for ensuring that signed checks given to program staff are distributed appropriately to payees or discontinuing the practice of giving signed checks to program staff for distribution.	a. Agree b. Agree c. Disagree d. Agree	a. July 2009 b. July 2009 c. Not Applicable d. March 2010
115	III - 213	The Department of Human Services should conduct ongoing monitoring to ensure that counties and child placement agencies are verifying that foster care providers are U.S. citizens or legal permanent residents of the United States.	Agree	February 2010
116	III - 216	The Department of Human Services should improve oversight of child placement agencies for the foster care program by (a) continuing testing and implementing risk-based schedules for licensing and monitoring child placement agencies, (b) establishing and implementing policies to fully document all key areas reviewed during licensing and monitoring visits and to retain the supporting documentation, and (c) evaluating current licensing and monitoring procedures to identify and eliminate duplication.	Agree	May 2010
117	III - 219	The Department of Human Services should improve controls over administrative foster care funds expended by child placement agencies (CPAs) by (a) evaluating the substance of the relationship between counties and CPAs based on OMB <i>Circular A-133</i> criteria and concluding on whether CPAs should be considered vendors or subrecipients, (b) implementing requirements for audits of CPAs in accordance with the determination suggested in part "a" of the recommendation, (c) establishing procedures to review the CPA audits and follow up on any findings identified, (d) evaluating options for reviewing the allowability and appropriateness of CPA expenditures made with child welfare funds, and (e) including examples of unallowable costs in regulations.	a. Agree b. Agree c. Agree d. Agree e. Disagree	a. June 2010 b. September 2010 c. May 2010 d. May 2010 e. Not Applicable

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
118	III - 222	The Department of Human Services should ensure that county departments of human/social services pay foster care rates that reflect the foster child's level of care and service needs by (a) continue working with counties to develop and implement a validated, statewide level-of-care assessment tool; (b) updating the Trails system to include fields for recording the child's level of care and requiring counties to include this information in Trails whenever they enter new provider rates; and (c) conducting periodic file reviews at counties and analysis of actual rates paid by counties to ensure they are using level-of-care tools to assist with setting and negotiating appropriate foster care rates.	Agree	June 2010
119	III - 225	The Department of Human Services should establish a process to prioritize foster care case reviews that have not been completed within a predetermined period, such as a year.	Partially Agree	January 2010
120	III - 229	The Department of Human Services should improve its internal controls over purchasing cards by (a) continuing to train approving officials and cardholders on their responsibilities to ensure compliance with Department policy and imposing consequences for policy violations; (b) updating all written purchasing card policies to indicate that recurring, automatic charges and payments are prohibited purchases, clearly communicating this requirement to all card holders, and ensuring that all established automatic payments currently being processed are identified and deactivated by the cardholders; (c) utilizing the automated violation tracking system's reporting function to monitor the results of the Department's internal purchasing card audits and ensuring the actions taken by approving authorities in response to cardholder violations are adequate; (d) ensuring purchasing card accounts are closed in a timely manner upon employee termination; and (e) coding all procurement card purchases accurately in COFRS.	a. Agree b. Partially Agree c. Agree d. Agree e. Agree	April 2010
121	III - 233	The Department of Human Services should strengthen controls over travel expenditures by (a) ensuring that employees and supervisors are consistent in their compliance with existing State and Department travel policies, through continuing periodic training and enforcement; (b) recovering identified overpayments from employees; and (c) considering using its internal audit function to conduct periodic reviews to ensure compliance with State Fiscal Rules and Department policies over travel.	Agree	a. February 2010 b. June 2010 c. February 2010
122	III - 236	The Department of Human Services should strengthen its controls over the telecommunications payment process by ensuring that all divisions and programs perform monthly reviews of their telecommunications bills in the Telecommunications Financial Management System (TFMS) and submit signed certifications and any identified errors to Central Accounting.	Agree	April 2010

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
123	III - 238	The Department of Human Services should improve controls over the indirect cost process by (a) submitting the Fiscal Year 2009 Amendment to the Public Assistance Cost Allocation Plan (PACAP); (b) correcting the allocation of indirect costs for Fiscal Year 2009 according to the final 2008 and 2009 Amendments to the PACAP, after federal approval; (c) ensuring future PACAP amendments are submitted within the required timeframes, or certification statements are submitted within 60 days of the end of the fiscal year, whichever is applicable and in accordance with federal regulations.	Agree	a. May 2010 b. May 2010 c. June 2010
124	III - 242	The Department of Human Services should seek guidance from the U.S. Department of Veterans Affairs on the appropriate use of grant funds for construction costs that have been deferred through an Energy Performance Contract lease.	Agree	March 2010
125	III - 245	The Department of Human Services should improve general computer controls over Trails and CHATS by (a) hardening system configuration settings for Trails as recommended under separate cover; (b) promptly removing user access for terminated employees and strengthening procedures to ensure that employee termination notifications are initiated and acted upon in a timely manner; (c) requiring supervisors to annually verify the accuracy and relevance of user access for the employees they supervise; (d) identifying and documenting Trails and CHATS user profiles that, when combined, provide incompatible system privileges; and (e) implementing password parameters that comply with State Cyber Security Policies.	Agree	a. May 2010 b. May 2010 c. May 2010 d. November 2010 e. November 2010
126	III - 252	The Department of Human Services, Division for Developmental Disabilities should improve controls to ensure service plan documentation is sufficient to support the service request and subsequent payments. Specifically, the Department should work with the Department of Health Care Policy and Financing to (a) develop standardized guidelines for documenting the frequency and duration of services in service plans to support service requests and payments; (b) implement additional edits in the BUS system requiring that CCBs enter service frequency information before exiting the service plan document, and automating the calculation of total service units approved; and (c) eliminate duplicate data entry of service requests in the CCMS and BUS systems by automatically populating the service request in CCMS from the service plan information contained in the BUS system.	Agree	a. December 2009 b. November 2009 c. October 2009

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
127	III - 258	The Department of Human Services, Division for Developmental Disabilities should improve its processes for selecting HCBS-DD service plans for review to ensure clients receive only the services necessary, in amounts sufficient to address their needs. Specifically, the Department should (a) ensure that criteria used for selecting service plans for review are documented, based on best practices in service provision, and are set at levels that will effectively identify high-risk or high-cost services for review; (b) develop risk- and sample-based review processes that will provide better coverage of the universe of requests and reduce the predictability of the service request review and approval process; and (c) automate the flagging of service requests for review to eliminate errors in the manual selection process.	Agree	October 2009
128	III - 263	The Department of Human Services, Division for Developmental Disabilities should improve its processes for reviewing service requests to ensure that an adequate basis exists for its approval and denial decisions and that clients are treated equitably. Specifically, the Department should (a) establish a standardized process, including a checklist or other review protocol for reviewers to follow, for conducting and documenting reviews and for clearly communicating reasons for service denials to CCBs; (b) implement an automated mechanism to track data on the number of reviews conducted, the number of and reasons for denials and reductions in service, and the number of service requests that are re-submitted and re-reviewed; (c) reassess and revise job descriptions and qualification requirements for service request reviewers to ensure that individuals performing reviews are qualified and authorized to make approval and denial decisions; and (d) develop a process for supervisory review of service request reviews.	Agree	a. December 2009 b. Re-evaluate resources annually c. December 2009 d. December 2009
129	III - 267	The Department of Human Services, Division for Developmental Disabilities should develop and implement policies and procedures for a post-payment review system to ensure that payments for HCBS-DD waiver services are appropriate, allowable, and provided by qualified providers. Specifically, the Department should (a) develop a risk-based post-payment review process that incorporates a sampling approach to review claims paid; (b) use automated tools to identify payments made for unallowable services or non-approved providers; and (c) revise billing policies and procedures as necessary based on patterns of errors identified during post-payment review.	Agree	October 2009
130	III - 268	The Department of Health Care Policy and Financing and the Department of Human Services, Division for Developmental Disabilities should work together to develop standards for the types of documentation that providers must maintain for each type of service provided.	Agree	December 2009

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
131	III - 270	The Department of Health Care Policy and Financing and the Department of Human Services, Division for Developmental Disabilities should reassess whether targeted case management and the client questionnaires serve as effective tools for validating HCBS-DD payments.	Agree	June 2010
132	III - 272	The Department of Human Services, Division for Developmental Disabilities should establish mechanisms for monitoring the implementation and operation of appropriate fiscal controls to ensure accountability for services and payments. Specifically, the Department should (a) develop and issue a comprehensive, written policy and procedures manual for CCBs and update the manual on a routine basis; (b) provide training on the policy and procedures manual to the CCBs; and (c) establish a comprehensive system of ongoing monitoring and evaluation of payment controls as discussed above.	Agree	December 2009
133	III - 274	The Department of Human Services should take immediate steps to correct the system problems related to inappropriate restoration payments and enforcement of sanctions in the Colorado Benefits Management System to lessen the risk of errors in benefit payments.	Agree	December 2009
134	III - 274	The Department of Human Services should ensure that SNAP/Food Stamps redeterminations and Change Report Forms are processed within federal and state guidelines, as applicable.	Agree	December 2009
135	III - 274	The Department of Human Services should strengthen controls over the Low Income Energy Assistance Program (LEAP) program by (a) ensuring that eligibility is determined in a timely manner and vendors are contacted when required; (b) ensuring that required documentation is obtained to support LEAP eligibility, benefit determination, and Estimated Home Heating Cost changes by performing a periodic review of case files; (c) strengthening supervisory review process over data entry by instituting an effective supervisory review process; and (d) instituting a programming change to the LEAP system documenting when a change occurs to Estimated Home Heating Cost by including record of the initial heat costs.	Agree	September 2009

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**RECOMMENDATION LOCATOR**

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<b>Rec. No.</b>	<b>Page No.</b>	<b>Recommendation Summary</b>	<b>Agency Response</b>	<b>Implementation Date</b>
136	III - 274	The Department of Human Services should improve controls related to manual overrides of Colorado Child Care Assistance Program eligibility determinations within the Child Care Automated Tracking System (CHATS) by (a) developing rules governing the acceptable reasons for overrides and documentation required at the counties to support them; (b) requiring that the counties establish supervisory review and approval for all overrides; (c) ensuring county case managers and supervisors are adequately trained in proper procedures for overrides; (d) building automatic supervisory review, approval, and reporting capabilities into the CHATS replacement system; (e) monitoring overrides through the use of reports that identify state and county trends and irregularities, and ensuring proper follow-up; and (f) following up on information provided to the Department from our audit on the high rate of overrides within one county.	Agree	July 2009
137	III - 274	The Department of Human Services should ensure that county departments of human/social services properly authorize child care for Colorado Child Care Assistance Program (CCCAP) participants by (a) promulgating rules to clarify that counties shall only authorize the amount of child care needed by CCCAP families based on their schedule of eligible activities, (b) working with counties to improve the counties' internal control systems, (c) improving its monitoring of the counties' CCCAP operations by revising its county case file review process to include developing a risk-based approach that reviews those counties that manage larger CCCAP caseloads and determines why counties make errors, and (d) requiring that counties submit corrective action plans to address problems identified in part "c" and following up on these plans as appropriate.	Agree	July 2009
138	III - 274	The Department of Human Services should improve the review of Colorado Child Care Assistance Program provider attendance records by county departments of human/social services by (a) verifying that counties are conducting the reviews in accordance with Department regulations during the Department's monitoring reviews, (b) providing guidance to the counties on how to select samples of providers' attendance sheets for the reviews, and (c) revising Department regulations to require that counties implement a risk-based approach for conducting the reviews.	Agree	July 2009

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
139	III - 274	The Department of Human Services should improve its oversight of county-owned child care providers to ensure an arm's-length bargaining relationship between counties and their county-owned providers and to provide assurance that Colorado Child Care Assistance Program payments are reasonable and necessary by (a) reviewing and approving all rates negotiated between the county department of human/social services and the county-owned provider, (b) requiring Prowers County to immediately renegotiate the current slot contract between Prowers County and its county-owned child care center to ensure that the contracts do not pay for more slots than are needed and that the slot rates do not exceed the center's private-pay rates and are reasonable, and (c) considering increasing its audit coverage of Prowers County using the Department's Audit Division and current resources until the problems with its county-owned child care center have been resolved.	Agree	July 2009
140	III - 274	The Department of Human Services should improve information for evaluating county administrative and case management costs in the child welfare allocation model by (a) working with counties to identify and evaluate options for using or modifying existing systems to improve cost information and (b) using the improved cost information to analyze administrative and case management costs in the program services cost driver and considering allocating funds for administrative and case management costs in the child welfare allocation model separately.	Partially Agree	October 2009
141	III - 276	The Department of Labor and Employment should improve controls over reporting federal expenditures and the preparation of the Exhibit K by (a) developing formal, written procedures for preparing the Exhibit K and supporting documentation and (b) ensuring adequate documented supervisory review of the Exhibit K and supporting documentation.	Agree	September 2010
142	III - 279	The Department of Labor and Employment should establish policies and procedures to ensure BAM reviews include documentation of adequate supervisory reviews and complete the required numbers of reviews for calendar year 2008 and subsequent years.	Agree	June 2010
143	III - 281	The Department of Labor and Employment should ensure customized reports accurately accumulate federal expenditures and implement procedures to ensure that reconciliations between total cash requests and total expenditures are completed timely.	Agree	January 2010

## RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
144	III - 284	The Department of Labor and Employment should improve controls over federal reporting by (a) instituting a secondary review and approval process to ensure amounts recorded on reports to the U.S. Department of Labor are accurately reported and supported by source documentation, (b) correcting the carry-forward balances in the Employment and Training Administration 227 report, and (c) maintaining supporting documentation of the edit checks and verification process used in preparing the Employment and Training Administration 9001 and 9091 reports as required by federal requirements.	Agree	March 2010
145	III - 292	The Colorado Department of Labor and Employment should improve the accuracy of wages paid to program participants in the WIA program by (a) developing guidance for the Regions on the elements of adequate time sheet review and approval, including steps to identify calculation errors and (b) developing and offering the workforce Regions a standard template or other tool for recording time.	Agree	December 2009
146	III - 295	The Colorado Department of Labor and employment should ensure compliance with the Recovery Act's limitation on work experience placements for the Summer Youth Program by (a) identifying any Recovery Act funds that were spent to employ youth in prohibited job categories and ensuring those funds are refunded or replaced as necessary; (b) implementing ongoing or refresher training on the Recovery Act and Summer Youth Program for Regions that plan to continue the Program in summer 2010; and (c) considering modification of its electronic client database to facilitate review and reporting of work experience job titles, if the Summer Youth Program is continued using Recovery Act funds in 2010.	Agree	a. December 2009 b. April 2010 c. April 2010
147	III - 297	The Department of Labor and Employment should ensure that payroll processing costs are allocated in accordance with federal regulations by (a) developing and issuing guidance to ensure all Regions consistently allocate payroll processing costs for work experience as a program cost, in accordance with federal regulations; (b) incorporating this guidance into its current financial internal controls review program and reviewing workforce center cost allocations to ensure compliance with federal requirements; and (c) working with workforce centers to determine the amount of payroll processing costs incorrectly charged as administrative costs and submitting revised reports to the U.S. Department of Labor.	Agree	a. December 2009 b. June 2010 c. February 2010
148	III - 302	The Department of Public Health and Environment should ensure compliance with the Special Supplemental Nutrition Program for Women, Infants and Children by taking appropriate actions against a vendor in a timely manner when compliance buy investigations disclose vendor violations. Such action includes delaying payment or imposing sanctions based upon the severity of the violation.	Agree	October 2009

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**RECOMMENDATION LOCATOR**

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<b>Rec. No.</b>	<b>Page No.</b>	<b>Recommendation Summary</b>	<b>Agency Response</b>	<b>Implementation Date</b>
149	III - 304	The Office of the State Treasurer should implement procedures for monitoring counties' compliance with the earmarking requirements of the federal Secure Payments for States and Counties Containing Federal Lands program.	Partially Agree	June 2010
150	III - 307	The Department of Transportation should track subrecipient activity based on payments made to subrecipients in each current year and obtain audits from subrecipients that have \$500,000 or more in federal funds as required by OMB <i>Circular A-133</i> .	Agree	December 2009

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# Department of Agriculture

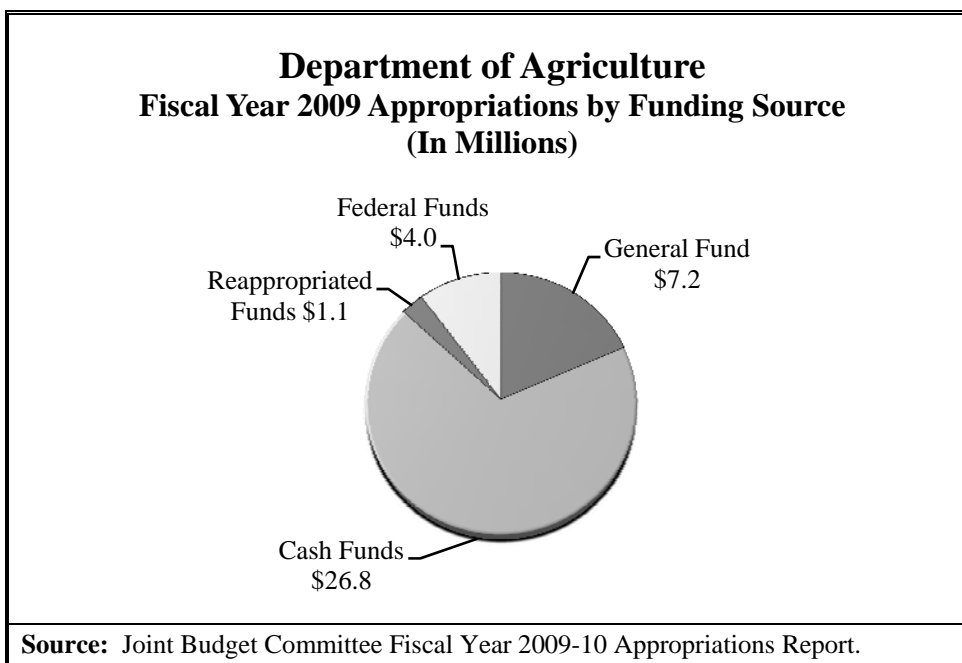
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## Introduction

The Department of Agriculture (Department) regulates, promotes and supports various agriculture activities throughout Colorado. Department personnel perform a wide range of services, including regulatory and inspection services relating to agriculture; investigations and hearings; agricultural-related policy analysis; and efforts to foster and encourage the standardizing, grading, inspection, labeling, handling, storage, and marketing of agricultural products. The Department is comprised of the following six divisions:

- Commissioner's Office and Administrative Services
- Agricultural Services Division
- Agricultural Markets Division
- Brand Board
- Colorado State Fair
- Conservation Board

In Fiscal Year 2009 the Department was appropriated approximately \$39.1 million, with 292 full-time-equivalent staff, or FTE. The following chart shows Department of Agriculture appropriations for Fiscal Year 2009 by funding source:



## Internal Controls Over Payroll

During Fiscal Year 2009, the Department spent approximately \$15.6 million on salaries and wages for approximately 292 full-time-equivalent staff, or FTE. These employees are paid through the Colorado Personnel Payroll System (CPPS) based on information entered into CPPS by human resources staff. In entering this information into CPPS, human resources staff rely on information provided by the Department's various divisions. Because in some cases an employee's salary is funded by several different divisions, each division is to report the percentage of the employee's salary that it funds. For each employee, the funding percentages should total 100. The divisions also report any changes to an employee's salary, including changes in the divisions' funding percentages and deductions or increases in an employee's salary. The reported information and changes are to be supported by the necessary documentation, such as Personnel Action Forms and time sheets.

Each month, after the payroll has been processed, Department human resources staff prepare a payroll reconciliation. This reconciliation is intended to ensure that all payroll information, including any adjustments reflecting deductions or increases in an employee's salary, was accurately entered into CPPS and is accurately reflected in the State's accounting system, COFRS.

During Fiscal Year 2009, we reviewed a sample of 40 payroll adjustments contained in the Department's November 2008 and February 2009 monthly payroll reconciliations. We identified two adjustments—one for \$626 and one for \$1,532—that were made by the Department to correct underpayments to two full-time employees. Based on discussions with Department staff, we determined that each of the employees had been underpaid for four months, beginning in July 2008, because the funding percentages provided by division staff were incomplete. Specifically, the reported funding percentages for the two employees totaled 97 percent and 91 percent, respectively, instead of 100 percent. The Department did not identify the errors until November 2008, when human resources staff reviewed the "Employee Listing" report they run quarterly. The "Employee Listing" report shows the payroll detail, along with the job-split percentages for each of the Department's employees. We determined through discussions with the Department that its monthly payroll reconciliation process does not include a review of job-split percentages to ensure that the percentages total 100 for each employee.

These payroll errors indicate a need for the Department to strengthen its payroll review procedures. Specifically, the Department should ensure that human resource staff review the payroll data provided by division supervisors, including job-split percentages, prior to inputting the data into CPPS to ensure the data's accuracy and completeness. In addition, the Department should expand its

existing monthly payroll reconciliation process to include a review of the completeness of employee job-split percentages.

(Classification of Finding: Control Deficiency.)

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### **Recommendation No. 1:**

The Department of Agriculture should improve its internal controls over payroll by:

- a. Ensuring that human resources staff review the payroll-related data provided by division supervisors for accuracy and completeness before inputting the data into the Colorado Personnel Payroll System (CPPS).
- b. Expanding the existing monthly payroll reconciliation process to include a review of employee job-split percentages.

### **Department of Agriculture Response:**

Agree. Implementation date: December 1, 2009.

The Department of Agriculture will implement business processes and internal controls to ensure that job-split percentages add up to 100 percent prior to entering into CPPS and that salaries and job-splits are reconciled.

The human resources (HR) office will review each Personnel Action Form (PAF) to confirm that job splits equal 100 percent and will initial this review and confirmation on each PAF.

The payroll officer will continue to print job screens after HR entry and ensure that all job-split percentages add up to the PAF and update the personal services budget before monthly payroll runs. Any discrepancies not captured will be handled and adjusted in a timely manner within the reporting period.

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# Department of Corrections

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## Introduction

The Department of Corrections (Department) manages the State's adult correctional facilities, youthful offender system, and the adult parole and community corrections system. In addition, the Department operates the prison canteens and Colorado Correctional Industries (CCI). The canteens provide various personal items for purchase by inmates, including hygiene items, snack foods, and phone services. CCI operates businesses that employ inmates, including furniture manufacturing facilities, metal fabrication, security cells and furnishings, modular office systems, garment shops, a leather products shop, Colorado State forms production and distribution facilities, dairy, K-9 dog training, fish farming and agri-business facilities, the State's license plate manufacturing facility, and the state surplus property program.

The Department's Fiscal Year 2009 appropriation was 6,576 full-time-equivalent staff and \$751.8 million, of which \$640.5 million, or 85 percent, was general funds. Administrative offices for the Department are located in Cañon City, Colorado and Colorado Springs, Colorado. During Fiscal Year 2009, the Department owned and operated 22 of the State's 28 correctional facilities. State-owned correctional facilities are located throughout Colorado and include sites in Buena Vista, Cañon City, Denver, Pueblo, Limon, Ordway, Delta, Rifle, Golden, Sterling, Trinidad, and Fort Lyon. The six non-state facilities are privately owned and operated and are located in Burlington, Colorado Springs, Las Animas, Olney Springs, Walsenburg, and Brush. The Department contracts with various counties or cities, which in turn subcontract with private firms, to provide correctional services at most of these facilities, with the exception of the pre-release facility located in Colorado Springs which is a direct contract with the operator. During the latter part of Fiscal Year 2009, the Department closed the Colorado Women's Correctional Facility due to budget constraints.

A high security prison (Colorado State Penitentiary II) is being constructed at the East Cañon City Complex. CCI made 967 steel cells at its metal shop for this project. The facility is being built due to the State's need for high custody beds. This facility is scheduled to be completed in the spring of 2010, but the opening is expected to be delayed beyond Fiscal Year 2011 due to budget constraints.

The following comment was prepared by the public accounting firm BKD, LLP, which performed Fiscal Year 2009 audit work at the Department of Corrections.

## **User Rights in Global Shop System**

In Fiscal Year 2009, CCI had annual sales of about \$46.3 million. In January 2008, CCI installed and implemented a modern manufacturing enterprise resource planning information system called Global Shop Solutions (Global Shop). The purpose of Global Shop is to improve and increase the efficiency of the recording and tracking of several operations, including sales order entry, customer invoicing, account receivable collections, and eventually, inventory management. As of the date of testwork, CCI had 71 individuals listed as users in Global Shop. Financial data from Global Shop is not recorded directly into the State's accounting system, COFRS; rather, COFRS is updated with the information from Global Shop via a separate journal voucher.

Within Global Shop, certain group proxies are set up to allow users access to either view reports, record transactions, or edit data once it has been initially input in regard to purchasing, billing, and inventory tracking activity. There are currently 15 group proxies, ranging from administration abilities including accounting and billing, to shop floor activity. These group proxies allow or restrict the ability of users to edit report data or view reports within Global Shop based on the user's job assignment and responsibilities.

We discovered that CCI does not have a formal, documented process for adding and removing users and assigning user rights in Global Shop. No formal support is maintained to document the request and approval of rights. In addition, CCI does not periodically perform a review of existing user rights in Global Shop to determine whether rights are representative of each employee's role and responsibilities within CCI. Unnecessary or unauthorized user privileges could result in inaccurate data being entered into Global Shop which could potentially increase the risk of misstatement due to error or fraud.

(Classification of Finding: Control Deficiency.)

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### **Recommendation No. 2:**

The Department of Corrections' Colorado Correctional Industries should improve controls over user rights in the Global Shop Solutions (Global Shop) system by:

- a. Implementing formalized policies and procedures for adding and removing users, and establishing user rights within Global Shop.

- b. Periodically performing a formally documented review of all user rights in Global Shop to determine that rights are representative of each employee's role and responsibilities within CCI.

### **Department of Corrections Response:**

Agree. Implementation date: January 1, 2010.

Colorado Correctional Industries' (CCI's) conversion to the Global Shop system took several months to complete and during that time, management authorized access without a policy. Since this oversight was identified, CCI has developed a policy "Implementation Adjustment" to the Department's Administrative Regulation, *Computer Security, Access, and Usage*. This newly adopted policy specifically documents the Global Shop physical security access process, which includes an access agreement form. The agreement serves to request, amend, or remove user rights as needed, address physical security access terms and conditions, and provide user accountability. User access information will be reviewed and approved by immediate supervisors and the CCI Division Director. The Global Shop Program Administrator will periodically perform a review of all existing Global Shop user privileges.

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# Department of Education

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## Introduction

Article IX of the Colorado Constitution places responsibility for the general supervision of the State's public schools with the Colorado State Board of Education (the Board). The Board appoints the Commissioner of Education to oversee the Department of Education (Department), which serves as the administrative arm of the Board by providing assistance to 178 local school districts and implementing administrative rules. The Department's Fiscal Year 2009 appropriation was approximately \$4.2 billion with 336 full-time-equivalent staff (FTE). Of this amount \$2.8 billion, or 67 percent, was general funds.

The following comments were prepared by the public accounting firm of BKD, LLP, which performed Fiscal Year 2009 audit work at the Department of Education.

## Management Override of Hiring Controls

Section 24-5-135, C.R.S., provides the Department exempt status from the State Personnel hiring rules for certain positions. Exempt positions within the Department are referred to as at-will employees. At-will staff generally includes positions such as directors, supervisors, instructors, or consultants. The Department is not required to post at-will staff positions; however, Department policy does require that the most qualified candidates be hired. The Department hires at-will employees as deemed necessary and documents the hiring process through the use of a completed application and a Request for Personnel and/or Position Action form (CDE-43). The CDE-43 form includes a signature line for approvals from supervisors, unit directors, budget personnel, human resources personnel, and Assistant Commissioner or Commissioner/Chief of Staff. The Department also utilizes the CDE-43 form to document the hiring of classified employees. Classified personnel represent non-exempt (from State hiring policies) staff employed by the State.

Based on discussions with the Department's Human Resources (HR) Director, the first step in the hiring process is the completion of a CDE-43 to approve the position creation or filling of a vacant position. The next steps include the interview process and reference checks of the applicant. Once these steps have been conducted, a recommendation is made to HR which will extend an offer, if

appropriate. An offer of employment and the establishment of a start date are expressed by the Department either by letter or verbally.

In an effort to provide consistent procedures for the reference check process, the Department instituted, effective March 10, 2009, a policy to formally document information obtained about an individual from the references. The policy includes a document, the "CDE Confidential Reference Report," which is a listing of 23 questions that appointing authorities, through their supervisors and assignees, must use when conducting the checks to obtain information pertinent to the position. The policy requires that at least two or three references must be completed for each candidate for employment, including both at-will and classified positions. After completion, this document is submitted to HR for retention in a secure location along with other selection materials.

In addition to the exemption from the hiring rules noted above, the Department was also exempt from the statewide hiring freeze, effective October 1, 2008. While officially exempt, the Department elected to participate in the hiring freeze. An exemption approval process for hiring and purchasing was implemented requiring a memorandum outlining the reason for the hire request and the consequence if not permitted. This memorandum requires supervisory and Deputy Commissioner approval before the hire can proceed through the normal channels of approval.

During the audit for Fiscal Year 2007, the Department received a recommendation to strengthen controls over personnel processes by maintaining sufficient documentation with the proper approval for initial hires and salary adjustments for current employees. This recommendation was considered implemented based on the audit procedures for Fiscal Year 2008. We continued to follow-up on these recommendations by evaluating 13 targeted hires made during the Fiscal Year 2009 and noted at least one exception with eight (61 percent) of the hires tested indicating the following areas where continued improvement is needed:

- We observed three hires where the CDE-43 forms did not have budgetary approval; instead a memo was attached, from the budget director, explaining the reasoning for not approving the hires. These hires were executed without the required approval from budget personnel.
- We observed two hires where the CDE-43 forms were signed subsequent to an offer letter being sent. In both instances, the Commissioner and budget personnel signed the CDE-43 forms after an offer letter had already been extended by someone other than HR.

- We observed that one CDE-43 form was signed only by the Commissioner and contained none of the remaining required signatures. Furthermore, the Commissioner's signature occurred subsequent to the offer letter.
- We observed that one CDE-43 form did not have HR approval; instead a memo was attached, from the HR director, explaining the reasoning for not approving the position. The filling of the position was executed without the required approval from HR.
- We noted that 51 employees were hired by the Department subsequent to the Department-instituted hiring freeze date of October 1, 2008. Seven of our thirteen targeted selections were hires subsequent to this date. Six of these seven hires did not have the required exemption memo in their personnel files.

Three of the 13 targeted selections were hires subject to the new reference check requirements and lacked documentation of the reference checks.

The exceptions noted above resulted from the Department not following its own established procedures.

Failure to follow the required hiring procedures could result in inappropriate hiring decisions.

(Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 3:**

The Department of Education should continue to improve and strengthen controls over hiring employees by:

- a. Retaining complete personnel files, reference check forms and other selection materials to assure that important documentation regarding employee hiring is maintained.
- b. Assuring that the Request for Personnel and/or Position Action forms (CDE-43) are reviewed by human resources before an offer is extended to assure that all signatures are appropriate, that the form has been completed prior to an offer being extended, and that all of the signatures required on the CDE-43 form have been obtained.

- c. Evaluating, by an independent and objective committee, any objections made during the hiring process, with the final conclusion documented before an offer is extended to an applicant.

### **Department of Education Response:**

Agree. Implementation date: February 2010.

- a. During the time period of this audit, the Department has made progress in assuring compliance in retaining complete personnel files and will aggressively continue improvement in this area. Improvements to the hiring policy will include requiring complete personnel records before an employment offer is made to any prospective employee. Communications to all employees regarding not only changes to our policies but the importance of such compliance will be completed by February 15, 2010.
  - b. As part of the actions that will occur in response (a) above, the revision to our policy and protocols will include language regarding corrective action to occur on any employee who extends an offer prior to the completion of the CDE-43 form. All corrective actions will be documented.
  - c. The Department will revise its existing policy by February 15, 2010, regarding required signatures on the CDE-43 form. The process will establish a Commissioner-appointed three member committee whose sole purpose is to review any CDE-43 when a required signatory believes he or she cannot approve the CDE-43. The committee will provide a recommendation to the Commissioner, who will make the final decision.
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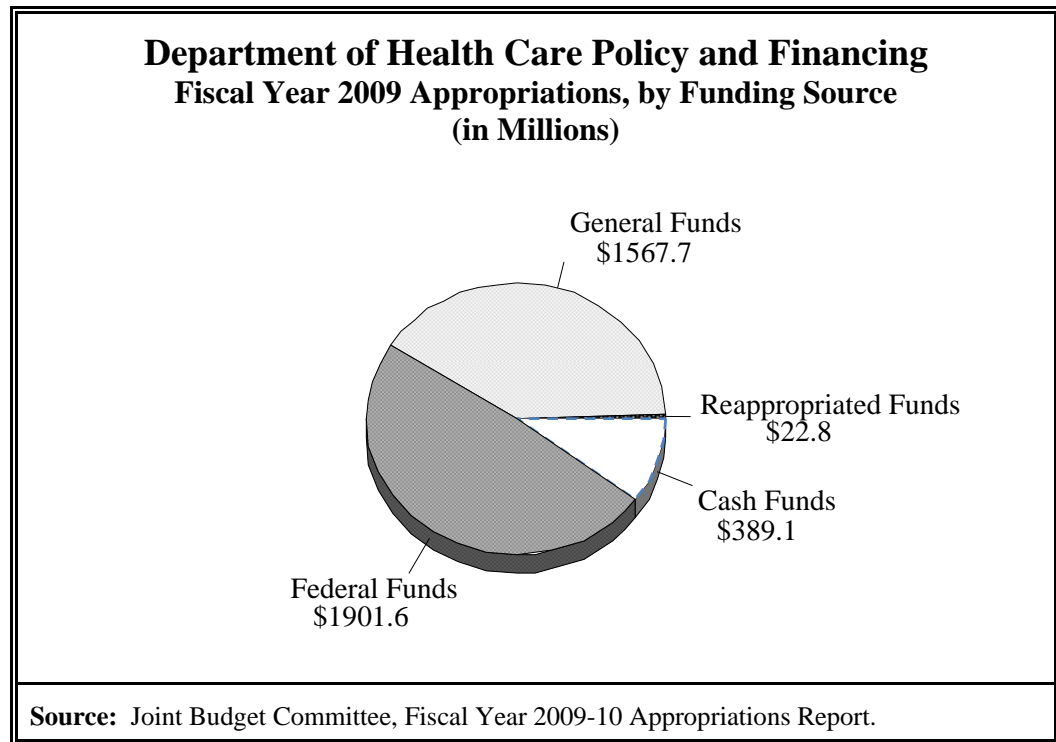
# Department of Health Care Policy and Financing

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## Introduction

The Department of Health Care Policy and Financing (Department) is the state agency responsible for developing financing plans and policy for publicly funded health care programs. The principal programs administered by the Department are the Medicaid program, which provides health services to eligible needy persons, and the Children's Basic Health Plan (CBHP), which furnishes subsidized health insurance for children 18 years or younger who are from low-income families and are not eligible for Medicaid. The CBHP also subsidizes health insurance for low-income prenatal women who are not eligible for Medicaid. The Medicaid program—the largest federal grant program administered by the State—is funded by about 50 percent federal funds and 50 percent state general funds. Beginning October 1, 2008, the Department obtained additional federal funding through the American Recovery and Reinvestment Act for the Medicaid program, receiving an additional 8.58 percent to 11.59 percent of federal funds for Medicaid expenditures. Funding for CBHP (marketed in Colorado as “Child Health Plan Plus,” or “CHP+”) consists of approximately two-thirds federal funds and one-third state funds.

In Fiscal Year 2009, the Department was appropriated approximately \$3.9 billion (in federal and state funds) and 269.2 full-time-equivalent (FTE) staff positions. The following chart shows the Department's Fiscal Year 2009 appropriations, by funding source:



We identified 27 areas in which the Department could improve its operations. Of these areas, six are related to financial controls and 21 are related to federal awards. The following section describes our findings and recommendations related to financial controls. Our findings and recommendations related to federal awards appear in the Department's chapter in the III. Federal Award Findings section.

## **Incurred But Not Reported (IBNR) Liability**

During Fiscal Year 2009 the Department paid about \$3 billion to medical providers to reimburse their expenditures on behalf of eligible Medicaid beneficiaries. Because these payments are for claims submitted after services have been rendered, the Department does not know its actual Medicaid payment liability until it has received the claims and processed them for payment. Therefore, at the end of each fiscal year, the Department is required to estimate its expenditure reimbursement liability for services that have been provided to beneficiaries but for which claims have not been submitted. These expenditures are known as IBNR expenditures. As of June 30, 2009, the Department had recorded Medicaid IBNR expenditures totaling about \$127.8 million, compared to \$176.8 million for Fiscal Year 2008.

The Department calculates the IBNR each year by analyzing the current year's expenditures for claims, subtracting any expenditures that will not have any

claims submitted after the fiscal year ends, and multiplying the result by a percentage. This percentage is determined by comparing the claims submitted during the current year that were for services in the prior year to the current year's claims. In prior years, the percentage of claims submitted after fiscal year-end was 8.33 percent. In prior audits, the Department has stated that it would review its percentage and methodology every three years; the last review occurred in Fiscal Year 2006. For the Fiscal Year 2009 IBNR, the Department reviewed and made some revisions to its methodology from the prior year. These revisions included a three-year analysis of the prior year expenditures compared to the current year expenditures to determine the percentage to apply. Additionally, the Department determined it would perform a separate calculation and analysis on drug rebate expenditures. This calculation included a three-year analysis on the drug rebate expenditures that related to the current year and the expenditures for the prior year. The Department plans to re-analyze this methodology during Fiscal Year 2010.

During our Fiscal Year 2009 audit, we found that the Department did not perform an independent review of the IBNR calculation and, consequently, had not detected and corrected errors we found in the calculation. Specifically, we found amounts in the calculation that did not tie to the State's accounting system, COFRS; expenditures that were inappropriately excluded from the calculation; a percentage that was not calculated in accordance with the methodology; and an amount in the calculation that should have been excluded. These errors resulted in the Department's underestimating its Fiscal Year 2009 IBNR liability by \$17.7 million. Our calculation, which corrected the errors noted above, resulted in an IBNR estimate of \$145.5 million, whereas the Department's estimate was \$127.8 million. The Department subsequently corrected the IBNR amount recorded based on the errors that we identified. In addition, we noted that the expenditure estimate related to drug rebates appears to fluctuate extensively from year to year, which can cause IBNR discrepancies. Although we did not find errors related to the drug rebate amount included in the IBNR, these fluctuations indicate a need for an additional review to ensure that they are reasonable.

The Department should improve its controls over the IBNR calculation by implementing an independent review process of the calculation, including a review of the drug rebate amounts. Additionally, the Department should continue to review and update its IBNR calculation methodology each year, based on an analysis of the expenditures that were for the prior year compared to the IBNR amount recorded.

(Classification of Finding: Control Deficiency.)

**Recommendation No. 4:**

The Department of Health Care Policy and Financing should improve its controls over the calculation of the Incurred But Not Reported expenditure estimate for Medicaid by:

- a. Implementing an independent review of the calculation, including the drug rebate amounts.
- b. Continuing to annually evaluate the calculation methodology and modify it, if necessary, to ensure a more accurate estimate.

**Department of Health Care Policy and Financing Response:**

- a. Agree. Implementation date: July 2010.

The Department will ensure the preparation of the calculation is segregated from the review of the calculation in order to implement an independent review of the calculation, including the drug rebate amounts. The policy and procedure documentation for this calculation will be updated to clearly reflect the segregation of the preparation and review processes.

- b. Agree. Implementation date: August 2010.

The Department will annually evaluate the calculation methodology and will modify it, when necessary, to ensure a more accurate estimate. Any modifications to the calculation will be noted with the Department's year-end financial reporting submissions to the Office of the State Controller.

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**Internal Controls over Financial Reporting**

The Department's accounting section is responsible for the Department's financial reporting, which includes recording financial transactions in COFRS, and reporting the year-end accounting information to the Office of the State Controller (OSC) for inclusion in the statewide financial statements. The accounting section consists of about 13 employees, including supervisors.

Accounting supervisors are responsible for ensuring that internal controls are in place to ensure the accuracy and integrity of the financial reporting process. Basic internal controls include cross-training of staff to ensure the continuity and efficiency of the financial reporting process and segregation of duties to ensure that financial information is not approved by the same person who prepared it, thus mitigating the risk that errors will go undetected.

During our Fiscal Year 2009 audit, we found that the accounting section lacked two basic internal controls over the financial reporting process. First, we noted that the accounting section did not have an adequate number of staff cross-trained on the reporting process. Rather, a supervisor was the sole source of financial information related to the Department's potential over-expenditure of funds in the Family Planning program (discussed separately in Recommendation No. 65) and for developing and documenting the methodology used in calculating the year-end estimates recorded to accrue expenditures for the Medicaid and CBHP programs. A supervisor had sole responsibility for responding to questions about the Department's final evaluation of the Family Planning program's over-expenditures and reviewing problems identified. Although another accounting staff person was involved in this issue, that person had not been made aware of important links to information critical to this issue. Similarly, for the Medicaid and CBHP programs, a supervisor was solely responsible for developing and documenting the methodology used in calculating the year-end estimates recorded to accrue the expenditures for these programs and reported on the State's financial statements, although another person signed off as the preparer of this information. A supervisor was the only individual able to answer questions related to the methodology or the calculations for these estimates. A lack of cross-training relating to the year-end Medicaid and CBHP estimates impedes the Department's ability to ensure the continuity and efficiency of the financial reporting process.

The second internal control weakness we noted was a lack of segregation of duties in some areas of financial reporting. In addition to being involved with the preparation of the Department's year-end Medicaid and CBHP accrual estimates, a supervisor was responsible for reviewing and approving that information. A supervisor's involvement in preparing this financial information is not only inappropriate, given their review and approval responsibility, but also affects the timeliness of the reviews. For year-end information relating to estimates and adjustments that were to be completed by August and September 2009, a supervisor's review was not completed until the end of October 2009 or later.

The Department reports that position vacancies in the accounting section during the year-end financial reporting process contributed to the problems noted above. To ensure the continuity, efficiency, accuracy, and integrity of its financial reporting, the Department should cross-train accounting staff on the year-end

financial reporting processes and should ensure the segregation of responsibility for preparing and approving this financial information.

(Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 5:**

The Department of Health Care Policy and Financing should strengthen its internal controls over financial reporting by:

- a. Cross-training staff on the preparation and reporting of financial information.
- b. Segregating the responsibility for preparing year-end financial information from the responsibility for reviewing and approving that information.

### **Department of Health Care Policy and Financing Response:**

- a. Agree. Implementation date: July 2010.

As the Department does with all other areas of accounting, we will ensure that accounting staff involved with the year-end reporting of financial information are cross-trained on the preparation and reporting of all financial reporting requirements.

- b. Agree. Implementation date: July 2010.

Although segregation of responsibility in the Accounting Section exists, the Department will update its current year-end financial reporting process to ensure that the duties of preparing year-end financial information are segregated from the duties of reviewing and approving year-end financial information.

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## Department Communication of Financial Adjustments

The Department's accounting section is responsible for all financial reporting for the Department, including the accurate and timely approval and entry of financial transactions into COFRS. The financial data in COFRS are used by the OSC to prepare the State's financial statements; therefore, it is critical that the data are accurate and communicated to the OSC in a timely manner. The accounting section is responsible for ensuring that any adjustments to financial data are properly reflected in the Department's financial records. The need for such adjustments may be communicated or detected during the Department's monitoring of financial information or during the annual audit. The accounting section ensures that the adjustments are reflected in COFRS by either recording a financial transaction in COFRS during the fiscal year or by reporting the adjustment to the OSC after the end of the fiscal year for entry into COFRS. Detecting the need for adjustments and communicating them timely increases the likelihood that financial information will be adjusted and input into COFRS before the fiscal year-end. If an adjustment is communicated to OSC by Department staff after year-end, the accounting section must ensure that it communicates to the OSC all portions of the adjustment through a manual entry, which increases the chances for errors to occur. Further, delays in communicating adjustments result in associated delays in repayments to or refunds by the federal government that may result from the adjustments.

During our Fiscal Year 2009 audit, we found that the Department does not have a process in place for communicating financial adjustments to the accounting section, and as a result, three adjustments were identified and two of the three adjustments totaling \$2.6 million were recorded after the fiscal year-end. However, program staff were aware of these adjustments prior to fiscal year-end but did not communicate them to the accounting section in time for these adjustments to be made prior to the close of the fiscal year. The Department needs to ensure there is an internal process in place for Department staff to communicate financial adjustments to the accounting section, since adjustments can be identified through internal reviews conducted by the Department or other audits conducted by other external agencies, such as the federal government. The two adjustments mentioned above were reported by the Department's accounting section to the OSC on October 21, 2009, well after year-end.

The Department should improve controls over financial reporting by creating a process for communicating financial adjustments to the accounting section and the OSC and provide training on this process throughout the Department.

(Classification of Finding: Significant Deficiency.)

**Recommendation No. 6:**

The Department of Health Care Policy and Financing should improve its internal controls over financial reporting process by:

- a. Creating and documenting the process for communicating financial adjustments to the accounting section and the Office of the State Controller.
- b. Providing training throughout the Department on this process.

**Department of Health Care Policy and Financing Response:**

- a. Agree. Implementation date: June 2010.

The Department's Audit Section will revise its Audit Communication Standard Operating Procedure to include a process for communicating financial adjustments to the accounting section. The Department's Accounting Section will create and document a process for tracking, recording and communicating financial adjustments, when necessary, to the Office of the State Controller.

- b. Agree. Implementation date: June 2010.

The Department's Audit Section will include a segment in its training materials that educates staff on the process of communicating financial adjustments to the accounting section and the Department's Accounting Section will provide additional training to staff on the process for communicating financial adjustments during the yearly Open/Close training.

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**Disclosure of Related Party Transactions**

At the end of each fiscal year, the Department submits exhibits with financial and related information that aids the OSC in preparing the State's financial statements and note disclosures. The Fiscal Procedures Manual sets forth the requirements for each exhibit, including the exhibit that discloses significant or material transactions among related parties. In general, a related party is one that can exercise control or significant influence over the management or operating policies of another party, to the extent that one of the parties is or may be prevented from fully pursuing its own separate interests. Accordingly, the Fiscal

Procedures Manual requires that certain information be disclosed about related parties. This information includes, at a minimum, the nature of the relationship and the name of the related party (if needed to understand the relationship); a description of the material related party transactions, including amounts, even if nominal; and any other pertinent information.

While the Department has a large number of contracts with outside entities, we found that it does not have a process in place to gather information about related parties and their transactions with the Department. Department officials stated that they review and follow the requirements set forth for each exhibit in the Fiscal Procedures Manual, including the exhibit used for disclosure of related party transactions. In prior years and the current fiscal year, however, the Department has not submitted the specific exhibit (Exhibit O) that discloses related party transactions. Without a process in place for gathering information about related parties and their transactions with the Department, the Department cannot analyze the information to determine whether this information could affect the State's financial statements and, thus, warrant reporting on the Exhibit O. In addition, by not performing this analysis, the State may potentially be omitting critical information that is required to be disclosed in the notes to the financial statements.

The Department should have a process in place for gathering information on any related parties to enable users of the State financial statements to obtain an understanding of relationships between the Department and other entities that may impact the State's operations.

(Classification of Finding: Control Deficiency.)

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## **Recommendation No. 7:**

The Department of Health Care Policy and Financing should establish and document a process to gather and analyze related party information throughout the year to ensure appropriate analysis and understanding of how related parties' transactions may affect the State's financial statements and report this information as appropriate to the Office of the State Controller (OSC).

## **Department of Health Care Policy and Financing Response:**

Agree. Implementation date: June 2010.

The Department relies on guidance provided in the Fiscal Procedures Manual (produced by the OSC), authoritative accounting literature, and professional judgment when determining if related party disclosures must be made. During Fiscal Year 2009 and prior years, the Department determined that related party transactions did not exist and therefore disclosures were not made to the OSC.

The Department will review its current process for disclosing related party transactions and will make any necessary changes to ensure it is appropriately analyzing its relationship with other entities and how those relationships impact the State's operations. The Department's process will then be formalized and documented.

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## **Performance Planning for New Employees**

The Department hired 36 employees during Fiscal Year 2009, bringing its total number of employees to 278. According to State Personnel Rules, the Department's director of human resources is responsible for establishing policies governing the Department's performance management system, which includes performance plans and evaluations. Performance plans are important for all employees because they specify performance expectations and measurable performance goals. In addition, performance evaluations inform employees about their performance based on the expectations and goals that were set in their performance plan. According to Department personnel policies, a performance plan is to be completed for new employees within 30 days of their start date. Thereafter, as for all employees, performance plans are to be prepared at the beginning of the State-mandated evaluation cycle—April 1 through March 31—and are to be completed by April 30. Performance evaluations are due April 30 of each year for the review period of April 1 to March 31.

During our Fiscal Year 2009 audit, we selected and reviewed a sample of 11 new employees hired between January 1 and March 31 of 2008 or 2009 to test the Department's adherence to its personnel policies. Of the 11 employees tested, six (55 percent), hired in 2008, received their performance plans from 34 to 105 days after their start dates, rather than within 30 days. The remaining five employees, three hired in 2008 and two hired in 2009, received their performance plans within the 30 days.

Department officials stated that for two of the six employees with late performance plans, the plans were not prepared within the 30-day requirement because the employees changed managers and that in such circumstances, additional time is allowed for preparation of performance plans. Further, according to the officials, when an employee's start date is in March, then a performance plan for that employee is not required until the next evaluation period. However, Department policy does not allow for this scenario.

Without timely performance plans, new employees are at risk of lacking a clear understanding of their performance expectations. Further, the lack of performance plans could result in future repercussions for both the Department and the employee, as performance plans are considered in the preparation of evaluations and in decisions about promotions, salary adjustments, career planning and development, and corrective actions.

(Classification of Finding: Control Deficiency.)

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### **Recommendation No. 8:**

The Department of Health Care Policy & Financing should follow its established policies in completing performance plans and consider changing policies to be consistent with current practice. If changes are warranted, a revised policy should be issued and communicated to staff.

### **Department of Health Care Policy and Financing Response:**

Agree. Implementation date: April 2010.

Two of the six employees identified in the audit were hired close to the start of the new performance year. Since there would be inadequate time to rate the employee, their performance plans started with the new performance period beginning April 1, 2008. Two other employees' managers changed and the new managers were given an additional 30 days to establish a performance plan. The fifth individual whose performance plan was four days late had their plan created by a manager who was temporarily covering two sections within the Department.

The Department notes that there were no exceptions found in the sampled performance plans for the employees hired in Fiscal Year 2009 but agrees there is always room for improvement and will further clarify the policy to address some of the scenarios identified in the audit.

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## **Excess Amounts Repaid by Providers**

Under the Medicaid program, medical service providers submit claims for reimbursement to the Department for services provided to Medicaid beneficiaries. These claims are processed through the Department's claims processing and payment system, the Medicaid Management Information System (MMIS). This system is managed and operated by the Department's fiscal agent, Affiliated Computer Services, Inc. (ACS). If a claim is submitted for the incorrect amount, the payment to the provider must be adjusted.

When a provider finds that it has billed incorrectly for a claim, the provider submits a request to ACS for an adjustment to the claim, along with the identifying information, and a corresponding repayment for the full amount of the claim that was incorrect. ACS then adjusts the provider's original claim(s) in MMIS; however, controls within MMIS prevent ACS from adjusting anything other than the original claim for the original amount. If ACS cannot locate the claim associated with the payment or a portion of the payment sent by the provider, then ACS logs the payment as an "excess amount" on the documentation sent to the Department. ACS submits all provider documentation, along with the log that identifies account coding, to the Department.

During our Fiscal Year 2009 audit, we found that the Department does not have written policies and procedures regarding the account where excess amounts repaid by providers should be tracked, a timeframe for investigating these amounts, and issuing refunds to providers, if appropriate. The Department recorded more than \$21,000 in excess payments as revenue, which ranged from \$0.02 to approximately \$5,600 for individual providers, and reimbursed one provider approximately \$780 in Fiscal Year 2009.

In order to maintain adequate controls over excess amounts repaid by providers, the Department should establish policies and procedures over the handling of these transactions.

(Classification of Finding: Control Deficiency.)

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## **Recommendation No. 9:**

The Department of Health Care Policy and Financing should establish and implement policies and procedures for recording, investigating, and refunding, if appropriate, excess amounts repaid by providers.

## **Department of Health Care Policy and Financing Response:**

Agree. Implementation date: April 2010.

The Department will work with its fiscal agent, Affiliated Computer Services, Inc. (ACS), to discuss and review any procedures that currently exist related to excess amounts repaid by providers. Updated or new policies and procedures for recording, investigating and refunding, when necessary, excess amounts paid by providers will be documented and communicated to ACS.

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# Department of Higher Education

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## Introduction

The Department of Higher Education was established under Section 24-1-114, C.R.S., and includes all public higher education institutions in the State. It also includes the Auraria Higher Education Center, the Colorado Commission on Higher Education, the Colorado Student Loan Program dba College Assist, CollegeInvest, the Colorado Historical Society, and the Division of Private Occupational Schools.

State public institutions of higher education are governed by ten different boards. The governing boards and the schools they oversee are:

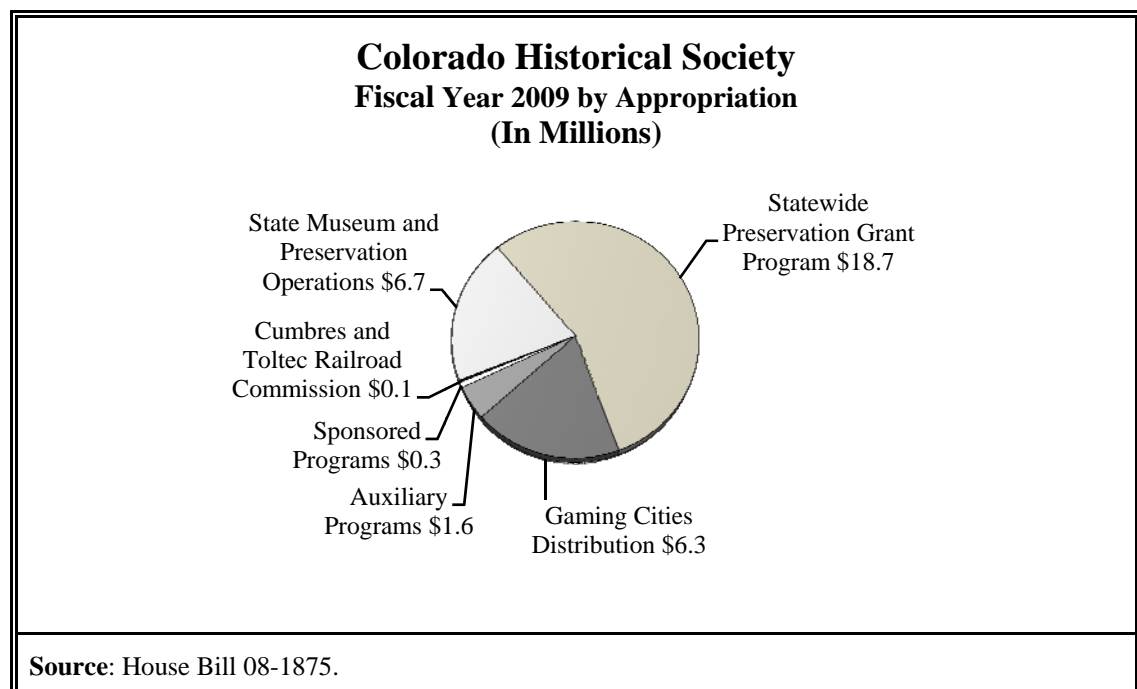
- **Board of Regents of the University of Colorado**  
University of Colorado at Boulder  
University of Colorado at Colorado Springs  
University of Colorado at Denver and Health Sciences Center
- **Board of Governors of the Colorado State University System**  
Colorado State University  
Colorado State University – Pueblo  
Colorado State University – Global Campus
- **Trustees of the University of Northern Colorado**  
University of Northern Colorado
- **Trustees of the Colorado School of Mines**  
Colorado School of Mines
- **State Board for Community Colleges and Occupational Education (SBCCOE)**  
13 Community Colleges
- **Trustees of Adams State College**  
Adams State College
- **Trustees of Fort Lewis College**  
Fort Lewis College

- **Trustees of Mesa State College**  
Mesa State College
- **Trustees of Metropolitan State College**  
Metropolitan State College
- **Trustees of Western State College**  
Western State College

## Colorado Historical Society

The Colorado Historical Society (Society) is statutorily designated as an “educational institution” in the Department of Higher Education. The Society has exclusive control over the State’s historical museums and monuments, which includes the duty of surveying suitable sites and structures for historical designations. The Society is also responsible for the administration of the State Register of Historic Properties, and it distributes gaming revenue through a grant program for historic preservation.

The Society was appropriated \$33.6 million and 126.9 full-time-equivalent (FTE) staff for Fiscal Year 2009. The funds consisted of \$32.6 million in cash funds, \$0.1 million in general funds, and \$0.9 million in federal funds. The following graph shows the breakdown of appropriations for the Society by program for Fiscal Year 2009.



## Travel Expenditures

During Fiscal Year 2009, the Society spent more than \$133,000 for employees' in-state and out-of-state business travel. State Fiscal Rules, issued by the Office of the State Controller, require state agencies to follow certain procedures concerning business travel. After returning from business travel, employees are required to complete a travel expense form, itemizing all travel expenses incurred and stating the purpose of travel. The travel expense form must be signed by the employee and the employee's supervisor. If the travel was to an out-of-state location or the travel expenses were greater than \$1,000, then the travel expense form must be signed by the executive director as well. Department accounting staff are to review each travel expense form before entering and approving it in the State's accounting system, COFRS.

During our Fiscal Year 2008 audit, we reviewed a sample of 40 of the Society's travel expenditures and identified problems with 17 (43 percent) of them. We recommended that the Society strengthen its controls over travel expenditures by ensuring that travel expenditures were appropriately reviewed and contained adequate supporting documentation, and that Society staff were adequately trained on travel rules and policies. The Society indicated at that time that it would hire a new accounting staff person to take over the travel reimbursement function and that all travel reimbursements would be reviewed for proper approval, support, coding, and adherence to State Fiscal Rules.

During our Fiscal Year 2009 audit, we continued to identify problems with travel expenditures. We reviewed a sample of 25 of the Society's travel expenditures and identified problems with eight (32 percent) of them:

We noted the following:

- Three reimbursements, totaling approximately \$2,800, did not adhere to authorized per diem rates and contained approximately \$65 in overpayments.
- One reimbursement claimed 423 miles for reimbursement, but the actual distance driven from the employee's place of work was 316 miles. As a result, the employee was overpaid approximately \$57.
- One reimbursement, totaling approximately \$1,300, included nine days of airport parking, even though the employee had traveled on state business for only six days. As a result, the employee was overpaid approximately \$33.
- One reimbursement, totaling approximately \$650, did not state the purpose of the travel on the travel expense form.

- Two travel expenditures, totaling approximately \$1,300, were coded incorrectly in COFRS.

All of these reimbursements had been approved by supervisors and accounting staff prior to payment. Our findings indicate that the Society continues to lack adequate controls over travel expenditures. Although Society policies require that travel requests and reimbursements contain adequate supporting documentation and be reviewed and approved by a supervisor, the errors we identified indicate that employees and supervisors are not consistently adhering to the policies.

The Society should continue to strengthen its controls over travel expenditures. Specifically, the Society should enforce its policies requiring that employee requests for travel and travel reimbursement contain adequate supporting documentation and be reviewed for appropriateness, that reimbursement requests contain purpose statements, and that all other state policies regarding travel be followed. The Society should also ensure that employees and supervisors are adequately trained on travel expenditure policies. In addition, the Society should recover all overpayments made to employees.

(Classification of Finding: Significant Deficiency.)

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## **Recommendation No. 10:**

The Colorado Historical Society should strengthen controls over travel expenditures by:

- a. Ensuring that travel expenditures are appropriately reviewed prior to approval, that correct per diem rates are used, that travel expenditures are coded correctly in the State's accounting system, COFRS, and that all other State Fiscal Rules regarding travel are followed.
- b. Training staff and supervisors on state travel rules and policies. For supervisors, emphasis should be placed on the importance of thoroughly reviewing all requests for travel reimbursements and resolving any problems prior to approval for payment.
- c. Obtaining repayment from employees for excess reimbursements.

## **Colorado Historical Society Response:**

Agree. Implementation date: October 2009.

It is the accounting department's responsibility to administer state travel rules and policies. Division Directors and Unit Heads (supervisors) will

be trained on state travel rules and policies at a meeting to be held on October 20, 2009, and made aware of their roles and responsibilities. Whenever new travel rules and policies are instituted, accounting will hold classes in addition to the customary email notifications of the changes. To reinforce adherence to the rules and policies, accounting will return improperly completed reimbursement requests to the traveler instead of making the corrections for them as has been the practice. Repayment was received for the excess reimbursements.

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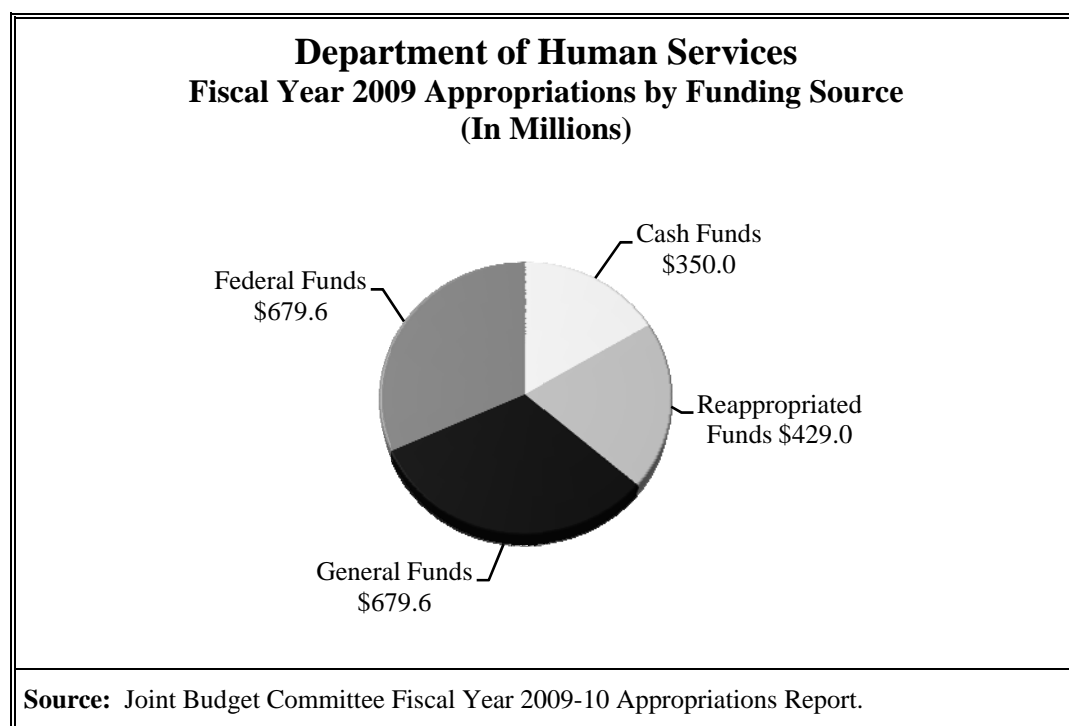
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# Department of Human Services

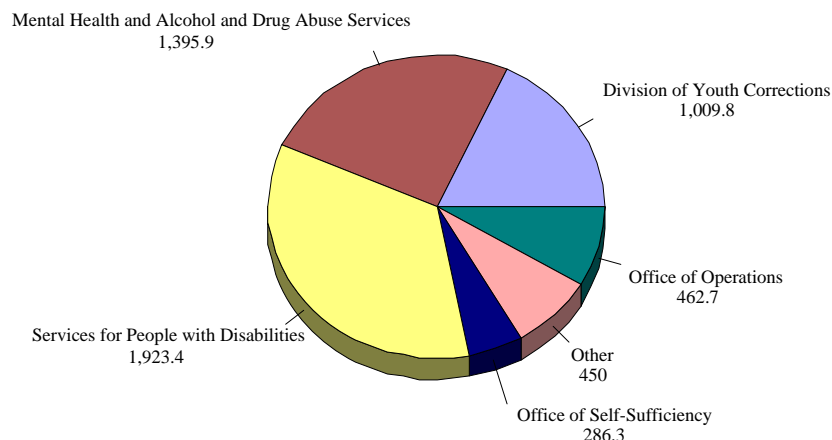
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## Introduction

The Department of Human Services (Department or DHS) is solely responsible, by statute, for administering, managing, and overseeing the delivery of the State's public assistance and welfare programs throughout Colorado. Most of these programs are administered through local county or district departments of human/social services. The Department also manages and directly administers programs in the areas of developmental disabilities, mental health, nursing homes, and youth corrections. In Fiscal Year 2009 the Department was appropriated approximately \$2.1 billion and nearly 5,500 full-time-equivalent staff, or FTE. The following charts show the appropriations by funding source and FTE by major areas within the Department for Fiscal Year 2009:



**Department of Human Services  
Fiscal Year 2009 Full-Time-Equivalents (FTE) by Major Areas**



**Source:** Joint Budget Committee Fiscal Year 2009-10 Appropriations Report.

We identified 34 overall areas where the Department could make improvements to its operations—8 related to financial controls and 26 related to federal awards. Please refer to the DHS chapter in the Federal Award Findings section for recommendations related to federal awards.

## **Division of Facilities Management and the Fort Logan Campus**

The Department's Division of Facilities Management manages the Department's capital assets (long-lived assets owned by the State). The Division's asset management responsibilities include maintaining buildings and grounds, leasing building space, and overseeing capital construction. The Department's capital assets include land and buildings located on the Fort Logan campus in southwest Denver. Some of these buildings house Department-sponsored initiatives, such as a mental health institute and a substance abuse and prevention and treatment program. Buildings not currently in use by the Department are considered "surplus facilities" and are available for rent to other agencies or to entities outside state government. The surplus facilities at Fort Logan are managed by the Division's North Central District staff.

House Bill (HB) 08-1268 (codified in Section 26-1-133.5, C.R.S.), which took effect in May 2008, created the Department of Human Services Buildings and

Grounds Cash Fund (the Fund) for recording and reporting rent revenue collected on surplus facilities that the Department leases to other agencies or entities. According to the bill, the Department is authorized to rent surplus facilities if those rentals are not prohibited by state law, do not endanger the State's ownership of the property, and will not result in a financial loss to the State. The Department identified 16 buildings and 49 garages on the Fort Logan campus that are considered surplus facilities and could generate rent revenue to the Fund. In Fiscal Year 2009, approximately \$654,000 in capital assets net of accumulated depreciation and approximately \$482,000 in rent revenue were recorded to the Fund.

Several state agencies have requirements that pertain to the Department's rental of surplus facilities. First, for all rental agreements between state departments and entities outside state government, the Office of the State Architect directs that all state agencies use the standard property lease agreement it has created. The Office of the State Architect has statutory authority to negotiate and execute leases of surplus State-owned property. This lease agreement has been reviewed by the State's Attorney General and outlines the rights and obligations of both the lessor (the State) and the lessee.

Second, for all rental agreements between the Department and entities outside state government, the Department policy allows only authorized personnel to sign leases on behalf of the State. The list of authorized Department personnel includes the executive director, the deputy executive director of the Office of Operations and Financial Services, and the Facilities Management Division director.

Finally, the Department is to collect rent on time. Under the Department of Personnel & Administration's Accounts Receivable Collections Administrative Rule, all state agencies are to implement policies and procedures that ensure the prompt payment of monies due the State. Unless authorized by statute or other applicable rule, agencies may not extend credit to any party and must refer any amounts 30 days past due to the Department of Personnel & Administration Division of Finance and Procurement for collection by Central Collection Service (CCS). Department personnel reported that they have adopted this policy.

During our Fiscal Year 2009 audit, we reviewed the Department's property management practices for the rented buildings and garages at Fort Logan. We found issues with the compliance of several lease agreements with statutory requirements under HB 08-1268, the valuation of one of the buildings in the Fund, problems with lease agreement authorization and documentation, and lack of timely collection of rental revenue.

## **Lease Agreements and Compliance with HB 08-1268**

Out of the 16 rented buildings at Fort Logan, we found two (12.5 percent) with leases that result in a financial loss to the State. However, HB 08-1268 only authorizes the Department to rent surplus facilities if those rentals will not result in a financial loss to the State. Division officials report that because these two buildings house nonprofit operations, a homeless shelter and a museum operated by Friends of Historic Fort Logan (FHFL), the Department has chosen not to collect rent and to provide building maintenance and utilities free of charge. Plans for the homeless shelter began in 2004, and the agreement with the FHFL has been in place since 1995.

We also noted that, for both of these buildings, the Department did not have current documentation specifying the fiscal and operational arrangements between the Department and the lessee. For the homeless shelter, Division officials located a lease, the term of which ended in 2006, with the lease then continuing on a month-to-month basis. According to the lease, the lessee is to pay \$10 per year for rent. However, Department officials could not verify that this rent has been collected. Lack of timely rental collections is discussed later in this section. In addition, the Division personnel could not locate documentation supporting the arrangement between the Department and the FHFL. The FHFL, however, was able to provide a 1995 Memorandum of Understanding (MOU). This MOU is effective from October 1, 1995, until it is terminated. While the MOU discusses the details of the agreement such as the parties responsible for liability insurance and building repairs, it contains no provision for rent. According to Division officials, the MOU is still in place.

## **Valuation of Building**

For the building containing the museum, the Department understated the book value of the building in the Fund by nearly \$200,000. According to generally accepted accounting principles and the Office of the State Controller's (OSC's) Fiscal Procedures Manual, expenditures related to the repair or remodeling of a capital asset are to be added to the book value of the asset when such expenditures exceed certain thresholds and when they are identified as increasing the operating efficiency or extending the useful life of the asset. As of August 2009, the book value of the building was recorded on the State's accounting system, COFRS, as \$3,500. The FHFL provided documentation showing improvements made to the building such as a complete electrical wiring upgrade and other restorations to the interior and exterior. Although several of the remodeling projects for this building have exceeded the recommended dollar thresholds for capitalization and added long-term value to the condition of the building, the cost of the improvements has not been added to the building's book value in COFRS. As a

result, the building's book value, depreciation expense and accumulated depreciation are understated.

### **Problems with Lease Agreements**

Lease agreements should clearly define the property to be leased, including any free-standing or attached garages tied to the building lease. Lease agreements also should specify all rights and obligations of both the lessor and the lessee, be written on the form approved by the Office of the State Architect, and be signed by properly authorized personnel. Lease agreements should also be reviewed periodically to ensure they are still appropriate.

We identified problems with 48 of 49 garages recorded in the Fund. Of these 48, Division officials reported that 24 are included in leases of buildings at Fort Logan. We reviewed the leases for these 24 buildings and found none of the leases indicate that a garage is included in the lease.

For the remaining 24 garages, which are rented to entities outside of state government, we found that none of the lease agreements were written using the agreement specified by the Office of the State Architect. In addition, six (25 percent) of the lease agreements had been signed by an individual not authorized to sign leases on behalf of the Department. Division officials reported that routine secondary reviews are not performed on all rental agreements in order to ensure that they conform to the standard lease agreement or are properly authorized or current.

### **Lack of Timely Rent Collection**

Rental charges to lessees outside of state government are due monthly and range from \$37.50 for a small garage to approximately \$4,928 for the largest building recorded in the Fund. The total monthly rental charge for these buildings and garages is approximately \$33,000.

We found that rents at Fort Logan are not collected on time and, in fact, are consistently past due. During Fiscal Year 2009 we found no months in which all rents were collected on time. In May 2009, the total rent outstanding was approximately \$79,000—nearly two and a half times the \$33,000 typical monthly rent due. Rents ranged from two to eight months past due. Division officials reported problems with timely rent collection during Fiscal Year 2008. They also reported that none of the past-due rents had been referred to CCS for collection.

We also noted that the same Facilities' officials who negotiate leases with lessees and physically manage the properties are the same individuals who are responsible for collecting rents. In order to ensure that adequate controls are in

place over the management of the rentals at Fort Logan, the property management role and the collection of rents should be segregated.

The issues identified indicate the Department lacks adequate internal controls over rentals of State-owned surplus facilities. Specifically, the Department is not ensuring compliance with HB 08-1268 as well as other state legal requirements.

(Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 11:**

The Department of Human Services' Division of Facilities Management should address statutory compliance issues and strengthen controls over the rental of State-owned surplus facilities by:

- a. Evaluating the lease agreements for the two buildings leased to nonprofit organizations and either renegotiate the leases to include terms that will not result in a loss to the State [as required under House Bill (HB) 08-1268] or seek statutory change to allow these arrangements to continue. In either case, the lease agreements should clearly outline the rights and obligations of all parties involved.
- b. Ensuring that expenditures for facility improvements are evaluated for capitalization requirements and capitalizing as required and making appropriate adjustments for the leasehold improvements identified during the audit that should have been capitalized.
- c. Instituting periodic secondary reviews of all leases of State-owned property, to ensure that they are current, documented on the approved Office of the State Architect lease agreement, clearly describe the property to be rented, and are properly authorized.
- d. Renegotiating any leases found after review to be inadequately documented, authorized, expired, or out of compliance.
- e. Assigning rental collections to another division within the Department, such as Central Accounting, and ensuring rents are collected on time and referred to Central Collection Services as appropriate.

## **Department of Human Services Response:**

- a. Agree. Implementation date: June 2010.

The Department will renegotiate the leases to include terms that will not result in a loss to the State as required under HB 08-1268. In addition, the Department will ensure that the lease agreements clearly outline the rights and obligations of all parties involved.

- b. Agree. Implementation date: June 2010.

The Department will obtain the detailed information from the Friends of Historic Fort Logan to determine the dollar amounts of the repairs, maintenance, and capital improvements. The Department would properly account for any valuation increase of the building improvements in COFRS by fiscal year-end 2010.

- c. Agree. Implementation date: June 2010.

The Department will institute a process to review all leases annually to ensure that current leases are in place and are in a format approved by the Office of the State Architect. All leases lacking proper form shall be updated to meet the standards at the time of the annual review, i.e. upon the renewal of the lease. The properly designated authority will approve all leases going forward.

- d. Agree. Implementation date: June 2010.

Any leases found to be inadequately documented, improperly authorized, expired, or out of compliance shall be brought into compliance and in accordance with the Office of State Architect policies.

- e. Agree. Implementation date: March 2010.

Central Accounting will work with the Division of Facilities Management at Fort Logan in improving timely rent collection. Central Accounting will monitor cash receipts of rental payments and report to the Division of Facilities Management on delinquent accounts on a regular basis to ensure that rents are collected in a timely manner and the identified past due rents are referred to Central Collection Services as appropriate.

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## Accounting for Donated Capital Assets

The Department is responsible for maintaining accurate accounting information for its capital assets and ensuring that their value is accurately reflected on the COFRS. As of June 30, 2009, the Department was responsible for approximately \$342 million in capital assets, net of related depreciation. The Department's capital assets are overseen and maintained by capital asset custodians within each of the Department's three accounting districts, with one additional staff person at Central Accounting as the overall capital asset accounting coordinator. The Department's capital assets are physically managed by the Division of Facilities Management (the Division). The Division's responsibilities include maintaining the buildings and grounds; leasing space in the buildings; and planning, budgeting, and implementing capital construction and controlled maintenance projects.

Capital assets are tangible and intangible assets that will provide benefit beyond the current fiscal year, such as land, buildings, and software. Capital assets at the Department are typically purchased and, according to generally accepted accounting principles and the Fiscal Procedures Manual issued by the OSC, should be recorded on COFRS at their purchase price. On occasion, however, the Department will receive donated capital assets. In this case, the donated capital asset is recorded on COFRS at its appraised value. Donated or purchased capital assets should be recorded at or near the date of acquisition.

In September 2009, after the close of Fiscal Year 2009, Central Accounting staff discovered that a \$1.6 million parcel of land had been donated by Adams County to the Department in January 2009 but had not been recorded on COFRS. As a result, the Department's assets were understated by \$1.6 million as of June 30, 2009. The Department provided the OSC with documentation of the land acquisition for inclusion in the Fiscal Year 2009 financial statements.

Department officials reported that they have no notification policy in place to ensure that the Division routinely communicates information about donated capital assets to Central Accounting. The risk that capital assets will be understated on COFRS remains as long as no formalized notification policies are in place to ensure that donated assets are recorded. The Department should implement adequate internal controls to ensure that donated capital assets are appropriately recorded.

(Classification of Finding: Significant Deficiency.)

## **Recommendation No. 12:**

The Department of Human Services should improve controls over donated capital assets by instituting notification procedures to ensure that all donated assets are properly and timely recorded in the State's accounting system, COFRS.

### **Department of Human Services Response:**

Agree. Implementation date: January 2010.

The fact that the Department receives donated capital assets very infrequently, indicated by the omission of the asset, has resulted in the Division of Facilities Management's incorporating into its Capital Development Committee (CDC) presentation plan to include the Division of Accounting as a copied entity when the Department requests acceptance of a donated capital asset. This will ensure that the Division of Accounting will be aware of a pending transaction as well as the outcome of CDC action regarding that potential capital asset. This process will ensure that accounting posts the donated capital assets to COFRS on a timely basis.

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## **County Administrative Costs**

With oversight by the Department, the 64 counties' departments of human/social services operate both federally and state-funded public assistance programs and, in doing so, incur administrative costs. The counties maintain financial information related to administering these programs in the County Financial Management System (CFMS), which accumulates cost data and calculates the net federal and state reimbursements owed to the counties. Information in CFMS is uploaded to COFRS each month. When the upload is performed, the transactions are recorded in the appropriate COFRS account to reflect amounts owed to the counties.

In Fiscal Years 2007 and 2008, we noted discrepancies between the accounts in CFMS and those in COFRS for the net administrative cost reimbursement due the counties at fiscal year end. The discrepancy between the two systems was more than \$5 million at the end of Fiscal Year 2007 and more than \$3.3 million at the end of Fiscal Year 2008. Department officials were unable to explain or reconcile the discrepancy. Accordingly, we recommended that the Department determine the cause of discrepancies between CFMS and COFRS and institute a reconciliation process.

In Fiscal Year 2009, we reviewed the Department's progress toward correcting the systems' discrepancies and found that the Department has not yet developed a working reconciliation process. The Department reported attempts to reconcile the difference have been made in the last two years, but staff turnover has prevented the completion of the reconciliation. At the end of Fiscal Year 2009, CFMS showed approximately \$46.7 million owed to the counties, while COFRS showed approximately \$48.4 million—a discrepancy of more than \$1.7 million.

Without a reconciliation process to resolve these discrepancies, the Department cannot ensure the accuracy of either its reimbursements to, or its receipts from, the counties. The accuracy of reimbursements to, and receipts from, the counties is essential because federal and state funds used to administer public assistance programs should be safeguarded.

(Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 13:**

The Department of Human Services should ensure that the financial data in COFRS related to counties' administration of public assistance programs are accurate and complete by:

- a. Developing a procedure by which to reconcile the County Financial Management System (CFMS) and COFRS data each month. The reconciliation procedure should include investigating and resolving all discrepancies and making adjustments as appropriate. The monthly reconciliation should be reviewed by a supervisor, and the review should be documented.
- b. Assigning responsibility to specific employees for conducting the monthly reconciliation process and the supervisory review of the process.
- c. Reconciling the CFMS and COFRS accounts of the reimbursement due the counties at the end of Fiscal Year 2009 and making the necessary adjustments.

### **Department of Human Services Response:**

Agree. Implementation date: June 30, 2010.

The Department of Human Services, Division of Accounting, is in the process of identifying the transactions, and transaction types, that cause the Due To/Due From account in CFMS to be out of balance with its

control account in COFRS. Once these are identified, procedures will be documented and a monthly reconciliation will be developed to ensure that COFRS reflects an accurate balance due to the counties on the State's financial statements. We currently believe there will be no net financial impact resulting from the discrepancies and that the adjustments will be within and between balance sheet accounts.

The initial effort to identify the causes for the differences was completed through March 2008 by the county accounting supervisor but has not been undertaken since that date due to his resignation in May 2008. Since this vacancy created an extremely heavy year-end workload for the Department, the reconciliation was put on hold until all audits and the corresponding responses were completed. This situation was subsequently exacerbated by a hiring freeze and the additional American Recovery and Reinvestment Act-required reporting that continues to leave the Department significantly short-staffed.

The responsibility to develop the reconciliation has been assigned to the supervisor of program accounting, and the reconciliation development will once more be undertaken. Once the reconciliation process has been developed and the staffing shortage addressed, the reconciliation will be completed monthly, will receive supervisory review, and an electronic approval signature attached. It is anticipated that the necessary adjustments and the reconciliation will be current by June 30, 2010.

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## **Mental Health Institutes' Revenue**

The Department operates both the Fort Logan Mental Health Institute and the Pueblo Mental Health Institute for the care of children and adults who have been diagnosed with mental illnesses or have been legally determined to be in need of mental health services. For their services, the two institutes receive payments from various sources, including patients, Medicare, and Medicaid, as well as general funds. In Fiscal Year 2009 the Fort Logan Institute and the Pueblo Institute earned approximately \$7.8 million and \$13.5 million, respectively, in revenue from all non-general fund sources.

In December 2003 federal Public Law 108-173 added Part D to the Medicare program. Under Part D, Medicare may contract with certain drug insurance companies to provide prescription drug benefits to Medicare beneficiaries. The drug insurance companies act as insurers for the prescription drug benefit by paying claims submitted by the institutes for drugs administered to inpatient Medicare beneficiaries. Fiscal Year 2007 was the first full fiscal year in which the institutes received revenue related to Part D. In Fiscal Year 2009 the Fort

Logan Institute and the Pueblo Institute received about \$211,900 and \$718,100, respectively, in Part D pharmacy revenue.

In our Fiscal Year 2007 and 2008 audits, we recommended that the Department improve its controls over the Medicare Part D revenue and receivable process. The Department has made progress in ensuring that information related to Part D revenue and related accounts receivable recorded in COFRS is in accordance with generally accepted accounting principles. However, the Department continues to have difficulties in reconciling Medicare Part D revenue and receivable amounts recorded in COFRS and AVATAR, the computerized system used by the institutes to record all financial information for patients committed for care by the institutes.

On a monthly basis, the Institutes manually enter all financial information from AVATAR into COFRS. Also on a monthly basis and at fiscal year-end, reconciliations are performed to ensure that the data in COFRS are consistent with the data in AVATAR. Specifically to capture the Medicare Part D information, AVATAR was designed with a subsystem for tracking doctor orders, filling prescriptions, and creating itemized billings for drugs provided to Medicare beneficiaries.

During our Fiscal Year 2009 audit, we reviewed the Department's revenue reconciliation processes, including the institutes' year-end reconciliation of the revenue data in AVATAR with the data in COFRS. We found that the Department did not reconcile Fiscal Year 2009 Part D revenue and the related receivable information in COFRS to billings from the AVATAR's pharmacy subsystem. Subsequent to year-end, the institutes provided us with a reconciliation of the Medicare Part D revenue amounts for both institutes, but the institutes did not perform a reconciliation to ensure the accuracy of the related accounts receivable balances.

According to Department staff, the lack of timely reconciliations of Medicare Part D data is due, overall, to the complexity of the reconciliation and lack of resources at the institutes to perform this function. Specifically, the accounts receivable balance is difficult to reconcile because the pharmacy subsystem does not have an accounts receivable component. Accordingly, a reconciliation is a labor-intensive, manual process that is complicated by the volume of transactions and variety of details provided on the prescription drug companies' payments.

While the amounts identified in our audit are not material in terms of the Department's overall Fiscal Year 2009 revenue, the lack of timely reconciliations at fiscal year-end for the Medicare Part D revenue and related receivable accounts can lead to inaccurate financial reporting. The Department should perform year-end reconciliations to ensure that the mental health institutes' Medicare Part D revenue and the related receivable accounts are appropriately recorded on COFRS

by the institutes, and that information on the State's financial statements is accurate and complete.

(Classification of Finding: Significant Deficiency.)

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## **Recommendation No. 14:**

The Department of Human Services should improve controls over financial reporting for Medicare Part D revenue and receivables at the Fort Logan and Pueblo Mental Health Institutes by ensuring monthly and fiscal year-end reconciliations are performed on the Part D revenue and related accounts receivable balances in the State's accounting system, COFRS, to billings from the pharmacy subsystem, and making adjustments as appropriate.

### **Department of Human Services Response:**

Agree. Implementation date: June 30, 2010.

The Department of Human Services, Division of Accounting acknowledges the need to improve controls over financial reporting for Medicare Part D revenue and accounts receivable. An Access database is in the process of being developed by Accounting staff for the purpose of electronically downloading billed Medicare Part D claims from AVATAR and posting payments received from the prescription drug companies, and it will include reconciliation and reporting functionality. Reconciliations will be prepared monthly and at fiscal year-end; necessary adjustments to revenue and accounts receivable will be made as appropriate.

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## **Nursing Home Revenue**

The Department's Office of State and Veterans Nursing Homes (Office) oversees six facilities that provide skilled nursing care and one domiciliary, or assisted living unit. These facilities are located around the state, specifically at the Fitzsimons site in Denver and in Florence, Homelake, Rifle, Trinidad, and Walsenburg. The Walsenburg Home is operated by the Huerfano County Hospital District under contract with the Department and is not included in our Statewide Audit. The remaining five homes are operated directly by the Office. In Fiscal Year 2009, the five homes directly operated by the Office reported operating revenue from all sources of more than \$50.3 million.

The nursing homes initially record all revenue and accounts receivable amounts in the Achieve-Matrix system, which tracks resident information and charges. Expenditure information at the nursing homes is entered directly into COFRS. At minimum on a monthly basis the nursing homes manually enter revenue and accounts receivable information in COFRS based on reports generated by Achieve-Matrix. However, during our Fiscal Year 2009 audit, we determined that although the Fitzsimons, Florence, Rifle, and Trinidad Nursing Homes are entering information into COFRS, they are not performing a monthly and year-end formal reconciliation of revenue and accounts receivable amounts to ensure data in COFRS are consistent with the data in Achieve-Matrix.

In Fiscal Year 2009, a separate financial statement audit of the Homelake Nursing Home was performed by the public accounting firm of McPherson, Breyfogle, Daveline, & Goodrich, PC. The auditors found that the Homelake Nursing Home is performing formally documented monthly and year-end reconciliations between Achieve-Matrix and COFRS.

According to nursing home staff from Fitzsimons, Florence, Rifle, and Trinidad, the lack of reconciliations of revenue and accounts receivable information is due to the lack of resources available to perform this function. Staff indicated that when they manually enter this information into COFRS, they ensure that it agrees to Achieve-Matrix; however, this is not a formally documented process.

While the amounts identified in our audit are not material in terms of the Department's overall Fiscal Year 2009 revenue, the lack of a formally documented reconciliation process and actual reconciliations performed on a monthly basis and at fiscal year-end for the nursing homes' revenue and related receivable accounts can lead to inaccurate financial reporting. The Department should ensure the nursing homes reconcile revenue and the related receivable accounts throughout the year and at fiscal year-end to ensure amounts are appropriately recorded on COFRS, and that information on the State's financial statements is accurate and complete.

(Classification of Finding: Control Deficiency.)

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## **Recommendation No. 15:**

The Department of Human Services should improve controls over financial reporting of revenue and receivables at the Fitzsimons, Florence, Rifle, and Trinidad nursing homes operated by the Department by implementing and formally documenting a reconciliation process in which monthly and fiscal year-end reconciliations are performed on revenue and related accounts receivable

balances in COFRS to amounts recorded in the Achieve-Matrix system, and making adjustments as appropriate.

### **Department of Human Services Response:**

Agree. Implementation date: February 2010.

A formal process and standard format will be provided to each nursing home in January 2010. Instruction will be provided to the business office managers at the January business office manager meeting regarding the process. Full implementation of monthly revenue and related accounts receivable reconciliations between the State's accounting system and the Matrix system will begin in February 2010.

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## **Time Sheet Certification**

During Fiscal Year 2009, the Department spent nearly \$277 million on salaries and wages and had approximately 5,500 full-time-equivalent employees. The Department's employees are paid through the Colorado Personnel Payroll System, and payroll amounts are reflected in COFRS.

Employees record their time in the Department's timekeeping system, on either a monthly or a biweekly basis. On this same basis, unit timekeepers are responsible to approve time sheets in the Department's timekeeping system for the pay period. The time sheets are to be printed and signed by both the employee and the supervisor within 20 calendar days of the close of the system. The signatures certify that the information on the time sheet is complete and accurate. Unit timekeepers are responsible for maintaining the certified time sheets.

During Fiscal Year 2009, we tested internal controls over monthly and biweekly payrolls. In relation to this testwork, we reviewed a total of 198 employee time sheets. We found problems with 93 (47 percent) of the 198 time sheets. Specifically, we identified the following:

- 65 time sheets were not certified timely by the employee, the supervisor, or both.
- 16 certified time sheets could not be provided by the Department.

- 11 time sheets were not provided by the Department when originally requested. Once the Department did provide the time sheets, they were not certified timely.
- One of the time sheets reviewed had been backdated by both the employee and the supervisor.

Although the problems identified in our sample did not impact the amounts paid to the employees, payroll is an inherently high-risk area. The lack of adequate controls and supervision indicate an environment in which errors and irregularities could occur and not be detected in a timely manner, which could result in more significant problems. The Department should improve its controls to ensure that time sheets are certified within the timeframes established by Department policy.

(Classification of Finding: Significant Deficiency.)

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## **Recommendation No. 16:**

The Department of Human Services should improve its controls over the payroll process by ensuring that time sheets are certified within the timeframes specified in Department policy and are maintained and available for review.

### **Department of Human Services Response:**

Agree. Implementation date: April 1, 2010.

It appears that the exceptions identified in the payroll samples were largely from two areas, Wheat Ridge Regional Center and the Fitzsimons Nursing Home. Department staff will contact agency directors to review the audit findings and determine where additional communication and/or training is needed to convey the importance of staff compliance with time sheet certifications and maintaining data so that it is readily available when requested for audit.

In addition, an automated e-mail message will be sent to all staff following each of the Department's timekeeping system (Kronos) closings to remind employees and supervisors of the requirements of the time sheet certification, including timeframes.

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## Exhibit Preparation

At the end of each fiscal year, the OSC requires that each department submit uniform reports, called exhibits. These exhibits contain financial and related information that aids OSC in preparing the State's financial statements in accordance with generally accepted accounting principles. The accuracy of the exhibits is important because it affects the accuracy of the State's financial statements.

In our Fiscal Year 2009 audit, as in previous years, we noted errors in several of the Department's exhibits. Of the 18 exhibits the Department submitted to OSC for Fiscal Year 2009, we noted problems with four (22 percent). The Department was required to revise these exhibits to correct the errors we identified. (We also noted problems associated with the Department's preparation of the Exhibit K, as described in Recommendation No. 113.)

For example, we found problems with the following exhibits:

- **Schedule of Capital Leases (Exhibit F1):** This exhibit records the Department's capital assets acquired under lease financing and discloses future minimum lease payments. Two errors in this exhibit resulted in a net understatement of \$92,000.
- **Schedule of Operating Leases (Exhibit F2):** This exhibit records the Department's operating leases and discloses future minimum lease payments. Two errors in this exhibit resulted in a net overstatement of \$49,500.

The Department corrected and resubmitted the erroneous exhibits to OSC prior to the issuance of the State's financial statements.

We have identified errors in the Department's exhibits since Fiscal Year 2002. The error rate has fluctuated between Fiscal Years 2002 and 2009 from a high of 49 percent in Fiscal Year 2003 to a low of 11 percent in Fiscal Year 2004. Based on our previous recommendations, the Department instituted a year-end training session and a secondary review process in 2004. In 2007 the Department shifted the focus of the training to one-on-one training of the staff responsible for preparing the exhibits. In 2008 the Department expanded the secondary review process to include review by the deputy controller and to require the review of additional supporting documentation for the exhibits.

Although these training and review processes appear to be reasonable controls, they do not appear to be functioning effectively, as evidenced by the continued errors. Accordingly, the Department should continue to improve its controls to

ensure that the exhibits are accurate and to minimize the time required to correct and revise erroneous exhibits.

(Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 17:**

The Department of Human Services should improve its controls over the preparation of fiscal year-end exhibits submitted to the Office of the State Controller by:

- a. Continuing to ensure that the staff who prepare the exhibits receive adequate training each year on exhibit preparation.
- b. Continuing to conduct secondary reviews of exhibits, including in-depth, detailed reviews of all supporting documentation used to prepare the exhibits.

### **Department of Human Services Response:**

Agree. Implementation date: August 31, 2010.

The Department will continue to provide one-on-one training to the responsible staff who prepare the fiscal year-end exhibits. Worksheets and templates will be developed to improve the accuracy of the exhibit reporting.

The supervisors will continue to conduct the secondary reviews of exhibits and supporting documentation to ensure that these exhibits are prepared accurately.

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## **Timely Recording of Revenue in the Records and Reports Fund**

The Records and Reports Fund (Fund) established in Section 19-1-301, C.R.S., was created by the Children's Code Records and Information Act and took effect on January 1, 1997. The Fund tracks revenue collected from background checks performed by the Department's Background Investigation Unit (BIU), which is overseen by the Division of Boards and Commissions. These background checks, which search for criminal history, are to be performed on prospective or current employees of the Department who will be working with children, on prospective

adoptive parents, and on certain persons who provide childcare. For a fee, the BIU will also conduct background checks for private citizens. The current fee for a background check is \$30 and is paid by the childcare facility, agency, or division requesting the background check.

During Fiscal Year 2009, the BIU performed more than 24,000 background checks and collected about \$732,000 in fees from performing these checks. The fees are paid by mail or in person at the Department's Fort Logan campus in southwest Denver. As payments are received, they are entered on a daily log. This log and the payments are transported to Central Accounting at the Department's main office in downtown Denver. Upon receiving the checks and log, Accounting staff prepare a cash receipt document (to record the payments on COFRS and then deposit the payments with the State Treasurer.

Accounting staff report that the time from receipt of the daily payments by the BIU until deposit with the Treasurer should take no more than five business days, but no written policies have been established concerning the timeliness of these deposits. The State Fiscal Rules issued by the Office of the State Controller, however, assert that state agencies must make timely deposits to the State Treasury and that "all money received and not deposited during the month shall be deposited on the last working day of the month."

During our Fiscal Year 2009 audit, we found that the Department is not timely depositing the payments it receives for conducting background checks. Specifically, of the 25 transactions we tested, nine (36 percent) had not been deposited by the last day of the month in which they were received. The lag between the payments' receipt and deposit ranged from three to 26 business days. The delays resulted in 57 days where approximately \$24,500 in income was not deposited timely with the State Treasurer.

Controls over payments to the State and their timely deposit are important to safeguard the payments from the risks of loss or theft. Moreover, because funds on deposit with the State Treasurer earn interest, unnecessary deposit delays result in a loss of interest income. Accordingly, the Department should strengthen its controls over the processing and deposit of background check payments.

(Classification of Finding: Control Deficiency.)

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## **Recommendation No. 18:**

The Department of Human Services should improve its controls over the processing and deposit of background check payments to ensure that the

payments are deposited with the State Treasurer in accordance with State Fiscal Rules.

### **Department of Human Services Response:**

Agree. Implementation date: March 31, 2010.

The Background Investigation Unit (BIU) has been working with the Accounting Division to implement a system for transferring the large volume of daily deposits that are received at the assigned workstation at the Fort Logan campus to the Main Office at 1575 Sherman Street where the Division of Accounting is located. The Accounting staff have recommended that the BIU send the deposits downtown daily, via Central Services Inter Office Mail. This new process has been implemented. The Division of Boards and Commissions has instituted a tracking system to determine if this transfer method will consistently meet the stated timeframes. If Inter Office Mail does not deliver the deposits downtown quickly enough, the Division of Boards and Commissions will work with the Division of Accounting to identify other possible methods. The Department will work collaboratively to determine how to fully comply with the State Fiscal Rule that deposits received at the end of a month will be deposited at the State Treasury in that same month. Finally, the Department will work collaboratively to ensure that Fiscal Rule requirements are clearly communicated, to ensure full compliance.

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**Department of Human Services****Prior Recommendations****Material Weakness or Significant Deficiency****Not Remediated by the Department****As of June 30, 2009**

The following recommendations relating to internal control deficiencies classified as material weaknesses or significant deficiencies were communicated to the Department in previous years and have not been remediated as of June 30, 2009. These recommendations can be found in the original report and the IV. Prior Recommendations Section of this Report.

<b>Current Rec. No.</b>	<b>Prior Report and Rec. No.</b>	<b>Recommendation/ Classification</b>	<b>Implementation Date Provided by Department</b>
2009 Single Audit Rec. No. 19	2008 Single Audit Rec. No. 8	Reconciliation of County Expenditures <i>Significant Deficiency</i>	June 2010

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# Judicial Department

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## Introduction

The Judicial Department (Department) is a constitutionally separate branch of state government. The state court system includes the Colorado Supreme Court, the Colorado Court of Appeals, district courts in 22 judicial districts throughout the state, county courts in every county (except Denver County Court which is not part of the state court system), and water courts, one in each major river basin in Colorado. In addition, the Judicial Department operates and manages adult and juvenile probation within the 22 judicial districts. The Colorado Judicial Department employs more than 300 judges and 3,500 support staff members and is centrally administered by the Chief Justice of the Supreme Court. To assist the Chief Justice, the Supreme Court appoints the State Court Administrator. The Office of the State Court Administrator provides management supervision and support for the court system and the probation department, pursuant to the policies, guidelines, and directives promulgated by the Chief Justice. The Judicial Department also includes three independent agencies: the Colorado State Public Defender, the Office of Alternate Defense Counsel, and the Office of the Child's Representative. In Fiscal Year 2009 the Department was appropriated approximately \$431.6 million with 4,082.9 full-time-equivalent staff, or FTE. Of this amount \$327.7 million, or 76 percent, was general funds.

The following comments were prepared by the public accounting firm of Clifton Gunderson, LLP, which performed Fiscal Year 2009 audit work at the Judicial Department.

## Assessment of Fines and Fees

Various state statutes outline the fines and fees that are to be applied to both civil and criminal court case types and filings. The monies collected are disbursed to the State Treasurer, various county and municipal governments, and other accounts, such as the local Victim Assistance and Victim Compensation Funds. The statutes also outline the distribution of the fees and fines disbursed to the State Treasurer to be credited to various funds within the Judicial Department. For criminal cases, the amounts are assessed at the time of sentencing, while for civil cases the amounts are collected at the time of filing various documents with the court. Some statutes allow the judge to reduce or waive the fines for criminal cases based on certain factors, including financial hardship. However, documentation related to the reasoning behind the reduction or waiver of the fines

assessed is required to be maintained in the electronic case file under Department policies.

As part of our Fiscal Year 2009 audit, we reviewed a sample of 25 cash receipts relating to civil and criminal court cases at three Judicial Districts in the State; our total sample was 75 cash receipts assessed and collected during Fiscal Year 2009. We noted six instances where the fees/fines assessed were less than the minimum amount required by statute. In all instances, the electronic case file did not document the reasoning behind assessing the amount at less than the minimum. Specifically, we noted:

- Under Section 42-4-1301, C.R.S., in the court's discretion a fine of not less \$200 nor more than \$500 is to be assessed for all Driving Under the Influence/Ability Impaired charges. We found one instance where the amount assessed was less than the \$200 minimum. In total, the amount under-collected for these charges in our sample was \$100. The amount of the fine changed effective July 1, 2008. However, all items in our sample were assessed after the date of the statutory change.
- Under Section 42-4-1301 (7), C.R.S., any person that is convicted of Driving Under the Influence (DUI) shall pay, in the court's discretion, a fine of not less than \$600 and not more than \$1,000. We found two instances where the amount assessed was less than the minimum allowed. The amount under-collected for these convictions was \$500.
- Under Section 18-1.3-501, C.R.S., the minimum penalty for a Class 2 Misdemeanor is \$250. We found one instance in which the amount assessed was less than this minimum amount. The amount-under collected for this misdemeanor was \$150.
- Under Sections 24-4.2-104 and 42-4-1701, C.R.S., the Victim's Assistance Surcharge is to be assessed at 37 percent of the fine or at an applicable minimum depending on the type of offense. We found two instances where the fee was incorrectly assessed at the minimum or was calculated incorrectly; one was greater than and one was less than the correct amount. This resulted in a net over-collection of \$45.

Overall, our testing found that the Department did not collect \$705 in required fees. Our findings indicate that the Department does not have adequate controls in place to ensure that fees assessed are in accordance with statutory requirements or that waivers or reductions are appropriately documented in the files.

(Classification of Finding: Significant Deficiency.)

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## **Recommendation No. 20:**

The Judicial Department should implement processes to ensure that appropriate fees and charges are assessed in accordance with statutory requirements. In addition, in instances where the fees and charges assessed are waived or reduced from statutory requirements, the Judicial Department should ensure that the reasoning behind the waivers or reductions is documented in the electronic case file.

## **Judicial Department Response:**

Agree. Implementation date: Ongoing.

The State Court Administrator's Office has taken a number of steps already to address errors in assessments made by judicial officers and staff. First, the case management system automatically populates statutory costs in certain offenses where the penalties imposed are standard or predictable. The amounts that auto populate can be changed if the court orders a different amount, but the standard amounts are populated automatically. Second, the internal auditing of judicial districts has raised awareness of the issue of lack of consistent imposition of mandated fees, fines and surcharges. Audit results are helpful in highlighting any inconsistencies in the orders from judicial officers, which are then addressed within the district. Third, training for judicial officers and staff on fees, fines and surcharges has been developed and delivered throughout the state. This training addresses statutory mandates, making a clear record on the court's sentencing order, and provides resources to judicial officers and staff to help clarify the numerous potential surcharges, fees, and fines required by statute.

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## **Payroll**

During Fiscal Year 2009 the Department spent more than \$171.9 million in salaries and wages. To ensure that each hourly worker's time is accurately recorded and approved, the Department requires hourly employees to record the hours worked. Most Department employees complete electronic time sheets into the Department's timekeeping system, JETRS. Some District courts use manual time sheets to track time; these are entered into the Colorado Personnel Payroll System (CPPS) by the Payroll Unit of the State Court Administrator's Office. The employee's supervisor is required to review the employee's time sheet and approve the time sheet either manually or electronically in the system.

As part of our Fiscal Year 2009 audit, we reviewed a sample of 55 individual payroll transactions. We noted all time sheets contained supervisory approval. However, for three of the electronic time sheets tested, the hours worked were incorrectly entered into the JETRS system. This indicates that the supervisory review and approval of electronic time sheets was not effective. Specifically, we found two instances where the employee did not record the minimum required hours for the employee's FTE status. In these instances, the employee did not record paid time off (PTO) or leave without pay to ensure that the amount recorded in JETRS agreed to the hours required. In the third instance, the employee was on a leave schedule and the amount of time recorded did not accurately reflect the employee's approved leave. Our testing did not identify any employees that were over/under paid.

Our findings indicate that the Department does not have an adequate review process in place to ensure that employees hours recorded are in accordance with the required hours to be worked by the employee. The Department should emphasize the importance of supervisory review and approval over employees' time sheets to ensure accuracy of hours reported.

(Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 21:**

The Judicial Department should ensure that supervisory review is performed on the accuracy of time sheet data entered into the JETRS system, with emphasis on the areas identified.

### **Judicial Department Response:**

Agree. Implementation date: MOSAIC – July 2013, Training – February 2010.

The Judicial Department is developing a new time sheet program (MOSAIC) that will prevent supervisors from approving time sheets in which the required number of hours have not been met. Additionally, payroll staff will incorporate the procedures for 'time sheet entry and approval' into training materials.

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## Cash Reconciliations

The Department uses about 160 checking accounts for the financial activity for the 22 Judicial Districts throughout the state. The bank balances for these 160 accounts totaled more than \$54.1 million as of June 30, 2009. The Financial Services Division has established fiscal rules that establish the internal controls and practices that are to be adhered to by the district courts. Established internal controls include the preparation and review of monthly bank reconciliations for all bank accounts at each of the districts. The bank reconciliation form created by the Financial Services Division includes a place for the preparer and approver (the District Administrator or delegate) to complete and sign off.

As part of our Fiscal Year 2009 audit procedures, we reviewed a sample of 22 bank account reconciliations for the time period covering June 2009. We noted that three of the reconciliations tested did not contain evidence of the District Administrator or his/her delegate's review and approval of the bank reconciliation.

The Department does not have an adequate review process in place to ensure that all bank reconciliations are reviewed and approved, as required under Department fiscal rules. Due to the significant number of bank accounts and the significant cash balances, the Department should ensure that all bank reconciliations are reviewed and approved.

(Classification of Finding: Significant Deficiency.)

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### Recommendation No. 22:

The Judicial Department should strengthen its internal controls to ensure appropriate sign offs as evidence that all bank reconciliations are reviewed and approved.

### Judicial Department Response:

Agree. Implementation date: July 2010.

Judicial's Fiscal Year-End Closing Instructions will be amended to emphasize the necessity of documenting the review/approval process. In addition, State Court Administration Office staff will review the reconciliations for compliance.

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# Department of Labor and Employment

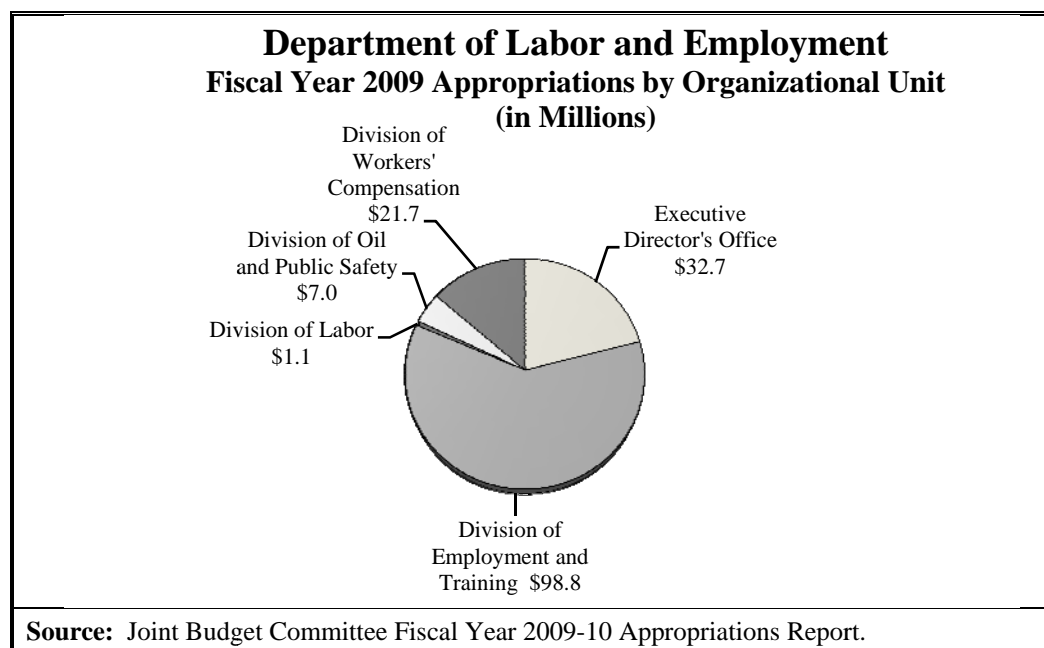
## Introduction

The Department of Labor and Employment (Department or CDLE) is responsible for providing services to employers and job seekers and enforcing laws concerning labor standards, unemployment insurance, workers' compensation, public safety, and consumer protection.

The Department is comprised of the following major organizational units:

- Executive Director's Office
- Division of Employment and Training
- Division of Workers' Compensation
- Division of Oil and Public Safety
- Division of Labor

The Department was appropriated \$162 million and 1,118 full-time-equivalent staff, or FTE, for Fiscal Year 2009. Approximately 40 percent of the Department's funding is from cash and reappropriated funds, and the other 60 percent is from federal funds. The following chart shows the operating budget by major organizational unit during Fiscal Year 2009:



The following comments were prepared by the public accounting firm of Cliton Gunderson LLP, which performed Fiscal Year 2009 audit work at the Department.

## **Unemployment Insurance Overpayment Reporting**

The Department collects unemployment insurance taxes from employers on a quarterly basis during the year, based upon an employer's tax rate and amount of employee wages. Unemployment insurance taxes collected for the year ended June 30, 2009, totaled approximately \$403 million.

The Department records a liability for unemployment insurance tax owed to employers for overpayments of the tax. Refunds to employers arise mainly due to mathematical errors by employers in the calculation of taxes due. The liability is recorded based on actual amounts due to employers. The Department uses the Colorado Automated Tax System (CATS) to process employer tax reports and payments for Unemployment Insurance and to process refunds for overpayment. The Department is responsible for ensuring that balances reflected in its accounting records and reported in the statewide financial statements are materially accurate.

As reported in prior years, the Department had not established procedures to verify the unemployment insurance tax refund balance on the State's accounting system, COFRS. During Fiscal Year 2009, the Department assigned staff to review the most significant employer accounts, and as a result, refunded employer balances and reduced the balance in the account from \$24 million in Fiscal Year 2008 to \$18 million at the end of Fiscal Year 2009.

The lack of verification procedures could potentially result in a material misstatement in the Unemployment Insurance Liability Account. The lack of verification procedures are a result of CATS reporting limitations, and a lack of technically qualified staff.

(Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 23:**

The Department of Labor and Employment should continue the process started in Fiscal Year 2009 to evaluate the accuracy of the liability to employers for overpayment of Unemployment Insurance taxes.

## **Department of Labor and Employment Response:**

Agree. Implementation date: June 2010.

The Unemployment Insurance (UI) program has assigned staff resources to work each outstanding employer credit balance by verifying and validating individual credit accounts and issuing corresponding refunds to employers when deemed appropriate. UI has prioritized outstanding overpayments working the largest dollar amount accounts, inactive employer accounts, and credits requested from employers, as first priority. UI is actively working the overpayment accounts with a prioritization to effectively reduce the outstanding control account balance.

CDLE has been performing an internal review (Internal Auditor) of processing and procedures over the UI Overpayment tracking and refunding activities. It is expected that UI will incorporate suggested recommendations for processing improvements into the overpayment tracking and refunding activities. CDLE is committed to improvements in efficiencies while ensuring necessary internal controls are in place and operating as prescribed. In addition to increases in staff and processing resources, the Department is exploring the long term viability of additional fiscal system resources to manage the large and challenging fiscal account activity.

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## **Estimation Procedures**

The Department prepares several significant accounting estimates that are included in the State's financial statements. During our testing of these estimates, we did not identify any material misstatements, but noted that although the Department has established procedures for estimating each of these balances, internal control procedures to complete a supervisory review of the accuracy of all significant estimates have not been documented. Consequently, there continues to be a risk that these estimates could contain errors, including miscalculations, or may not consider all relevant factors, and therefore, the resulting account balance may not be accurate. The Department is responsible for ensuring that estimates reflected in their accounting records and reported in the statewide financial statements are materially accurate.

During Fiscal Year 2009 and in response to the Fiscal Year 2008 recommendation, the Department evaluated the estimation process, and determined the need to revise certain estimation and review procedures. However, the Department did not complete a detailed supervisory review for the

Unemployment Insurance Taxes Receivable and Unemployment Benefits Payable estimates as described below.

***Unemployment Insurance Taxes Receivable (estimate of approximately \$100 million)*** – Due to the timing of closing the Department's books at year-end, the Department must estimate the Unemployment Insurance Taxes that are due as of the end of the fiscal year, but not yet collected. The Department utilizes an internal economist to evaluate the relevant factors that affect taxes that will ultimately be collected from employers including job and wage growth or contraction, prior collections, and other factors. Due to a lack of technically qualified staff, the Department has not implemented a detailed supervisory review of the estimate completed by the internal economist.

***Unemployment Benefits Payable (estimate of approximately \$32 million)*** – The Unemployment Benefits Payable is estimated by the accounting department. The estimation process includes an analysis of benefits paid in the prior six months and payments made through the first 14 days of the subsequent fiscal year. However, there is no documented evidence of a detailed supervisory review performed on the calculation.

(Classification of Finding: Significant Deficiency.)

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## **Recommendation No. 24:**

The Department of Labor and Employment should continue to evaluate the process for preparing and reviewing significant estimates and implement detailed supervisory review procedures for the Unemployment Insurance Taxes Receivable and Unemployment Benefits Payable estimates.

### **Department of Labor and Employment Response:**

Agree. Implementation date: April 2010.

CDLE continues to refine and evaluate the process for preparing and reviewing significant estimates and implement detailed supervisory review procedures for the Unemployment Insurance Tax Receivable and Unemployment Benefit Payable estimates. The CDLE economist continuously updates his quarterly estimate each and every fiscal quarter and estimates are replaced by actual cash receipts every 90 calendar days. Actual results are known and reviewed by CDLE program accountants quarterly for employer tax amounts. These amounts are published to numerous internal stakeholders in the form of daily production activity reports: UI Trust Fund Balance Tracking-UI Employer Taxes In and UI

Benefit Issuance Out. Based on prior year recommendations, the CDLE economist, key UI staff and CDLE Finance meet twice a year to review our estimation process in detail. This process reviews prior quarters and is being refined based on auditor recommendations. In accordance with audit recommendations, CDLE will document its process review meetings including discussion agenda, quarterly results and action items.

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## **Colorado Unemployment Benefit and Tax Information Systems**

The Department is responsible for providing services to employers and job seekers and enforcing laws concerning labor standards, unemployment insurance, workers' compensation, public safety, and consumer protection. The Department owns, operates, and supports two critical information systems that it uses to process unemployment benefits and collect unemployment taxes. These systems are the Colorado Unemployment Benefits System (CUBS) and the CATS. Through CUBS, in Fiscal Year 2009, the Department disbursed approximately \$1.1 billion in unemployment insurance benefits to eligible individuals. Through CATS, in Fiscal Year 2009, the Department collected approximately \$360 million in employer payments for unemployment insurance. CATS is also used by the Department to process employer tax reports and refunds for overpayments.

We tested the Department's information system security controls over CUBS and CATS and found that the Department needs to strengthen its controls in three areas: user identity and access management, software configuration management, and security awareness training.

### **User Access Management**

User access management involves deciding who is allowed to access specific information systems, granting access to users commensurate with their job responsibilities, and monitoring user access to ensure its appropriateness. User access to CUBS and CATS must be tightly controlled because these systems contain and process critical and sensitive information.

State Cyber Security Policies require state agencies to provide users with the least amount of access necessary to perform their job duties. We reviewed the Department's controls for managing user access and found them to be inadequate. Of greatest concern, the Department was unable to produce a list of current users with access to CUBS and CATS. Without this list, neither we nor the Department can determine whether each individual's access, or the associated level of access, is appropriate and authorized and that terminated employees are deleted in a timely manner. In the absence of the list, the Department also cannot periodically

review user access levels to ensure that they correspond with employees' job responsibilities.

We also found that the Department lacks written procedures governing how access to CUBS and CATS is to be granted. State Cyber Security Policies require agencies to develop written procedures for granting users access to information systems. Agency procedures must include, at a minimum, a process for verifying that each user has read and signed an "acceptable use" policy prior to being granted access to the system.

Finally, we found that the Department does not generate audit logs for CUBS and CATS. These logs, which record successful and failed access attempts and anomalous activity (i.e., transactions processed in the middle of the night), are required by State Cyber Security Policies. Audit logs are critical for identifying and investigating possible data breaches, fraud, or other unauthorized activity. Without such logs, it is unlikely that Department Information Technology (IT) security staff could detect unauthorized or anomalous activity within CUBS or CATS applications.

To correct these problems, the Department should develop and implement a documented user access management process for CUBS and CATS. As a first step, the Department should develop a reporting mechanism that will generate a user list for the two systems. This list should be periodically reviewed by the Department to ensure that user access is commensurate with job responsibilities and that terminated users' access is removed in a timely manner. Second, the Department should develop a written procedure for granting users access to CUBS and CATS. Third, the Department should begin generating and reviewing application activity logs (i.e., audit logs) to identify and investigate anomalous activity. Until these system changes have been made, the Department should increase the activities of the fraud detection staff within the unemployment insurance division. Specifically, the Department should require the division to regularly conduct analytical reviews of CUBS and CATS transactions and to share anomalous activity reports with IT and Division of Employment and Training staff.

## **Software Configuration Management**

State Cyber Security Policies require that state agencies develop and implement a documented configuration management and change control policy that includes procedures for approving and implementing emergency changes. A software configuration management and change control policy is an important control that, in conjunction with other automated controls, provides reasonable assurance that only authorized and tested software changes are made to a system. We found that the Department lacked documented policies and procedures for making configuration changes to CUBS and CATS. To ensure that changes to CUBS and

CATS are properly authorized and tested, the Department should develop a written configuration management and change control policy. The policy should identify the roles, responsibilities, procedures, and documentation required for making changes; provide guidance for personnel involved in the change management function; and describe the process by which routine and emergency changes are to be authorized and tested, tracked, and migrated into the production environment.

## **Security Awareness Training**

Information security awareness training is critical to an organization's information security strategy. Users are the first line of defense against threats posed by malicious code, disgruntled employees, and malicious third parties. As such, information system users need to know what an organization considers appropriate security-conscious behavior and what security best practices they need to incorporate into their daily business activities. Because of the importance of having security-conscious users, State Cyber Security Policies require that all employees, contractors, and users of state systems receive initial and ongoing security awareness training on at least an annual basis. Agencies are to track the completion of this training centrally and require users to attest in writing that they have completed the training and agree with the agency's acceptable-use policy.

We found that improvements are needed to the Department's information security awareness training program. Although the Department requires newly hired personnel and contractors to read and sign the Department's acceptable-use policy, we found no evidence that the Department provides users with job-specific security awareness training or requires users to annually recertify their understanding and compliance with the Department's acceptable-use policy.

Additionally, while the Department has provided some security awareness communications to users, these communications tend to be general rather than targeted to the Department's specific work environment. According to Department staff, the security communications are irrelevant to their working environment and do not relate to the systems they use or to the confidential data they handle and process. A recent Internal Revenue Service audit affirmed our finding, reporting that the Department's current security awareness program does not adequately ensure that each employee understands the Department's security policies and procedures for safeguarding federal tax information as well as the penalties for unauthorized access to, or disclosure of, such information.

For the user awareness training program to be effective and relevant, the Department should initiate a joint effort between its information security and business functions (i.e., Division of Insurance program staff). The Department should design a security awareness training program specific to CUBS and CATS, including details about the state and federal requirements for safeguarding

confidential and federal tax data. Additionally, the Department should require all employees to annually recertify their understanding and compliance with the acceptable-use policy. These recertifications should be maintained in employees' personnel files or by information security staff.

(Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 25:**

The Department of Labor and Employment should improve its Information Technology controls over the Colorado Unemployment Benefits System (CUBS) and the Colorado Automated Tax System (CATS) by:

- a. Developing, documenting, and implementing a user access management process, including procedures for periodically producing and reviewing a list of current system users.
- b. Developing and implementing a written procedure for granting user access to CUBS and CATS.
- c. Generating and reviewing application activity logs (i.e., audit logs) to identify and investigate anomalous activity.
- d. Increasing the activities of the internal fraud staff by having them regularly review CUBS and CATS transactions for anomalous activity. Anomalous activity reports should be shared with IT and business staff (i.e., Division of Employment and Training program staff) and fully investigated and documented.
- e. Developing written configuration management and change control policies and procedures, including procedures for handling emergency changes. The policies and procedures should define the joint roles and responsibilities of IT and Division of Employment and Training program staff.
- f. Implementing an annual security awareness program that addresses topics relevant to CUBS and CATS and the data they contain and process. The program should require that all employees recertify their understanding and compliance with the Department's acceptable-use policy. The annual recertification documentation should be maintained for at least the term of staff's employment with the Department.

## **Department of Labor and Employment Response:**

- a. Agree. Implementation date: July 2010.

The Access Control Group, in conjunction with the Agency Information Security Officer (ISO) and the impacted business groups, will select a sample of user IDs on a quarterly basis and verify that current access is appropriately authorized and based on the minimum functions required by users to perform their assigned duties. On an annual basis, the unemployment insurance director will be responsible for signing off that these reviews have been completed.

- b. Agree. Implementation date: March 2010.

There are various written policies and procedures regarding the request for service and work orders that the Access Control Group adheres to. However, there is no detail on the roles and responsibilities of who has authority to grant certain types of access. The Access Control Group, in conjunction with the Agency ISO and the impacted business groups, will be responsible for defining and documenting the responsibilities of the different groups that are involved in setting up IDs. A segregation-of-duty strategy will also be documented for CUBS and CATS that will describe how segregation of duties is to be accomplished, implemented, and monitored. Additionally the combinations of access that should be prohibited, restricted, logged, and monitored will be identified. Guidance related to how management authorizations for user IDs are to be evidenced and retained will also be defined.

- c. Agree. Implementation date: December 2010.

The Unemployment Insurance Division, together with the Inspector General, will design processes that will ensure anomalous activity within CUBS and CATS is detected, logged, and reviewed. An incident response plan related to this process will be documented.

- d. Agree. Implementation date: December 2010.

The CDLE Internal Fraud Unit will document a strategy as to how fraud detection reviews are to be completed. This strategy will detail the objective of the reviews, how often these reviews will be completed, and how the results are to be documented and communicated. An incident response process related to this process will also be documented.

- e. Agree. Implementation date: July 2010.

CDLE IT will work with the impacted business groups to identify roles, responsibilities, and procedures related to configuration management and change control. This will include describing processes and procedures related to how customary and emergency changes are to be authorized, communicated, tested, tracked, and migrated into the production environment. Additionally, procedures related to how changes are to be backed out if problems are detected will also be included. Documentation requirements related to these processes will be defined.

- f. Agree. Implementation date: December 2010.

CDLE will implement an annual security awareness program that will include topics relevant to the CUBS and CATS applications and the data they contain and process. CDLE will additionally ensure that an annual recertification process is in place and compliant with Cyber Security Policy.

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# Department of Law

## Introduction

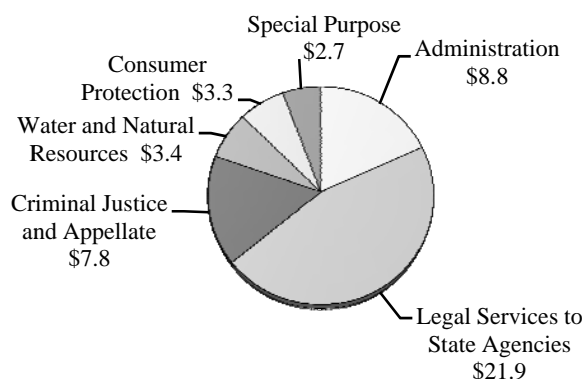
The Department of Law (Department) is directed by the Attorney General, who is an elected state official as provided by Article IV of the State Constitution. The primary functions of the Department are to:

- Provide legal counsel and advice to all state agencies (i.e., departments, commissions, boards, and elected officials).
- Represent the legal interests of all citizens of Colorado.
- Enforce the Colorado Consumer Protection Act, state and federal antitrust laws, and the Uniform Consumer Credit Code.

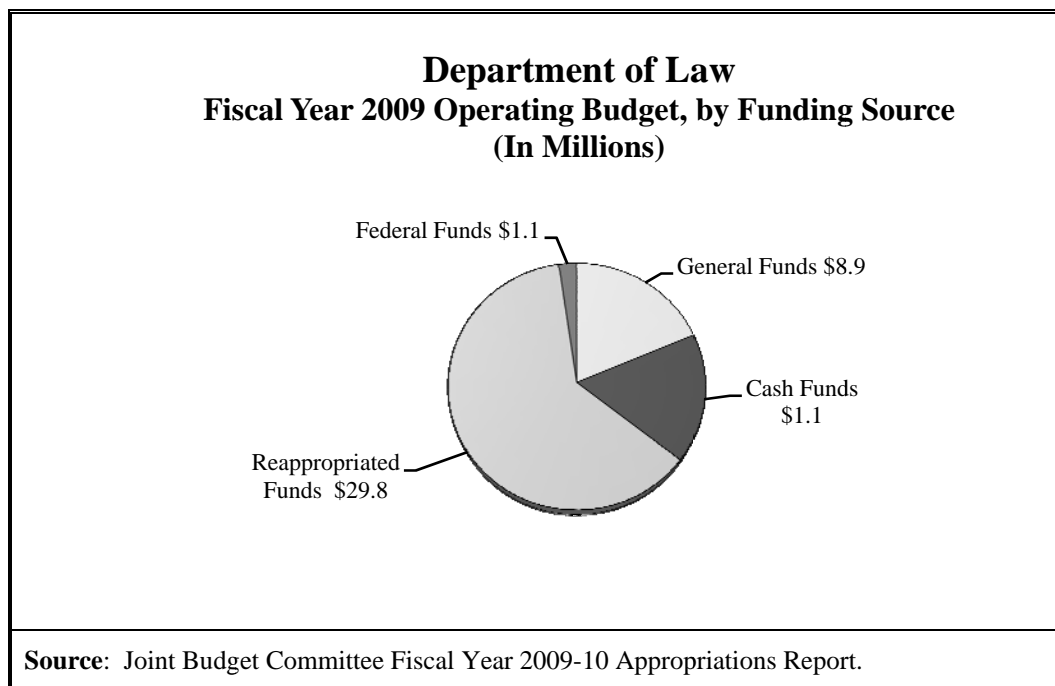
The Department also reviews state contracts for compliance with State Fiscal Rules and statutes.

In Fiscal Year 2009, the Department of Law was appropriated approximately \$48 million and 392 full-time-equivalent (FTE) staff positions. The following charts show the Department's operating budget by administrative section, and the appropriations by funding source, respectively, for Fiscal Year 2009:

**Department of Law**  
**Fiscal Year 2009 Operating Budget, by Administrative**  
**Section**  
**(In Millions)**



**Source:** Joint Budget Committee Fiscal Year 2009-10 Appropriations Report.



## Internal Controls over Revenue

The Department earns revenue from various sources, including legal service fees paid by other state agencies and funds received by the Department's Special Prosecutions Unit, Insurance Fraud Unit, Securities Fraud Unit, and Medicaid Fraud Unit. In Fiscal Year 2009, the Department earned approximately \$37.3 million in revenue from all sources.

The Department is responsible for maintaining adequate internal controls over revenue to ensure compliance with laws and regulations. The Department is required to follow State Fiscal Rules as well as guidance published by the Office of State Controller in the Fiscal Procedures Manual. The Fiscal Procedures Manual specifically requires departments to record cash receipts and revenue in the proper fiscal year and to establish internal controls over the estimation of accrued revenue and the approval of revenue transactions. The Department's accounting procedures require that all revenue transactions be reviewed and approved by the Department controller or a senior accountant.

During our Fiscal Year 2009 audit, we tested the Department's internal controls over the processing of revenue transactions. We reviewed a sample of 40 revenue transactions and identified problems with three (7.5 percent) of them:

- One revenue transaction related to a reimbursement of a prior-year expenditure was recorded in the incorrect fiscal year: \$599 earned in Fiscal Year 2008 was recorded as revenue in Fiscal Year 2009. As a

result, Fiscal Year 2008 revenue was understated by \$599, while Fiscal Year 2009 revenue was overstated by \$599.

- Two revenue transactions related to the reimbursement of prior year expenditures were not deposited timely in the State Treasury. In the first instance, a check dated July 30, 2008, was not deposited until October 10, 2008—more than two months later. In the second instance, a check dated July 22, 2008, was not deposited until September 11, 2008—more than seven weeks later. Under State Fiscal Rules, the Department is required to deposit receipts in the month they are received.

The errors we identified resulted from a lack of adequate staff training on accounting policies and procedures and a lack of timely review of receipts. To strengthen its internal controls over the processing of revenue transactions, the Department should ensure that Department staff are adequately trained on all accounting policies and procedures and that receipts are reviewed timely.

(Classification of Finding: Control Deficiency.)

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## **Recommendation No. 26:**

The Department of Law should strengthen its controls over the processing of revenue transactions by ensuring that staff are adequately trained on accounting policies, that revenue transactions are reviewed and deposited in a timely manner, and that all State Fiscal Rules and requirements regarding revenue are followed.

## **Department of Law Response:**

Partially agree. Implementation date: July 2010.

Generally, reimbursement of expenditures reduces or eliminates previously recorded expenditures in the same fiscal year in which the previously recorded expenditures were made. The \$599 reimbursement was for certain travel expenses for employee travel/training expenses reimbursed by an external organization, which would not be recorded in a program revenue appropriation but was classified as a reimbursement of expenditure. However, the Department of Law does agree that the reimbursement should have been recorded as a receivable at year-end closing to properly record the anticipated reimbursement from the professional organization.

Two cash transactions were not deposited timely in the State Treasury as indicated by Rule 6-1, Cash Receipts and Deposits. However, the Fiscal Procedures Manual published by the Office of the State Controller as authorized by Section 24-30-202 (19) C.R.S., indicates that Rule 6-6, Refunds and Reimbursements should also be applied to the two items questioned. These transactions were from prior year expense reimbursements and refunds that were received during the following fiscal year and, as such, do not serve as funding sources for appropriated expenditures. The Department agrees that the deposits should have been made in a timelier manner to comply with Rule 6-1.

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# Department of Personnel & Administration

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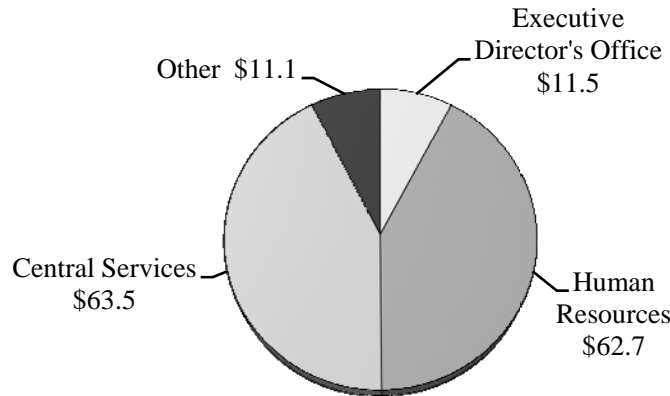
## Introduction

The primary function of the Department of Personnel & Administration (Department) is to support the business needs of the Executive Branch of state government. The Department administers the classified personnel system, which includes approximately 31,400 full-time employees across state government (excluding the Department of Higher Education), and provides general support for state agencies. The Department includes the following major organizational units:

- Executive Director's Office
- Division of Human Resources
- Division of Central Services
- Division of Finance and Procurement
- Office of Administrative Courts
- Office of the State Controller
- State Personnel Board
- Independent Ethics Commission

The Department was appropriated total funds of approximately \$148.9 million and 392.9 full-time-equivalent staff, or FTE, for Fiscal Year 2009. Approximately 4 percent of the funding is from general funds and approximately 92 percent is from reappropriated funds. Reappropriated funds are provided by sources including, but not limited to, vehicle and building rentals, copying, printing, graphic design, and mail services, and user fees from state agencies. The chart on the following page shows the operating budget by major areas for Fiscal Year 2009:

**Department of Personnel & Administration  
Fiscal Year 2009 Appropriations by Organizational Units  
(In Millions)**



**Source:** Joint Budget Committee Fiscal Year 2009-10 Appropriations Report.

## Fiscal Year Overexpenditures

According to State Fiscal Rules, an overexpenditure of appropriated funds exists when the total expenditures, based on the accrual basis of accounting, exceed the amount that was statutorily appropriated. An overexpenditure also exists for a cash appropriated expenditure when accrued revenue is not sufficient to cover the expenditures in any fiscal year and when the fiscal year-end balance in a fund is insufficient to cover a revenue shortfall. Overexpenditures may be allowed by the State Controller, with the Governor's approval. When a department becomes aware of an overexpenditure, the department's chief executive officer is to submit an overexpenditure request to the Office of State Planning and Budgeting (OSPB) and Governor through the State Controller. OSPB staff review the overexpenditure request and consider any related Joint Budget Committee (JBC) approvals or disapprovals of the department's requests for supplemental appropriations. If OSPB approves the request, the State Controller then verifies that the statutory requirements allowing the overexpenditure have been met; if so, the State Controller may approve the overexpenditure (with the Governor's concurrence). The State Controller may approve overexpenditures only between May 1 and the accounting close of the fiscal year, which is near the end of July. For any approved overexpenditure, the State Controller is to restrict an amount equal to the overexpenditure in the next fiscal year's appropriation for the state department involved. The amount is to be restricted from a corresponding line item (or items) of appropriation. Section 24-75-109, C.R.S., does not allow the State Controller to approve total overexpenditures in excess of \$1 million.

In Fiscal Year 2009, the Department overexpended four accounts by a total of approximately \$4.7 million. Of that amount, only \$10,200 was approved by OSPB. The Department overexpended the following budgetary line items:

**\$4,306,071 in Workers' Compensation Premiums** - Department staff indicated that workers' compensation claims are difficult to predict due to their nature, and the claims payments were larger than expected for Fiscal Year 2009. Because the Department failed to process May and June 2009 claims payments in a timely manner, the deadline for submitting an emergency supplemental request had passed by the time the Department identified the overexpenditure. OSPB did not approve this overexpenditure because it exceeded the statutory cap of \$1 million on allowed overexpenditures. The State Controller recommended that the Governor restrict the Department's Fiscal Year 2010 reappropriated funds budget for the amount of this overexpenditure.

**\$373,890 in Mail Services Personal Services** - Department staff indicated that Senate Bill 08-155, which centralized the management of the State's information technology resources and moved the Division of Information Technology to the Office of the Governor, limited the Department's ability to adjust personal services allocations between divisions and led to this overexpenditure. The Department submitted a supplemental appropriation request; however, the supplemental request was denied by the JBC because JBC staff believed it did not meet the JBC's supplemental criteria. OSPB did not approve this overexpenditure because the JBC had denied the Department's supplemental appropriation request for this account.

**\$10,200 in Deferred Compensation Administration** - Department staff indicated that an unexpected increase in third-party administrator fees for the retirement plan due to a larger-than-predicted number of participants enrolled in the plan led to this overexpenditure. OSPB approved this overexpenditure, and the State Controller recommended that the Governor approve it. As of the end of our testwork, the Governor had not approved the overexpenditure.

**\$10,045 in Vehicle Lease Payments** - Department staff indicated that a decrease in spending authority by Senate Bill 08-155 led to this overexpenditure. The Department submitted a supplemental appropriation request to OSPB. According to JBC staff, however, a supplemental request was not submitted to the JBC and therefore, was not formally acted on. The State Controller recommended that the Department's vehicle lease appropriation be restricted by an equal amount for Fiscal Year 2010.

The Department's overexpenditures in Fiscal Year 2009 indicate that the Department lacks procedures to ensure that potential overexpenditures are prevented or are promptly identified and limited, and that supplemental requests

are submitted timely and in accordance with applicable criteria. Accordingly, the Department should strengthen its internal controls over expenditures.

(Classification of Finding: Significant Deficiency.)

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## **Recommendation No. 27:**

The Department of Personnel & Administration should develop and implement procedures to ensure that potential overexpenditures are identified timely so that they can be prevented or limited. The Department should also ensure that supplemental or emergency appropriation requests are submitted timely and meet required criteria.

### **Department of Personnel & Administration Response:**

Partially agree. Implementation date: Ongoing.

The Department has made improvements to its internal budget to actual tracking procedures. The Department will continue to work closely with the Office of State Planning and Budgeting and Joint Budget Committee staff on budgetary requests.

Regarding the Mail Services Personal Services and the Vehicle Lease Payment, the Department identified these overexpenditures and followed the proper budget procedures, and is unable to identify any other courses of action which could have prevented or limited these overexpenditures.

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## **Capital Assets**

According to the Fiscal Procedures Manual issued by the Office of the State Controller (OSC), all state departments are to maintain a detailed record of their capital assets. Capital assets are long-lived assets, owned by the State, that are held primarily for use in an agency's operations and programs. Examples of such assets include land, improvements to land, buildings, leasehold improvements, furniture, equipment, and vehicles. Capital assets have a useful life of more than one year and must be recorded as an asset on the State's accounting system (COFRS), or "capitalized," rather than expensed if they meet certain cost thresholds (e.g., an acquisition cost of \$5,000 or more). At a minimum, the records should include each asset's cost, acquisition date, estimated useful life, and disposal date. For each capitalized asset, the record should also include

calculated annual depreciation and the accumulated depreciation. Under full accrual accounting required for the State's government-wide financial statements, state agencies must record the accounting gain or loss realized on the sale or disposal of a capital asset. An accounting gain or loss occurs when the net book value of the asset (i.e., the original cost minus the accumulated depreciation) is greater or less than the cash or other consideration received upon the asset's sale or other disposal.

The Department accounts for its vehicle fleet of approximately 6,960 vehicles and vehicle attachments, such as trailers and police lights, in the Colorado Automotive Reporting System (CARS). The information contained in the CARS database is uploaded to COFRS on a monthly basis. The Department reported to us in prior years that for vehicles entered into CARS prior to Fiscal Year 2005, Department staff used each vehicle's lease term as the basis for the vehicle's useful life when entering vehicles into the CARS inventory system. During Fiscal Year 2006, federal Division of Cost Allocation (DCA) auditors determined that some of the vehicles that had been fully depreciated in CARS were still in use by the Department and that the Department had accelerated its depreciation of those vehicles up to that point. As a result, the Department agreed to perform annual calculations to determine the depreciation expense that should be applied for vehicles entered into CARS prior to Fiscal Year 2005 until the vehicles were fully depreciated under the new methodology. The revised useful life was to be based on an average of the Department's vehicle useful lives, with State Patrol vehicles calculated separately. Therefore, Department staff recalculate depreciation expense at fiscal year-end and perform a reconciliation at fiscal year-end between CARS and COFRS to ensure that the information in COFRS is complete and accurate.

During our Fiscal Year 2009 audit, we tested the Department's accounting controls over capital assets and found weaknesses in the Department's procedures for calculating accounting gains and losses when disposing of vehicles, resolving differences identified in reconciling CARS and COFRS data, and accurately recording vehicles sale losses. Specifically, we found the following:

- The Department used the vehicle useful lives contained in CARS, and not recalculated useful lives under the methodology in place since Fiscal Year 2006 when calculating and recording accumulated depreciation for nine (30 percent) of the 30 disposed vehicles we tested. This resulted in the Department's overstating its gain on COFRS on vehicle disposals for the nine vehicles by approximately \$37,000.
- The Department did not identify the reason for an \$8,000 difference between CARS and COFRS at the end of the fiscal year. Although the Department identified the difference during its reconciliation process, it

did not fully reconcile the two systems or make an adjustment to either system for the difference.

- At the end of the fiscal year, the Department erroneously overstated depreciation expenses on COFRS by approximately \$1.2 million. The Department determined that about \$652,000 of the approximately \$1.2 million should have been recorded as losses on vehicle sales. The Department submitted an accounting entry to the OSC to reclassify approximately \$652,000 of the depreciation expenses as losses on vehicle sales after the end of the fiscal year. The Department could not identify the appropriate account where the remaining \$537,000 should have been reclassified.

(Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 28:**

The Department of Personnel & Administration should improve its internal controls over capital assets by:

- a. Ensuring that useful lives are accurately applied when calculating the accounting gain or loss on the disposal of vehicles.
- b. Investigating and resolving differences identified during the reconciliation process to ensure that Colorado Automotive Reporting System (CARS) and COFRS data are accurate and that necessary adjustments are made.
- c. Ensuring that vehicle sale losses and depreciation expense are accurately recorded in COFRS.

### **Department of Personnel & Administration Response:**

- a. Agree. Implementation date: Implemented and ongoing.

The Department followed the same depreciation methodology for the recalculation of useful lives and depreciation expense that has been in place since Fiscal Year 2006. However, we agree that the methodology may not have been correct for the year-end adjustment. Going forward the Department will re-evaluate this methodology and make any necessary adjustments to the total annual accounting gain or loss on the disposal of vehicles.

- b. Agree. Implementation date: Ongoing.

The Department has always been committed to investigating and resolving differences between CARS and COFRS. In fact, the approximate \$400,000 discrepancy reported by the Department at the end of Fiscal Year 2008 has been identified and resolved, with only a remaining discrepancy in Fiscal Year 2009 of \$8,000 out of a total vehicle inventory of \$127 million. We will continue to investigate the reason for any differences; however, the Department will not arbitrarily assign an amount to one system without clearly identifying the exact source of the difference.

- c. Agree. Implementation date: Ongoing.

The Department does and will continue to ensure that vehicle sale losses and depreciation expense are accurately recorded in COFRS.

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## Exhibit Preparation

At the end of each fiscal year, the OSC requires that each department submit financial information that aids in the preparation of the State's financial statements and related disclosures. The OSC requires that all departments submit this information in uniform reports, or "exhibits." If departments submit incorrect exhibits, the State's financial statements and disclosures could be incorrect.

We reviewed exhibits that had been prepared and submitted to the OSC by the Department at the end of Fiscal Year 2009. We determined that nine of the Department's 18 exhibits (50 percent) contained errors. The specific errors are identified below.

**Custodial Risk of Cash Deposits (Exhibit M):** This exhibit is used to report a department's cash that is held by a financial institution other than the State Treasurer. The State is required to disclose in its financial statements how safe public funds are (e.g., whether the funds are insured by the Federal Deposit Insurance Corporation, or secured by other means) by classifying these funds into risk categories. The Department revised this exhibit two times because of errors or omissions identified through our audit. Specifically, the Department omitted three bank accounts totaling approximately \$227,000 in funds deposited in financial institutions.

**Schedule of Changes in Long-Term Liabilities (Exhibit C):** This exhibit provides information to the OSC regarding changes in a department's long-term liabilities throughout the fiscal year. The Department prepares the exhibit

based on a spreadsheet outlining the payment schedules for vehicle purchases. The Department revised this exhibit one time because it determined that staff erroneously used the May spreadsheet instead of the June fiscal year-end spreadsheet to prepare fiscal year-end accounting entries that affected the Exhibit C.

**Governmental and Internal Service Fund – Debt Service Requirements to Maturity (Exhibit D1) and Business-Type Activities – Debt Service Requirements to Maturity (Exhibit D2):** These two exhibits report the debt service requirements for the liabilities reported in the governmental activities and business-type activities columns, respectively, on the Statement of Net Assets. The Department revised each of these exhibits once because the OSC determined that the "Original Obligation for Each Type of Debt" row was left blank on both exhibits. In addition, the OSC identified a cross-footing error on the Exhibit D2.

**Proposed Financial Statement Post-Closing Entry for Identified COFRS Errors over \$1,000/\$200,000 (Exhibit H):** This exhibit is used to report errors on COFRS that exceed \$200,000, including audit adjustments, that were identified after fiscal year-end. This exhibit must also be submitted for the correction of errors over \$1,000 that would cause an overexpenditure. The Department resubmitted two Exhibit Hs to the OSC because the OSC determined that entries on one of the exhibits did not balance and staff included the incorrect account on the other exhibit.

**Schedule of Capital Leases (Exhibit F1):** This exhibit is used to report information on a department's capital assets acquired under lease financing. The Department revised this exhibit once because it was determined that staff had incorrectly calculated the gross amount of capital assets under lease as of June 30, 2009.

**Schedule of Operating Leases (Exhibit F2):** This exhibit provides information relating to a department's operating leases, including a description of the operating lease arrangement and disclosure of future minimum lease payments. The Department revised this exhibit two times. We determined that the Department had underreported future minimum lease payments for leased space on the exhibit and used the incorrect calculation when determining each fiscal year's required operating lease payment.

**Schedule of Changes in Capital Assets Governmental and Internal Service Funds (Exhibit W1):** This exhibit is used to report changes in capital assets owned or used by governmental funds and internal service funds. The Department revised this exhibit four times due to related Exhibit H revisions.

Department staff indicated that they follow the instructions included in the OSC's Fiscal Procedures Manual when preparing exhibits. However, the errors we identified and the number of revised exhibits submitted indicates that the Department's review process is inadequate and that the Department does not have sufficient procedures in place to ensure that the overall compilation of accounting information is accurate and complete.

Therefore, the Department should develop and implement internal controls over the preparation of fiscal year-end exhibits. This could be accomplished by providing more in-depth training for staff who prepare exhibits, as well as implementing a detailed supervisory review of exhibits and supporting documentation.

(Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 29:**

The Department of Personnel & Administration should improve controls over the preparation of fiscal year-end exhibits submitted to the Office of the State Controller by:

- a. Ensuring staff who prepare exhibits are adequately trained on exhibit preparation requirements.
- b. Developing procedures that address the compilation of required documents for exhibit preparation.
- c. Implementing a documented secondary review process over exhibits that includes a detailed review of all supporting documentation used to prepare the exhibits.

### **Department of Personnel & Administration Response:**

- a. and b. Agree. Implementation date: July 31, 2010.

The Department will ensure that staff who are preparing exhibits have received training on exhibit preparation requirements as well as requirements for documentation needed related to the preparation.

- c. Agree. Implementation date: Ongoing.

The Department will continue to improve and refine its secondary review process over exhibits and all supporting documentation.

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## Internal Controls over Payroll

During Fiscal Year 2009 the Department spent approximately \$21 million on salaries and wages for approximately 393 full-time-equivalent staff. Department employees are paid on either a monthly or bi-weekly basis. Employees' base salaries are paid automatically through the Colorado Personnel Payroll System (CPPS). After payroll has been processed, but prior to distribution to employees, Department staff prepare routine monthly payroll reconciliations between expected payroll and the actual payroll processed using timesheets, overtime approvals, and transactions to ensure that all payroll information was accurately entered into CPPS and COFRS. The payroll reconciliations include the current regular payroll and any adjustments needed to reflect deductions or increases in each employee's pay. Payroll deductions may be made, for example, for leave taken without pay or as a result of disciplinary actions. Payroll increases may be made, for example, due to overtime worked or higher pay for certain shifts. Adjustments that are supported by the Department's timekeeping system, KRONOS, are processed through KRONOS and uploaded into CPPS. All other payroll adjustments are manually entered into CPPS by Department staff. Department policy requires base salary adjustments to be authorized by the employee's supervisor and documented by the supervisor's approval in the Employee Data System (EDSys).

During our Fiscal Year 2008 audit, we identified problems with the Department's internal controls over payroll adjustments. Specifically, we identified problems with three of the 63 transactions (5 percent) we reviewed. During our Fiscal Year 2009 audit we continued to find problems in this area.

We reviewed a sample of 64 payroll adjustments (deductions or increases) made to 40 employees' monthly pay. We found problems with six of the 64 adjustments (9 percent). In all six instances, the payroll adjustments included on the reconciliation did not match the supporting documentation provided. Three of the six errors resulted in employee underpayments totaling approximately \$100. The remaining three errors resulted in employee overpayments totaling approximately \$510. The errors resulted from staff data input errors as well as a lack of a secondary review process over the adjustments made to employees' monthly pay.

The Department needs to continue to strengthen controls to ensure that payroll is accurate and that payroll adjustments match the supporting documentation. Although the incorrect payments identified in our sample are small, payroll is an inherently high-risk area. Errors could occur and not be detected in a timely manner, which could result in more significant problems such as continued or compounded under or overpayments, fraud, or theft. Therefore, the Department should strengthen its secondary review process over monthly payroll reconciliations by ensuring the review includes a comparison of data to supporting documentation. The Department should also make adjustments to employee pay as necessary to address all over- and underpayments noted in the audit.

(Classification of Finding: Control Deficiency.)

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### **Recommendation No. 30:**

The Department and Personnel & Administration should improve its internal controls over payroll by:

- a. Strengthening its secondary review process over the monthly payroll reconciliations to include a comparison of data to supporting documentation.
- b. Making adjustments to employee pay as necessary to address over and underpayments noted in the audit.

### **Department of Personnel & Administration Response:**

- a. Agree. Implementation date: July 1, 2010 and ongoing.

The Department will establish additional procedures for a more detailed secondary review process over the payroll reconciliation process.

- b. Agree. Implementation date: Implemented.

The identified over- and underpayments have been corrected.

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## Travel Expenditures

During Fiscal Year 2009, the Department spent more than \$183,000 for employees' in-state and out-of-state business travel. State Fiscal Rules, issued by the OSC, require state agencies to follow certain procedures concerning business travel. After returning from business travel, employees are required to complete a travel expense form, itemizing all travel expenses incurred and stating the purpose of travel. The travel expense form must be signed by the employee and the employee's supervisor and must be submitted to accounting staff within 60 calendar days of the date the employee returned from business travel. State Fiscal Rules also allow employees to receive a per-day travel per diem amount based upon the location to which the employee traveled. Department accounting staff are to review each travel expense form for accuracy and appropriateness before entering and approving it in COFRS.

During our Fiscal Year 2009 audit, we reviewed a sample of 40 of the Department's travel expenditures. We identified one or more problems with 12 (30 percent) of the 40 expenditures.

We noted the following:

- One travel reimbursement, totaling \$520, did not adhere to authorized per diem rates; as a result, the employee was overpaid a total of \$3.
- Five travel reimbursements, totaling approximately \$3,150, did not state the purpose of the travel on the travel expense form.
- Four travel reimbursements, totaling approximately \$1,640, were not submitted for processing within the 60-day period after the travel return date.
- One travel reimbursement, totaling approximately \$1,120, did not contain necessary receipts for a total of \$27. Per State Fiscal Rules, a receipt must be provided for any single expense greater than \$25.
- Three travel reimbursements, totaling approximately \$280, were inconsistently recorded in COFRS. For example, \$98 of per diem expenses were recorded as "In State Travel" and should have been recorded as "In State Personal Travel Per Diem" in order to be consistent with other travel reimbursements.

Although Department policies require review and approval and supporting documentation for travel expenditures, our review indicates that employees and supervisors are not consistently adhering to these requirements. Therefore, the

Department needs to strengthen its controls over travel expenditures. Specifically, the Department should adhere to State Fiscal Rules and Department policies for travel expenditures and ensure that employees and supervisors are adequately trained on state travel rules and policies. The Department should also obtain repayment from employees for the excess reimbursements identified in our audit.

(Classification of Finding: Control Deficiency.)

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### **Recommendation No. 31:**

The Department of Personnel & Administration should strengthen controls over travel expenditures by:

- a. Ensuring that travel expenditures are appropriately reviewed and approved, that correct per diem rates are used, that travel expenditures are coded consistently in COFRS, and that all other State Fiscal Rules and Department policies regarding travel are followed.
- b. Training staff and supervisors on state travel rules and policies. For supervisors, emphasis should be placed on the importance of thoroughly reviewing all requests for travel reimbursements and resolving any problems prior to approval for payment.
- c. Obtaining repayment from employees for excess reimbursements.

### **Department of Personnel & Administration Response:**

- a. and b. Agree. Implementation date: July 2009 and ongoing.

The Department will strengthen controls over travel expenditures by following State Fiscal Rule 5-1 based on our interpretation of the Rule's provisions. Guidance will be provided to employees and supervisors on the above referenced Rule, and employee expense reports will be monitored more closely.

- c. Agree. Implementation date: Implemented.

The \$3 overpayment has been recovered.

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## Accounting Oversight and Controls

The Department's Executive Director's Office (EDO) provides the structure and support for the Department's divisions and programs. Within the EDO, accounting staff are responsible for performing all accounting-related functions for the Department, including entering and approving all expenditure and revenue transactions on COFRS and performing adequate reconciliations of fiscal year-end data to ensure information submitted to the OSC is accurate for presentation in the State's financial statements.

As discussed previously in this chapter, during our Fiscal Year 2009 audit we noted instances in which the Department's general accounting controls in the areas of capital assets, payroll, expenditures, and year-end preparation of reports, or exhibits, to the OSC were not sufficient to prevent or detect errors and make corrections in a timely manner. We also found that the Department submitted 15 proposed journal entries to the OSC after the fiscal year-end accounting close period to correct the State's financial statements. The adjusting journal entries ranged from approximately \$5,000 to \$4.9 million. The underlying errors requiring the entries were primarily made by the Department when recording routine transactions in COFRS. During our audit, the Department also in some cases did not provide requested documentation for the audit in a timely manner.

The issues identified point to a need for a strengthened supervisory review and training in critical areas. In addition, the Department did not have sufficient detailed, written procedures related to the preparation of year-end accounting adjustments for assigned personnel to follow or refer to for questions.

The Department should establish adequate written procedures to ensure accounting functions are performed properly, including assigning the appropriate levels of oversight and review of the accounting activities conducted by Department staff. Further, the Department should also ensure staff are adequately trained in all accounting areas including critical year-end accounting duties and tasks and that staff provide audit documentation as requested in a timely manner.

(Classification of Finding: Control Deficiency.)

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### Recommendation No. 32:

The Department of Personnel & Administration should strengthen overall accounting controls by:

- a. Developing written procedures to ensure that all accounting functions are appropriately performed, such as calculation and preparation of account balance reconciliations and significant adjustments.
- b. Ensuring that adequate supervisory reviews are in place and documented for all accounting functions.
- c. Providing additional training to staff, as necessary.

### **Department of Personnel & Administration Response:**

- a. Agree. Implementation date: June 30, 2010.

The Department will develop procedures to ensure that accounting functions are appropriately performed.

- b. Agree. Implementation date: June 30, 2010.

The Department will develop procedures to ensure that accounting functions are appropriately reviewed.

- c. Agree. Implementation date: June 30, 2010.

Staff training will be provided as necessary and to the extent possible within budgetary limitations.

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## **State Archives' Records Management**

The Executive Director of the Department by statute, is responsible for the proper administration of public records. Colorado State Archives (State Archives) within the Department serves as the legal repository for permanent public records generated by state agencies, as well as state boards, bureaus, and commissions. By statute, agencies may appoint records liaison officers to help perform archival duties and functions. For example, the records liaison officers assist in monitoring their agencies' compliance with the State's Record Retention Manual, creating policies and procedures regarding record retention and destruction, ensuring that records are purged and destroyed according to established schedules, and establishing protocols for the safeguarding of confidential records.

State Archives works with records liaison officers to develop and approve retention, transfer, and destruction schedules for agency records. Retention

schedules and destruction requests are to be reviewed and/or approved by the Attorney General's Office, the State Archivist, the Office of the State Auditor, and the Records Liaison. In some cases, records must be kept permanently. State agencies are responsible for transferring records to State Archives in accordance with their established retention schedules. In addition, any state or local government agency that copies records onto storage media such as microfilm or imaging may store the original records at State Archives for backup or disaster recovery purposes. For Fiscal Year 2009, State Archives was appropriated 8.5 full-time-equivalent staff positions and approximately \$533,000.

During our Fiscal Year 2001 audit, we found that State Archives maintained a paper catalog of all permanent records in its possession. As a result, State Archives staff must manually look up records from a single access point. In contrast, an electronic cataloging system would allow Archives staff to retrieve information from multiple access points and to use a variety of search terms to locate records. Accordingly, we recommended that the State Archives convert its cataloging system from a paper format to an electronic format.

During our Fiscal Year 2009 audit we determined that as of June 30, 2009, State Archives had converted to electronic format the records of 11 of the 21 (52 percent) state agencies. The converted agencies include:

- Department of Agriculture
- Department of Corrections
- Department of Education
- Department of Health Care Policy and Financing
- Department of Higher Education
- Department of Human Services
- Department of Law
- Department of Local Affairs
- Department of Military and Veterans Affairs
- Department of Natural Resources
- Office of the Governor

State Archives staff said that budget and staffing limitations have prevented them from completing the conversion of all archived records to an electronic cataloging system. Although State Archives has a plan and intends to complete the conversion as resources allow, it has no specific schedule for doing so. Until the remaining records have been converted, State Archives staff will continue to lack efficient, multi-point information retrieval for all state agencies. Therefore, State Archives should develop a schedule to complete the conversion as resources allow.

(Classification of Finding: Control Deficiency.)

### **Recommendation No. 33:**

The Department of Personnel & Administration should ensure that State Archives develops a schedule for the timely conversion of all remaining state agencies from a paper cataloging system to an electronic cataloging system, as resources allow.

### **Department of Personnel & Administration Response:**

Agree. Implementation date: September 30, 2009.

The Department will develop a schedule to implement the current plan for conversion of the remaining state agencies to an electronic cataloging system. In general, the schedule will be to convert one agency per fiscal year as resources allow. This schedule will be completed by September 30, 2009.

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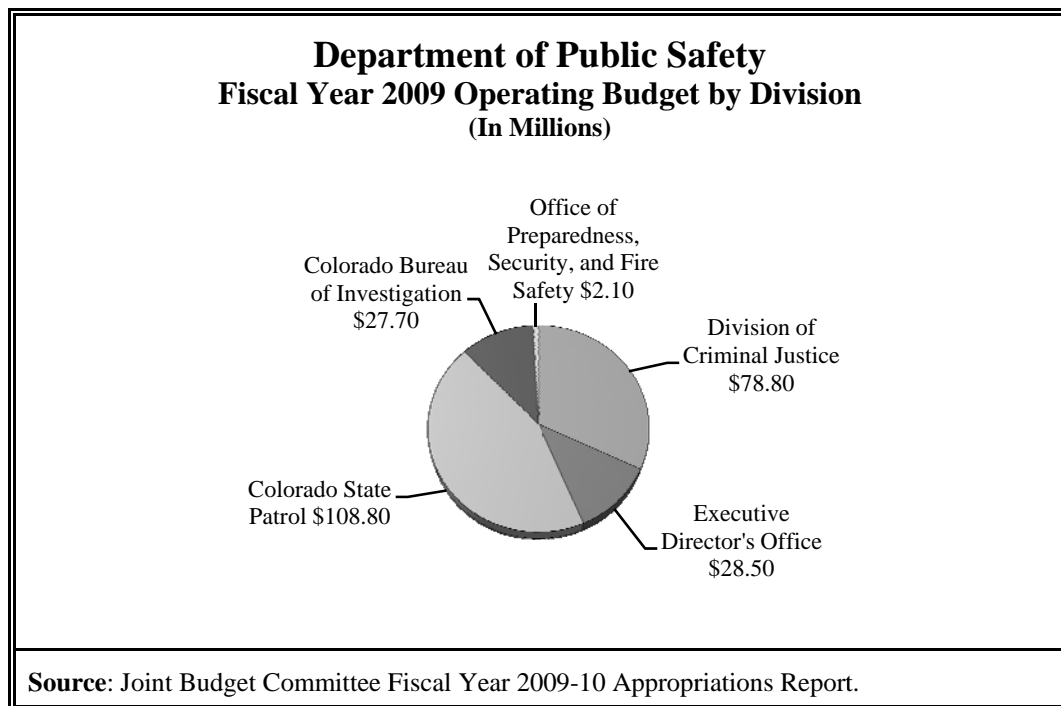
# Department of Public Safety

## Introduction

The Department of Public Safety (Department) is responsible for providing a safe environment for the citizens of Colorado. The Department operates under the authority of Section 24-1-128.6, C.R.S., and is composed of an Executive Director's Office and the following four divisions:

- Colorado State Patrol
- Colorado Bureau of Investigation
- Division of Criminal Justice
- Office of Preparedness, Security, and Fire Safety

The Department was appropriated approximately \$245.7 million and 1,350.9 full-time-equivalent staff for Fiscal Year 2009. The following graph shows the Department's operating budget by division for Fiscal Year 2009:



## Travel Expenditures

During Fiscal Year 2009, the Department spent more than \$940,000 for employees' in-state and out-of-state business travel. State Fiscal Rules, issued by the Office of the State Controller, require state agencies to follow certain procedures concerning business travel. After returning from business travel, employees are required to complete a travel expense form, itemizing all travel expenses incurred and stating the purpose of travel. The travel expense form must be signed by the employee and the employee's supervisor. State Fiscal Rules also allow employees to receive a per-day travel per diem amount based upon the location to which the employee traveled. Department accounting staff are to review each travel expense form before entering and approving it in the State's accounting system, COFRS.

During our Fiscal Year 2008 audit, we reviewed a sample of 25 of the Department's travel expenditures and identified problems with two (8 percent) of them. We recommended that the Department strengthen its controls over travel expenditures by ensuring that travel expenditures were appropriately reviewed and contained adequate supporting documentation, and that Department staff were adequately trained on travel rules and policies.

During our Fiscal Year 2009 audit, we continued to identify problems with travel expenditures. We reviewed a sample of 25 of the Department's travel expenditures and identified problems with four (16 percent) of them.

We noted the following:

- Two reimbursements, totaling approximately \$835, did not adhere to authorized per diem rates; as a result, staff were overpaid approximately \$20.
- One reimbursement, totaling approximately \$745, was coded incorrectly in COFRS. Approximately \$29 of the reimbursement was recorded as In-State Travel but should have been recorded as In-State Personal Vehicle Reimbursement.
- One reimbursement was \$9 less than the \$691 requested by the employee. The \$9 was appropriately requested for overnight incidental expenses, as authorized by State Fiscal Rules.

Although the Department recently conducted training for its accounting staff, our findings indicate a continuing lack of adequate controls over travel expenditures. Department policies require that requests and reimbursement of travel expenses contain adequate supporting documentation and undergo review and approval by

a supervisor. The errors we identified indicate that employees and supervisors are not consistently adhering to these policies.

The Department should continue to strengthen its controls over travel expenditures. Specifically, the Department should enforce its policies requiring that requests for reimbursement of travel expenses contain adequate supporting documentation, that travel expenditures are coded correctly in COFRS, that appropriate travel expenses are reimbursed, and that all other State Fiscal Rules regarding travel are followed. The Department should also address the over- and underpayments to employees.

(Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 34:**

The Department of Public Safety should strengthen controls over travel expenditures by:

- a. Ensuring that travel expenditures are appropriately reviewed and approved, that correct per diem rates are used, that travel expenditures are coded correctly in the State's accounting system, COFRS, and that all other State Fiscal Rules and Department policies regarding travel are followed.
- b. Addressing over- and underpayments to employees for inaccurate reimbursements.

### **Department of Public Safety Response:**

Partially agree. Implementation date: March 2010.

The Department agrees with Recommendation No. 34(a) and partially agrees with Recommendation No. 34(b). The items noted in the recommendation were caused by not making a complete review of all relevant facts. There needs to be an emphasis placed on an accurate review, while also prioritizing timely approval of reimbursement requests.

The steps in reviewing travel reimbursements need to be more formalized to prevent important items from being overlooked. The Department will develop a review checklist for all steps that need to be covered on a travel reimbursement request. Employees will be directed to use the checklist as they approve travel reimbursements to ensure a thorough review is performed. The employee currently reviewing travel reimbursements will

retire at the end of December, and two new staff members will be hired to perform the review function.

Overpayments to employees will be offset by applying incidental expense per diem allowances not claimed on original expense reports. Additional payment will be made to the employee who was underpaid due to a mathematical error.

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## **Colorado Automobile Theft Prevention Cash Fund**

The Colorado Automobile Theft Prevention Cash Fund (Fund) was created in Fiscal Year 2004 by Section 42-5-112 (4)(a), C.R.S., within the Department to provide grants to law enforcement agencies or other qualified applicants to support automobile theft prevention and related programs. From Fiscal Year 2004 through Fiscal Year 2008, the Fund was funded by insurance company donations. As of July 1, 2008, the Fund is primarily funded by fees required by Section 10-4-617, C.R.S. Specifically, each insurer that issues a Colorado automobile insurance policy is required to pay one dollar annually to the Fund for each policy written.

## **Grant Application and Award Process**

The Fund is administered by the Automobile Theft Prevention Board (Board), which is composed of the executive directors or their designees of the Department of Public Safety and the Department of Revenue and nine other members appointed by the Governor. The Board solicits and reviews applications for grants and may award grants to qualified applicants for one to three years, subject to the monies available in the Fund. A qualified applicant is a Colorado law enforcement agency, state agency, local unit of government, independent school district, nonprofit organization, or for-profit organization that can demonstrate that its proposed program addresses some aspect of motor vehicle theft prevention. Each qualified applicant shall, at a minimum, specifically describe the proposed program (e.g., motor vehicle theft prevention, enforcement, prosecution, or offender rehabilitation program). The Board annually announces the availability of grant funds and the start of the application process. The Department of Public Safety has assigned two staff members to assist the Board by collecting applications and notifying grant applicants of award decisions.

The Board reviews each application based upon guidelines that include the following:

- Whether the application addresses an auto theft problem that is clearly identified, measurable, and supported by relevant statistical evidence.
- Whether the application minimizes duplicative or overlapping existing programs.
- Whether the application demonstrates a cost structure that is realistic when compared to the program's goals.
- Whether the application includes a proposed evaluation design that provides relevant data to measure the effectiveness of the project and a plan for performing such evaluation.

The Board scores each application based on the program criteria, giving priority to applications that represent multijurisdictional programs, and approves or denies the application. For each approved application, the Board determines the grant award amount, based on criteria including the amount of funds available for the current grant cycle; the applicant's experience, qualifications, and past performance; and the applicant's plan for auto theft crime prevention, education, and training.

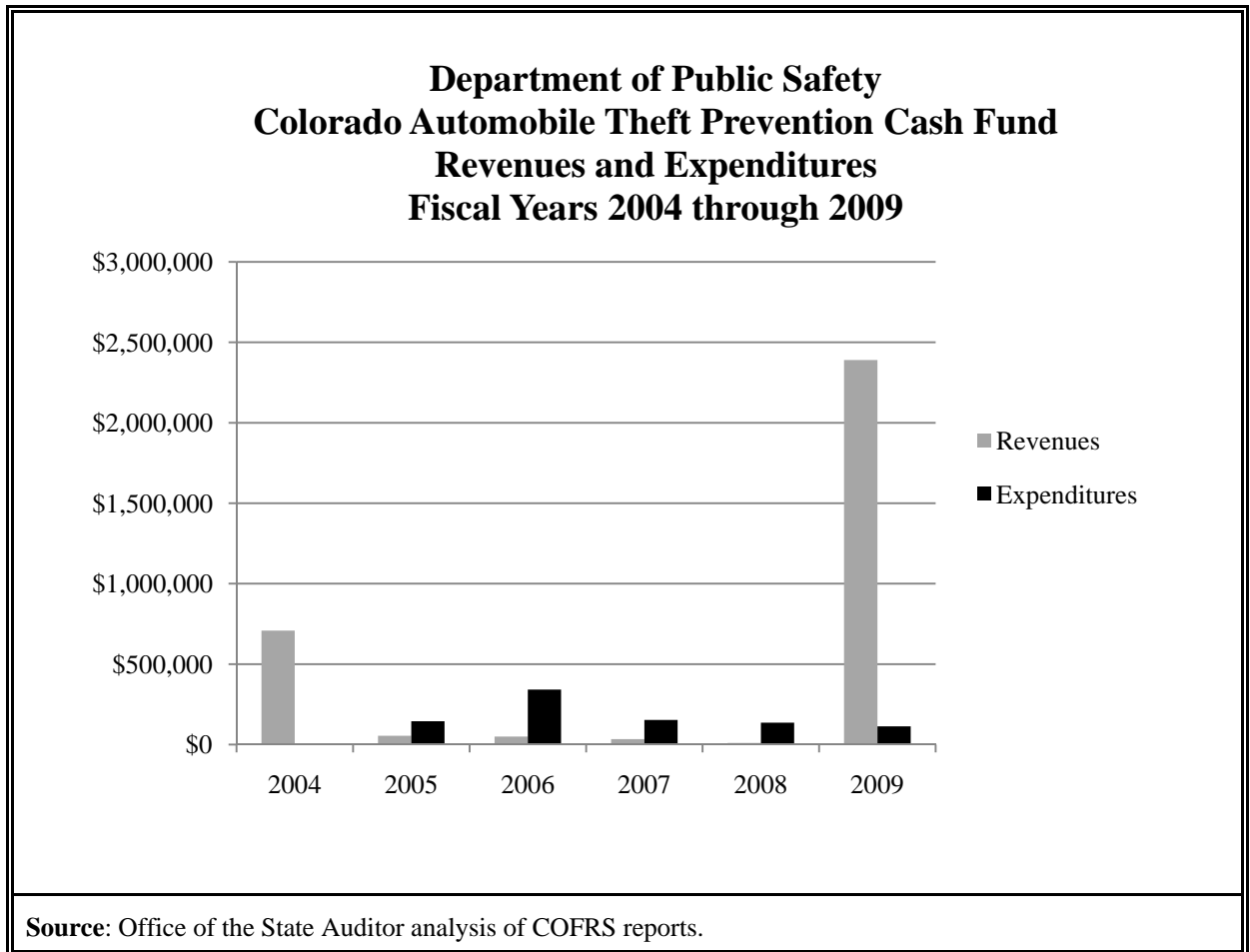
## **Expenditure Reimbursement Process**

To receive grant funds, the grantee must submit a reimbursement request and provide documentation for the expenditures. The grantee is reimbursed only for expenditures necessary to complete the objectives of the grant. For example, payroll expenditures for automobile theft investigations are eligible for reimbursement because the expenditures contribute to achieving the grant's objectives. Grant recipients are required to submit quarterly financial and progress reports to the Board, which reviews them to monitor grant implementation and achievement of objectives. The Board members indicate that, in accordance with grant rules, they review each report based on identified goals and objectives before providing feedback to grant recipients, if necessary.

## **Fund Revenue**

As the state agency responsible for maintaining the Fund, the Department is responsible for tracking and recording revenue earned by the Fund. As discussed, the Fund is primarily funded by fees collected from automotive insurers on automobile insurance policies. Prior to the start of Fiscal Year 2009, automotive insurers were not required to pay fees into the Fund, but were allowed to make donations to the Fund. Beginning in Fiscal Year 2009, however, automotive insurers are required to pay fees equal to one dollar for every automobile policy they underwrote during the year. Insurers must pay the fee on a biannual basis on

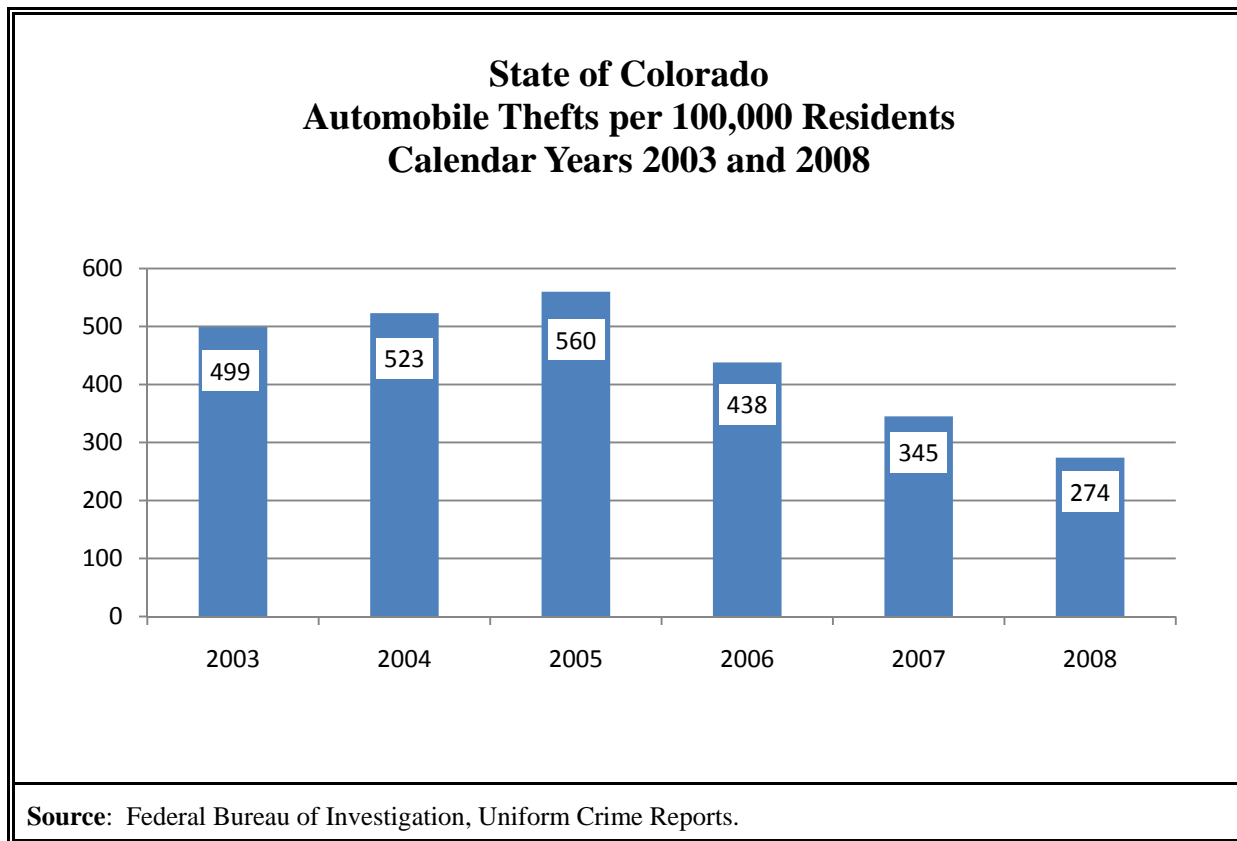
or before January 1 and July 1, respectively. On or before August 15 of each year, automobile insurers must complete and submit to the Department a standardized assessment form reporting the number of automobile policies underwritten as of July 1 of that year. Department staff process the assessment form and document the amount of fees each insurer is required to pay. Department staff collect the fees and record them as Fund revenue in COFRS. The Department will bill any insurer that does not pay its required fees by the due dates. The following chart shows revenue and expenditures by fiscal year for the Fund since its inception:



## Program Results

Fund Board members report that, since the inception of the Colorado Automobile Theft Prevention Authority in Fiscal Year 2004, statistical data and evidence indicate a reduction in automobile thefts in Colorado. In 2003, according to the Federal Bureau of Investigation, Colorado was ranked 11<sup>th</sup> highest in the nation for vehicle thefts. In 2008, Colorado had dropped to 23<sup>rd</sup> highest. The following

chart shows automobile thefts per 100,000 residents in Colorado during 2003 through 2008, as reported by the Federal Bureau of Investigation:



The Board reports that, since the inception of the Fund, numerous successful auto theft prevention operations have been developed throughout the state and have received funding from the Fund. Some of these operations include:

- ***The Denver Metro Auto Theft Team (DMATT):*** This team is composed of 14 law enforcement agencies from the Denver metropolitan area, including the Colorado Attorney General's Office, the Department of Revenue, and State Parks. The team reported that between its inception in October 2004 and January 2009, it had recovered a total of 400 stolen vehicles with an estimated value of more than \$4.0 million, investigated 67 chop shops (illegal business operations that sell parts from dismantled stolen vehicles), inspected 58 businesses, and arrested a total of 189 persons on automobile theft-related charges.
- ***The Regional Auto Theft Team of Northern Colorado (RATTNC):*** This team is a collaborative effort among 10 law enforcement agencies in northern Colorado. The team reported that between the team's inception in December 2004 and January 2009, it had recovered a total of 249 stolen

vehicles with an estimated value of about \$2.8 million, investigated 19 chop shops, inspected 26 businesses, and arrested 106 persons on automobile theft-related charges. Additionally, team members had provided automobile theft training to 198 officers.

- ***Metropolitan Reduce Automobile Theft (RAT):*** This partnership is comprised of the Colorado Springs Police Department, the El Paso County Sheriff's Office, and the Colorado State Patrol; these entities are working together to reduce automobile theft in the Colorado Springs area. RAT reports that this multi-jurisdictional partnership led to 53 felony arrests and 92 recovered stolen vehicles in El Paso County and the Colorado Springs area during 2004 and 2005.
- ***Roaring Fork Valley Task Force:*** Located on Colorado's Western Slope, this task force is composed of the eight law enforcement agencies in the Glenwood Springs and Aspen area. During 2006 and 2007, this task force reported that it had recovered a total of 149 stolen vehicles with an estimated value of approximately \$1.6 million and had arrested 40 persons on automobile theft-related charges.

## Audit Testwork

Section 42-5-113, C.R.S., requires the State Auditor to perform an audit of the Fund beginning in Fiscal Year 2009, and every two years thereafter. The audit is to include a test of grant distributions and expenditures from the Fund for compliance with program requirements and guidelines. Accordingly, as part of our Fiscal Year 2009 audit, we tested a sample of grant distributions and expenditures for compliance with program requirements and guidelines. We also tested a sample of revenue transactions for proper recording and reviewed grant applications for compliance with established criteria for qualified applicants. The results of our tests are discussed below.

## Grant Expenditure Reimbursement Process

As discussed, grant recipients must submit eligible grant expenditures to the Board for reimbursement on a quarterly basis. Board procedures require that Department staff review the reimbursement requests for reasonableness and appropriateness before approving them.

We tested a sample of 20 grant expenditures made by grant recipients during Fiscal Year 2009 and the related reimbursement requests. We found the following problems:

- Seven invoices, totaling more than \$4,800, submitted for reimbursement contained no identifying stamp or signature, as required by Department policies, to indicate when the Department received the invoice from the grantee.
- Two grant reimbursement requests, for approximately \$430 of payroll expenditures related to grant programs, did not contain all the necessary authorizing signatures. Specifically, both requests contained signature lines for the on-duty supervisor and the division administrator, but neither form was signed by a supervisor or a division administrator.
- Two grant reimbursement requests, totaling approximately \$740, were not verified for mathematical accuracy. As a result, the grantees were over-reimbursed a total of \$99 in overtime earnings.

We found that the Department does not have a standardized reimbursement request form. As a result, reimbursement requests vary among grant recipients and do not always contain the necessary information required for the reimbursement.

## **Grant Award Process**

We also reviewed the grants issued by the Board during Fiscal Year 2009 for compliance with the established criteria for selecting qualified applicants as grant award recipients. During Fiscal Year 2009, the Department issued four grants. For each grant issued, we reviewed the grant application, statement of grant award, and all quarterly financial and progress reports submitted to the Board for review. We did not identify any areas of noncompliance related to the grant award process.

## **Fund Revenue**

As discussed, prior to Fiscal Year 2009, the Fund received the majority of its revenue from insurance company donations. As of Fiscal Year 2009, the Fund receives the majority of its revenue from fees charged to insurance providers on automobile policies. As allowed by statute, the fund also retains interest earnings.

Our revenue sample consisted of 10 transactions. Among the items tested were interest earnings distributed to the Fund by the Office of the State Treasurer and payments received by the Fund from insurance providers. Each revenue transaction was tested for accuracy, timeliness, and compliance with Department internal controls. We did not identify any areas of noncompliance.

## Internal Controls

We discussed the growing needs of the Fund with the Department's grant administrator. Since its creation, the Fund has grown considerably in size, and the Department anticipates a related increase in the number of grants it issues. Therefore, it is especially important that the Department ensure that it has strong internal controls in place over the Fund's administration. Based on our findings, the Department should take additional steps to strengthen its internal controls over the grant expenditure reimbursement process. Specifically, the Department should develop a standardized reimbursement request form to create consistency among grantees' reimbursement requests and ensure that Department staff are adequately trained on and adhere to reimbursement process requirements when reviewing grant reimbursement requests. Staff reviews of reimbursement requests should include verifying each request's mathematical accuracy and ensuring that the requests are supported by appropriate and adequate supporting documentation and contain the necessary authorizations.

To accommodate the growth in its grant program, the Department should also consider implementing additional procedures that are not necessarily required by statute. For example, the Department could require grant recipients to attend training on timely reporting and reimbursement procedures.

(Classification of Finding: Control Deficiency.)

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### Recommendation No. 35:

The Department of Public Safety should strengthen its internal controls over the Colorado Auto Theft Prevention Cash Fund (CATPA) by:

- a. Ensuring that the review of grant reimbursement requests includes verification that the amounts requested are accurate, are accompanied by supporting documentation, are appropriately authorized, and comply with all Department policies.
- b. Educating grant recipients on invoicing procedures, necessary supporting documentation, and reporting.
- c. Developing a standardized reimbursement request form.

## **Department of Public Safety Response:**

Agree. Implementation date: February 2010.

On March 23, 2009, the Department of Public Safety hired the CATPA Grant Manager. Filling this position was a priority by the Department and the CATPA Board because the program's internal control risks were elevated due to increased revenues from a fee based system. The Grant Manager took steps to implement new procedures when the first fee based grants were awarded on June 30, 2009. (The 2004-2009 donation based grants were closed.) These new procedures provide a strong and accurate verification for invoicing and reimbursement. The grant recipients use standardized forms with detailed instructions and report quarterly on their goals. In addition, CATPA staff follows an internal control process that reviews reimbursement requests using a detailed check list. The checklist includes 57 items of verification including dates, signatures, amounts, payroll, and totals. A second review is conducted by other staff providing a double check. After these two reviews, the grantee is contacted, a "one-on-one" meeting is arranged to review all issues. After re-submittal of corrections, staff reviews the updated information and the final review is conducted by the Grant Manager. The invoice is signed for approval by two CATPA staff and entered into COFRS followed by payment approval in the Department's Financial Services Section. Lastly, CATPA meetings with Division and Department fiscal staff are held to review procedures and monitor program implementation on a proactive basis.

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# Department of Regulatory Agencies

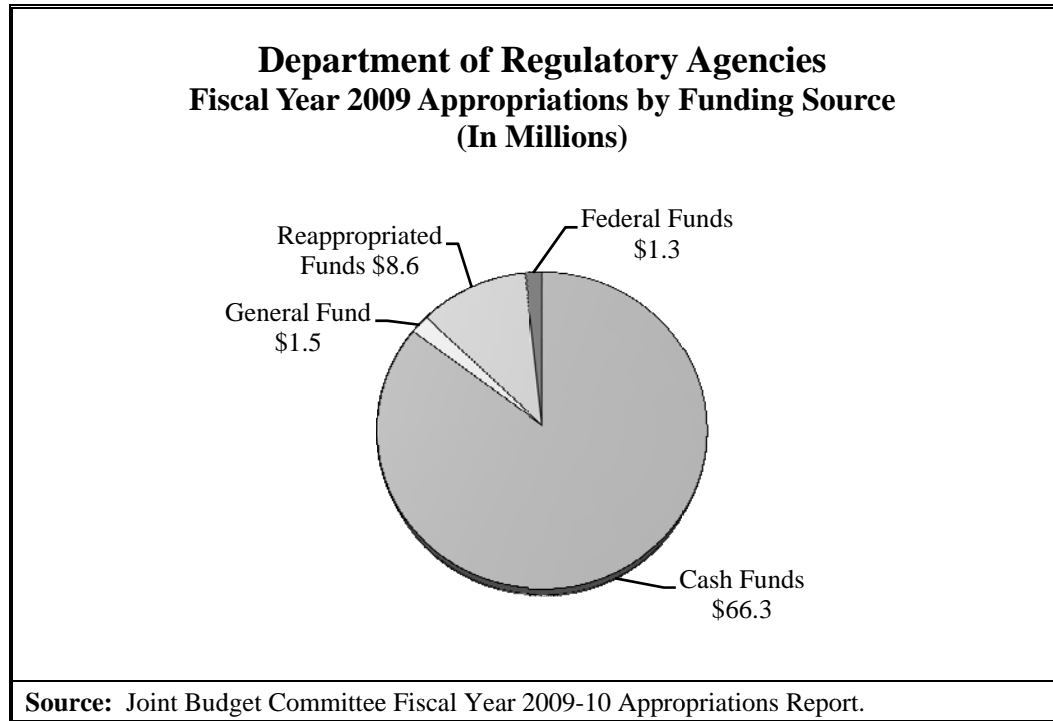
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## Introduction

The Department of Regulatory Agencies (Department) oversees various professions and industries to protect the citizens of Colorado from fraudulent or dangerous businesses and professionals. The Department regulates banks and credit unions, public utilities, and securities, and oversees professions including insurance providers and agents, real estate agents and mortgage brokers. The Department consists of the following divisions:

- Executive Director's Office and Administrative Services
- Banking
- Civil Rights
- Financial Services
- Insurance
- Public Utilities Commission
- Office of Consumer Counsel
- Real Estate
- Registrations
- Securities

The Department was appropriated \$77.7 million and 576.1 full-time-equivalent (FTE) staff for Fiscal Year 2009. Approximately 85 percent of the funding is from cash funds, while the remaining 15 percent is attributable to the General Fund, reappropriated funds, and federal funds, as shown in the following chart:



## Preparation of Schedule of Federal Assistance Exhibit

Each year, the Department is required to report, on the Exhibit K, its fiscal year expenditures of federal award monies. This exhibit aids the Office of the State Controller (OSC) in preparing the statewide Schedule of Expenditures of Federal Awards, as required by the federal Office of Management and Budget's *Circular A-133*. On the Exhibit K, the Department reports, for each federal program it administers, the fiscal year beginning balance (the amount due from or to the federal government), the funds received from the federal government during the fiscal year, the federal funds spent during the fiscal year, and the fiscal year ending balance. According to the Fiscal Procedures Manual issued by the OSC, the beginning program balance, less receipts, plus federal expenditures, should equal the ending program balance on the Exhibit K. The information reported on the Exhibit K is derived from the State's accounting system, COFRS, based on individual transactions made during the fiscal year. During Fiscal Year 2009, the Department administered six federal programs and spent approximately \$1.7 million in federal program funds as reported in COFRS.

During our Fiscal Year 2009 audit, we found that the Department did not prepare its Exhibit K correctly. Specifically, for three (50 percent) of the Department's six federal programs, the year-end balances reported on the Exhibit K were erroneous.

- The Department reported a fiscal year-end balance of \$147,400 due from the federal government for the Employment Discrimination at State and Local Fair Employment Practices program; however, our calculation of the amounts reported on the Exhibit K showed that the balance was approximately \$134,200, a difference of \$13,200.
- The Department reported a fiscal year-end balance of \$0 for the Fair Housing Assistance Program; however, our calculation showed a balance due from the federal government of approximately \$194,300, a difference of \$194,300.
- The Department reported a fiscal year-end balance of \$96,000 due from the federal government for the Pipeline Safety Program; however, our calculation showed a balance due from the federal government of approximately \$396,500, a difference of \$300,500.

Department staff said they had included all expenditures eligible for federal reimbursement for the three programs on the Exhibit K, but they did not anticipate the Department would be reimbursed for all of the expenditures. Therefore, they reported reduced federal receivable amounts on both the Exhibit K and on COFRS that reflected the amount of reimbursement that they expected they would receive. As a result, the Department is inconsistent in its reporting of federal expenditures and federal receivable balances on COFRS, on the Exhibit K, and ultimately on the statewide report of federal expenditures. In total, the Department appears to have overstated federal expenditures on its Exhibit K by approximately \$500,000.

The Department should improve controls over its fiscal year-end accounting procedures for federal programs, including the preparation of its Exhibit K, to ensure that information reported is accurate and complete and that the Department is in compliance with the OSC's Fiscal Procedures Manual.

(Classification of Finding: Control Deficiency.)

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### **Recommendation No. 36:**

The Department of Regulatory Agencies should ensure that the information reported on its Exhibit K is accurate and complete, reconciles to the State's accounting system, COFRS, and complies with the Office of the State Controller's Fiscal Procedures Manual.

**Department Response:**

Agree. Implementation date: September 2010.

The Department of Regulatory Agencies agrees with the recommendation and will adjust the beginning balances on the Exhibit K in Fiscal Year 2010. These one-time beginning balances adjustments will be based on the actual reimbursements received for the grants expenditures from the U.S. Equal Employment Opportunity Commission, U.S. Department of Housing and Urban Development and U.S Department of Transportation in Fiscal Year 2010. The Department will ensure that the Exhibit K reporting is accurate and in compliance with the Fiscal Procedures Manual.

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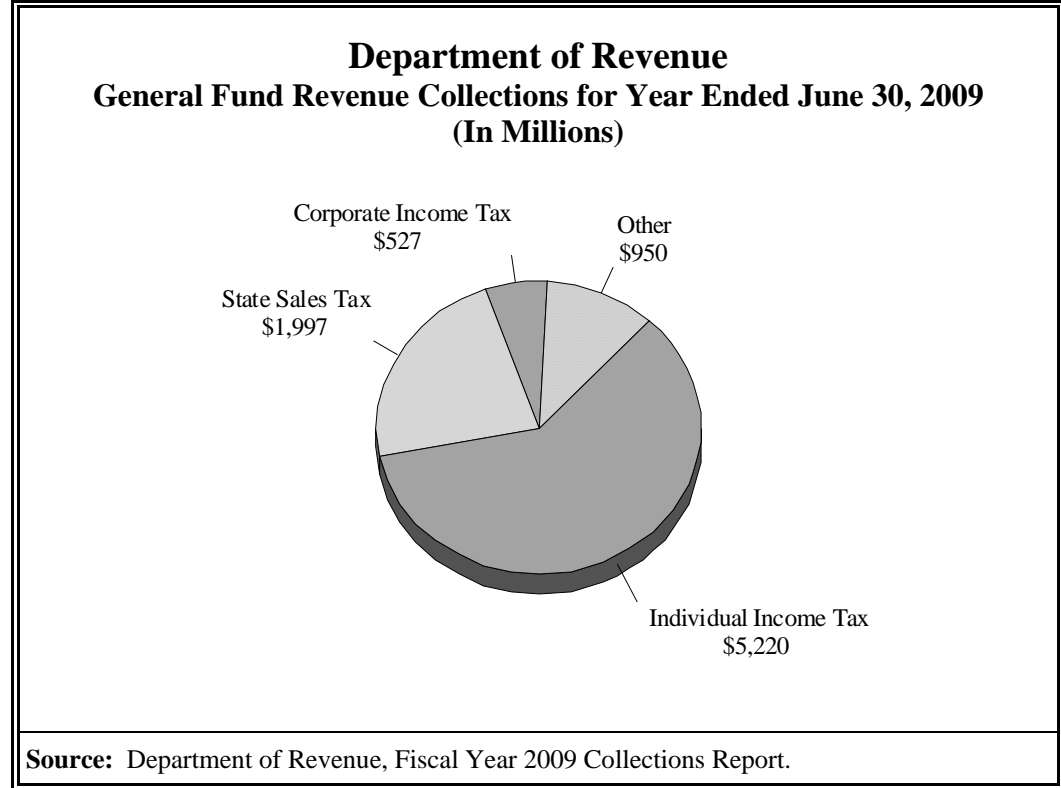
# Department of Revenue

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## Introduction

The Department of Revenue (Department) is responsible for managing the State's tax system. Tax collections totaled about \$10.7 billion in Fiscal Year 2009. Of this amount, about \$8.7 billion represents collections for the General Fund; the remainder represents collections made on behalf of other government entities, such as local governments and the Highway Users Tax Fund (HUTF). In addition, the Department is responsible for performing various other functions as follows:

- Administer the State Lottery, which grossed more than \$493 million in ticket sales in Fiscal Year 2009. Of this amount, about \$120 million was available for conservation as well as for wildlife, parks, open space, and outdoor recreation projects.
- Act as a collection agent for city, county, Regional Transportation District (RTD), and special district taxes. The Department collected more than \$1.2 billion in taxes and fees on behalf of entities such as these.
- Collect taxes and fees for the HUTF, which is primarily for the benefit of highway maintenance projects in the State. In Fiscal Year 2009, amounts collected for the HUTF totaled approximately \$820 million.
- Regulate the limited stakes gaming activities in Cripple Creek, Black Hawk, and Central City. Adjusted gross proceeds totaled about \$702 million during Fiscal Year 2009, on which the Division of Limited Gaming collected about \$95 million in gaming taxes.
- Enforce tax, alcoholic beverage, motor vehicle, and emissions inspection laws.
- Operate the State's 20 ports of entry, including 10 mobile ports and 10 fixed ports.



In Fiscal Year 2009, the Department was appropriated total funds of \$687 million and 1,496.8 full-time-equivalent (FTE) staff. Approximately 14.7 percent of the funding is from general funds, 85.1 percent is from cash funds, and 0.2 percent is from federal funds.

## Controls Over Severance Tax Returns

As part of its overall responsibility for administering and enforcing the State's tax laws, the Department oversees the collection of severance taxes. Severance taxes are special excise taxes imposed on income derived from the extraction of nonrenewable natural resources. Five natural resources are subject to severance taxes in Colorado: oil and gas, coal, metallic minerals, molybdenum ore, and oil shale. Of these resources, oil and gas is by far the largest single source of severance tax revenue. In Fiscal Year 2009, oil and gas severance tax revenue was about \$286 million—97 percent of the Department's total severance tax revenue of about \$296 million. In Fiscal Year 2009 the Department issued approximately \$13.8 million in severance tax refunds.

Oil and gas severance taxes are calculated on the gross income received from oil and gas production. Anyone who receives taxable income from oil and gas produced in Colorado must file a Colorado Severance Tax Oil and Gas Return.

The taxpayer must include any Oil and Gas Withholding Statements the taxpayer has received from an oil and gas producer. The Oil and Gas Withholding Statement lists the taxpayer's gross oil and gas income and the amount of severance tax the producer has withheld from the taxpayer's royalty or production payments and paid to the State. If the taxpayer owns an interest in more than one oil or gas well or field, the taxpayer should receive a separate withholding statement from each producer. The Department requires each producer to submit an annual statement, or reconciliation, which reports the total amount of severance taxes the producer withheld from taxpayers' oil and gas payments and remitted to the Department each month of the tax year.

During the first four months of Fiscal Year 2009 (July through October 2008), the Department processed severance tax returns through its legacy tax information system. In November 2008, the Department implemented the severance tax information component (GenTax) of its new tax system, Colorado Integrated Tax Architecture (CITA). The Department plans to implement four additional components of CITA by Fiscal Year 2013. The Department's implementation of GenTax required CITA staff to transfer taxpayer information from the Department's previous system to the new system.

In order to identify errors, GenTax contains system edits that identify certain severance tax returns that require a manual review. These returns are identified in the system as "work items." Department processes require that tax examiners address work items by performing additional research and correcting any errors identified. GenTax also identifies an additional random sample of severance tax returns as work items for tax examiners' secondary review. However, the Department requires these secondary reviews only if the amount of the return meets or exceeds thresholds established by the Department. During our Fiscal Year 2008 audit, we identified problems with the Department's internal controls over severance tax returns. Specifically, we found that seven (13 percent) of the 56 returns we reviewed had errors that resulted in under- or overpayments of severance tax refunds. These errors resulted from the Department's lack of an adequate review process over severance tax returns.

During our Fiscal Year 2009 audit, we continued to find problems in this area. We reviewed a sample of 60 severance tax returns—40 that claimed a refund and 20 that showed an additional tax liability. We identified problems with 11 (18 percent) of the 60 returns. Specifically we identified the following:

## **Mathematical Errors**

- In five instances, the documentation provided by the taxpayer contained mathematical errors that Department staff did not detect through their review of the return and the related documentation. The errors resulted in

total refund overpayments to the taxpayer (i.e., underpayments to the Department) of approximately \$141,000.

- In one instance, the taxpayer incorrectly reported on the severance tax return \$56 less in severance tax withholding than the taxpayer actually paid. The supporting documentation supplied with the return was accurate, but Department staff did not identify the discrepancy during their review. As a result of the error, the taxpayer overpaid \$56 in severance taxes.

## **Procedural Issues**

- In four instances, the Department did not comply with procedures regarding annual reconciliations filed by oil and gas producers. Procedures require the Department to verify that Colorado oil and gas producers submit by March 1 of each year their reconciliations of oil and gas severance taxes owed and withheld and that any refund requests are reviewed timely. We determined that the Department did not process four refund requests claimed by producers on their annual reconciliations submitted by April 30, 2008, until October 2008 because of the upcoming implementation of GenTax. As a result, the two oil and gas producers in our sample did not receive refunds in a timely manner.

## **Data Entry Error**

- In one instance, the Department staff erroneously entered in GenTax \$0, rather than \$63, as the amount of severance tax withholding the taxpayer claimed. As a result, the taxpayer overpaid the Department \$95 (based on the taxpayer's income and withholding).

We also found that since implementing the GenTax system in November 2008, the Department has not revised its written procedures to reflect the associated changes in processes and procedures. As a result, tax examiners do not have current written procedures to follow when processing severance tax refunds in GenTax. The errors we identified during our audit indicate that the Department's current procedures and review process for severance tax returns are inadequate to ensure that errors or discrepancies on severance tax returns are identified and corrected, and that refund requests made through annual oil and gas severance tax reconciliations are processed timely. Adequate controls over severance tax returns and reconciliations are important, given the risk of error, fraud, and abuse.

The Department should improve its internal controls over the processing of severance tax returns and reconciliations. Specifically, the Department should update its written severance tax procedures to reflect current procedures in place with the GenTax system. In addition, the Department should strengthen its

review process over severance tax returns and oil and gas severance tax reconciliations by ensuring that tax examiners are adequately trained on severance tax processes and procedures and that procedures requiring timely verification of annual oil and gas severance tax reconciliations are followed.

(Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 37:**

The Department of Revenue should strengthen its internal controls over the processing of severance tax returns by:

- a. Updating written severance tax procedures to reflect procedures in place with the GenTax system and providing training to tax examiners on the processes and procedures.
- b. Ensuring that severance tax processes and procedures are followed.

### **Department of Revenue Response:**

- a. Agree. Implementation date: December 31, 2009.

Updates to severance tax procedures have been on hold since November 2008 due to improvements to the severance tax portion of GenTax. Those improvements are in conjunction with the current development of the income tax system, which will be available November 2009. Revisions to severance tax procedures are underway and a draft will be ready by October 31, 2009. Final procedures will be ready by December 31, 2009, although we anticipate there will be continual updates to the procedures as CITA/GenTax provides updates to the severance tax program.

It is important to note that the majority of the \$141,000 amount under "Mathematical Errors" heading consists of a \$157,292 underpayment based on an undocumented deduction. While the Department did not verify the deduction as specified by the procedures, the nature of the deduction does not lend itself to third-party verification, as is the norm. The Department determined the best way to verify this deduction and other issues on the return is to have the Department's Field Audit section review the item during an audit. The Department's Field Audit Section has scheduled the item for audit. While the actual solution exceeded the solution provided in the existing procedures, the procedures will be updated to address this situation.

- b. Agree. Implementation date: October 31, 2009 and December 31, 2009.

The Department will create procedures and work with severance tax examiners to ensure they are aware of the procedures. Reviewers will ensure the procedures are followed.

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## Controls Over Business Tax Refunds

The Department oversees the collection of business taxes as part of its overall responsibility for administration and enforcement of the State's tax laws. In Fiscal Year 2009 the Department issued approximately \$70 million in business tax refunds. These refunds are made up of excess sales, use, and other business taxes that were paid by the taxpayers.

The Department has established policies and procedures for tax examiners to follow when processing business tax refunds. For example, according to the Department's written policies, Department staff must pay interest to taxpayers on refunds greater than \$100 that were not processed within 90 days of a taxpayer's original payment.

During our Fiscal Year 2009 audit, we reviewed the Department's internal controls over the processing of business tax refunds. We tested a sample of 40 business tax refunds and the related supporting documentation. We found one or more problems with 20 of the 40 refunds (50 percent) and/or the supporting documentation that we reviewed. Overall, we identified \$896 in overpayments and \$1,537 in underpayments to taxpayers. Specifically, we noted the following:

### Interest Calculation Errors

In 15 instances, Department staff incorrectly calculated interest due on business tax refunds. For example, in 13 of the 15 instances, Department staff did not use the correct beginning date when calculating interest; this type of error resulted in total overpayments of \$624 and total underpayments of \$709. We determined that while the Department has a written policy requiring the payment of interest as discussed above, the Department has not established written procedures that specifically address the methodology that should be used to calculate interest.

### Procedural Errors

In five instances, Department staff did not issue refunds in accordance with Department procedures. For example, we identified one refund upon which the

Department did not pay interest although the refund exceeded \$100 and was not processed within 90 days. According to the Department's refund procedures, the taxpayer should have received interest of \$162. In another instance, Department staff failed to refund interest and penalties totaling \$94 that a taxpayer had erroneously paid. Department staff indicate that they have verbal procedures requiring the reimbursement of overpaid interest and penalties, but these procedures are not written.

## **Mathematical Errors**

In two instances, refunds were calculated incorrectly due to mathematical errors. In the first instance, Department staff entered data into the tax information system incorrectly, resulting in a \$13 overpayment to a taxpayer. In the second instance, Department staff did not identify a mathematical error made by a taxpayer on a sales tax return, which resulted in a \$20 overpayment by the taxpayer.

## **Supporting Documentation**

In three instances, Department staff did not refund the correct amount of tax based on the supporting documentation provided by the taxpayer. For example, in one of the instances Department staff underpaid a taxpayer by \$367 because the refund of state sales tax was made for only one of two invoices submitted by the taxpayer. In another instance, we noted that the Department refunded sales tax of \$115 without obtaining adequate supporting documentation from the taxpayer.

The errors we identified indicate that the Department needs to strengthen its internal controls over the processing of business tax refunds. First, the Department has not ensured that all procedures related to the calculation of business tax refunds are adequately documented and communicated to tax examiners. Specifically, the Department does not have written procedures for the calculation of interest on business tax refunds or the reimbursement of overpaid penalties and interest. Second, tax examiners do not appear to be adequately trained on existing policies. A portion of the errors we identified indicate that Department staff are not consistently following written procedures for processing business tax refunds. In addition, although the Department has a supervisory review in place over refunds based on dollar thresholds, these errors indicate that the supervisory review is not effective.

The Department should improve its internal control procedures over the processing of business tax refunds to ensure that payments are appropriate. This should include developing written policies and procedures to address the computation of interest and reimbursement of overpaid interest and penalties. In addition, the Department should strengthen its existing supervisory review

process to ensure that refund errors are identified and corrected and ensure that staff are adequately trained on existing business tax policies and procedures.

(Classification of Finding: Control Deficiency.)

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### **Recommendation No. 38:**

The Department of Revenue should improve controls over the processing of business tax refunds by:

- a. Developing written policies and procedures to address the computation of interest and reimbursement of interest and penalty overpayments.
- b. Strengthening its existing supervisory review process to ensure that refund errors are identified and corrected.
- c. Ensuring that staff are adequately trained on existing business tax policies and procedures.

### **Department of Revenue Response:**

- a. Agree. Implementation date: December 31, 2009.

The Department is in the process of adding a section to the existing business tax refund procedures which will describe and explain how to compute interest and will establish guidelines for the reimbursement of penalty and interest overpayments.

- b. Agree. Implementation date: December 31, 2009.

In order to strengthen the refund reviewing process, the Business Tax Accounting Section has created reviewer checklists for sales/use tax and wage withholding tax. Reviewers will complete one checklist for each refund, sign and date it and check off the items outlined. Reviewers must include the completed checklist with the refund paperwork.

- c. Agree. Implementation date: December 31, 2009.

The Business Tax Accounting Section holds regularly scheduled staff meetings. In addition to those meetings and in order to strengthen the adherence to policies and procedures, in-service training will be scheduled annually. The training will include review of existing

procedures and policies and discussion regarding required updates to those procedures and policies. A training program will be developed for new employees to the section.

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## Internal Controls Over Estimated Taxes

State statutes require that certain taxpayers make estimated tax payments to the Department on a quarterly basis during the calendar year. An individual taxpayer must make quarterly estimated income tax payments if the taxpayer's net income tax liability is expected to exceed the Department's internally established threshold for the year. A corporation must make quarterly estimated income tax payments if the corporation's net income tax liability is expected to exceed the Department's internally established threshold for the year. Taxpayers are not required to make estimated tax payments for Colorado estate or trust income taxes.

The Department's Taxpayer Services Division (TPS) is responsible for reviewing and crediting estimated payments to the applicable taxpayer's account as the Department receives the payments. Annually, all taxpayers, including those who made estimated payments, must file an income tax return to either claim a refund, determine the tax liability that the taxpayer must pay to the Department, or request that any overpayments be applied to the subsequent year. If a taxpayer who made estimated payments does not file a tax return with the Department for a tax year or notify the Department to apply the estimated payments to the subsequent tax year, any estimated payments the taxpayer made during the year are considered to be "unclaimed" by the Department. If the taxpayer fails to file a tax return within four years, the Department will assume that the taxpayer's estimated payments equal the taxpayer's tax liability and will adjust the taxpayer's account accordingly. As of December 2008, the Department reported \$1.6 billion in estimated tax payments. The Department indicated that the reported amount of estimated tax payments included estimated payments made in calendar year 2008 that were anticipated to be claimed in calendar year 2009. The Department was unable to provide an aging report indicating the tax years for which the payments had been made.

In many cases, a taxpayer may be unaware that unclaimed estimated payments are associated with his or her tax account or that he or she must notify the Department to apply any tax overpayments to a subsequent tax year. As a result, estimated payments are associated with a higher risk of erroneous or fraudulent activity. The risk of fraudulent activity increases for older unclaimed payments.

As part of our Fiscal Year 2009 audit, we reviewed the Department's internal controls over refund payments. Department staff indicated that the Department

has a process in place requiring the review of higher-risk refunds, including refunds made for overpayments of estimated taxes. The process consists of two separate layers of review. The first layer of review is performed by TPS staff and consists of a review of refunds flagged by the system due to system edits. The second layer of review is performed by the staff outside of the TPS division. The primary purpose of the Department's second layer of review is to identify reviews and approvals of unusual or inappropriate refund payments through the review of system-generated refund reports. We tested a sample of refund reports generated by the Department's internal tax information system during Fiscal Year 2009 and interviewed the Department personnel responsible for reviewing the reports during the year as part of the second-layer review process. We found that the Department's current secondary review process over higher-risk refunds should be strengthened.

First, the Department does not have formal written procedures for the review of the higher-risk refunds report. Specifically, we noted that the Department does not have specific procedures in place to standardize the sampling methodology, including the number or percentage of the sample items to be tested for each type of refund identified on the refunds report. Further, the Department does not have specific procedures in place to address specific follow-up steps that should be taken based on the review. The Department also has not assigned specific staff responsibility for the refund review. Finally, staff do not maintain supporting documentation or provide evidence of review on the reports reviewed. These components are considered elements of an effective internal control process. Without strong review controls in place, the Department cannot ensure that it will detect or prevent erroneous or fraudulent activity.

(Classification of Finding: Significant Deficiency.)

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### **Recommendation No 39:**

The Department of Revenue should improve controls over refunds of estimated taxes by:

- a. Adopting formal, written procedures for the secondary refunds review process. Procedures should standardize the sampling methodology, including the size of the sample that should be tested, follow-up steps that must be taken, and the maintenance of supporting documentation and evidence of review.
- b. Assigning specific staff responsibility for the review and training them on the review procedures.

## **Department of Revenue Response:**

- a. Partially agree. Implementation date: December 2010.

The Taxpayer Services (TPS) division is the Department's subject matter expert in processing tax returns and refunds, and the TPS staff has the expertise in identifying issues with tax returns and requested refunds. All of the items noted in this recommendation exist for the review process performed by the TPS staff. The current TPS procedures for reviewing large refunds could include upwards to five different reviews and approvals. Also, with the implementation of phase 2 of GenTax, additional controls and edits exist systematically that improve the processing of tax returns and refunds.

The TPS division is charged with reviewing and approving refunds. The second layer of review by individuals independent of the TPS division was an examination of the review and approval process performed, not an approval of the refund. This second layer of review of the process was implemented as a short-term solution until the implementation of phase 2 of GenTax.

Because the interim review process was not a formal process, official procedures for review and sampling could not be developed. Official procedures for handling this secondary review under GenTax will be developed when a permanent employee is put in place to perform the review process.

- b. Agree. Implementation date: December 2010.

The Department of Revenue agrees an independent review outside the TPS division would add value. The Department will pursue the possibility of creating a new quality control position independent of the TPS division, which would be responsible for the examination of the review and approval process performed by the TPS division. If the Department is successful in creating this new position, written procedures will be developed and training will be provided.

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## **Electronic Fund Transfer Reconciliation**

The Department requires certain taxpayers to pay their tax liabilities to the Department through Electronic Funds Transfer (EFT). These taxpayers include entities filing fuel, cigarette, or tobacco taxes and employers with annual wage withholding liabilities greater than \$50,000. In addition, the Department offers

almost all other taxpayers the option to pay taxes by EFT. During Fiscal Year 2009, the Department received nearly 924,000 tax payments, totaling over \$7.1 billion, through EFT. An EFT payment goes from the taxpayer's bank to the Department's account within the State's bank account and is recorded on the Department's internal system. Department staff make a corresponding accounting entry in the State's accounting system, COFRS, to record the funds as undistributed cash receipts. The majority of EFT transactions are processed and posted automatically to the Department's internal system. Occasionally, Department staff must determine the type of tax for which an EFT payment was made, and reclassify the payment—in COFRS and in the Department's internal system—to the appropriate tax revenue account.

Staff in the Department's Division of Central Operations perform a monthly reconciliation of the EFT undistributed cash receipts recorded in the Department's internal revenue accounting system to those recorded in COFRS. Any variance between the internal system's and COFRS' lists of undistributed EFT payments is reviewed by Department personnel. Variances can result from timing differences or human error.

During our Fiscal Year 2008 audit, we found that the Department lacked adequate controls over EFT payments. Specifically, the Department lacked a secondary review over the EFT reconciliation process to ensure the first level of review is performed appropriately. In addition, the Department did not have adequate procedures to detect and correct any errors in a timely manner.

Our Fiscal Year 2009 audit testwork showed that the Department continued to have problems in this area. We reviewed the Department's July 2008 and January 2009 EFT Undistributed Cash Receipts Reconciliations and the related supporting documentation and determined that both months' reconciliations were incomplete at the time of our review in April 2009. Specifically, the July 2008 and January 2009 reconciliations contained "unknown adjustments" totaling \$460 and approximately \$2,238,000, respectively. The unknown adjustments represented the difference between amounts reported as EFT undistributed cash receipts on the Department's internal system and COFRS at the end of each month. We subsequently reviewed the remaining seven monthly reconciliations prepared by the Department for Fiscal Year 2009 (through March 2009) and identified unknown adjustments on each of the reconciliations. The gross amount of the unknown adjustments on the nine reconciliations totaled approximately \$1,768,000. The Department did not resolve the unknown adjustments until July 2009.

The Department does not have official, updated written procedures for the EFT reconciliation process. As a result, Department staff lack documented guidance on reconciliation procedures and on the timing and frequency of reconciliations.

In November 2008 the Department implemented the first component (GenTax) of its new tax system, CITA. This new tax system will eventually replace the current legacy-based system over many phases by Fiscal Year 2013. Department staff indicated that the CITA implementation has introduced many new timing differences to the EFT reconciliation process and, thus, made the process more difficult.

The issues identified in our testwork indicate that the Department should strengthen its internal controls to ensure that errors and irregularities related to EFT payments are detected and corrected in a timely manner and that EFT payments are accurately reflected in the Department's internal system and in COFRS. The Department should develop procedures to be followed when reconciling EFT payments and should train staff on the procedures. The Department should also incorporate a secondary review process over the EFT reconciliation process that includes a review of supporting documentation to ensure adequacy of the first level of review.

(Classification of Finding: Significant Deficiency.)

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## **Recommendation No: 40:**

The Department of Revenue should strengthen controls over electronic funds transfer (EFT) payments by:

- a. Updating written procedures for the EFT undistributed cash reconciliation process.
- b. Ensuring that reconciliation variances, including errors and irregularities, are identified and that necessary adjustments are made in a timely manner.
- c. Incorporating a secondary review over the EFT undistributed cash reconciliation process.

## **Department of Revenue Response:**

- a. Agree. Implementation date: April 2010.

Revising procedures has been in process since the Department began processing delinquent payments from the Colorado.gov payment portal in 2008. Through the course of that year, the Department realized that having a Portal undistributed account and an EFT undistributed account was counterproductive and caused more work and reconciliation problems than having a single account. Therefore, in

January 2009, we combined the two accounts. Since then, we have spent considerable time trying to understand and document how transactions move through multiple mainframe based tax modules create timing discrepancies and variances. We revised the format of the reconciliation spreadsheet and we believe we have finally identified most of the conditions causing variances. We have given a high priority to the tasks of documenting the issues and creating procedures that provide a framework for locating discrepancies.

b. Agree. Implementation date: April 2010.

Prior to implementing the option to pay income tax delinquencies using the Colorado.gov payment portal, the reconciliation was a straightforward process easily completed in a day or two. After we began accepting delinquent payments on the Portal, unanticipated timing problems created large variances in the reconciliation due to transaction volume and the complexity of the Department's mainframe accounts receivable system. Department staff spend countless hours trying to identify the source of the discrepancies, including over 100 hours of time from the Controller's staff. Now that income tax has converted to the new GenTax system, the reconciliation process has changed again and procedures must be modified for that system. We believe the understanding we gained from all the analysis done in the last year will assist us in developing new procedures to accommodate the most recent system change.

c. Agree. Implementation date: April 2010.

This is already in process as a result of the 2008 audit recommendation to strengthen controls over the EFT reconciliation process. The Department now verifies all entries into all documents used in the reconciliation process and we have cross-trained a second person to perform the reconciliation.

Additionally, the Department's Controller currently reviews the reconciliation and we will formalize a sign-off procedure as part of the implementation of the recommendations above.

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## **Information Security Awareness and Anti-Fraud Awareness Training**

Because of the highly confidential nature of the data that Department employees process and the importance of the duties they perform, the Department implemented the Information Security Awareness and Anti-Fraud Awareness Training during calendar year 2008. The training is designed to provide employees with an increased understanding of information security risks and best practices and the Department's code of ethics and anti-fraud policy. At the completion of the course, each employee is required to sign the Security and Anti-Fraud Training acknowledgement form. By signing the form, the employee acknowledges that he or she completed the Department's Information Security Awareness and Anti-Fraud Awareness Training and is responsible for complying with state and Department policies, statutes, and rules. Department staff indicated that all staff will be required to attend the training annually. The Department tracks employees' attendance at the security training through an internal database. In Fiscal Year 2009, the Department had approximately 1,500 full-time-equivalent staff.

During our Fiscal Year 2009 audit, we performed testing to determine whether Department employees had attended the Information Security Awareness and Anti-Fraud Awareness Training and signed and submitted the acknowledgement form to the Department's Office of Human Resources (OHR). We found that the Department did not ensure that all employees in our sample attended the training and signed and submitted the acknowledgement form.

- First, we found that of 123 employee we sampled, 18 (15 percent) did not attend the required training during Fiscal Year 2009. Further, five of the 18 had not attended the required training during Fiscal Year 2008. By the end of our audit, three of these five had attended the required training, and two had not.
- Second, we found that 13 of 18 employees in our sample who attended a training session in May 2008 had not signed and submitted the Security and Anti-Fraud Training acknowledgement forms to OHR by the time of our audit testwork in March 2009. After we notified the Department of our findings, the Department obtained signed forms from nine of the 13 employees. The remaining four employees were no longer working for the Department at the time of our audit.
- Out of the 123 employees sampled, we identified one instance in which the Department's training database information indicated that the

employee had completed the required training when the employee had not attended the training.

Our findings indicate that the Department should improve its current procedures to ensure that all employees attend the Information Security Awareness and Anti-Fraud Awareness Training and submit the required acknowledgement form. Further, the Department should improve its procedures to ensure that the internal training database is accurate.

By not adequately enforcing its policy that requires that all employees attend the Information Security Awareness and Anti-Fraud Awareness Training and sign and submit the acknowledgement form to OHR, the Department is not consistently emphasizing the standards of conduct expected of Department employees and ensuring that all employees are aware of the Department's security and fraud policies. In addition, by not ensuring that the Department's internal training database is accurate, the Department may not identify all employees who have not completed the training. The Department should ensure that all employees attend the training and sign and submit an acknowledgement form on an annual basis and improve its tracking process to ensure that training records are accurate.

(Classification of Finding: Control Deficiency.)

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### **Recommendation No. 41:**

The Department of Revenue should improve internal controls over Information Security Awareness and Anti-Fraud Awareness Training by:

- a. Enforcing its policy requiring employees to attend Information Security Awareness and Anti-Fraud Awareness training and sign and timely submit the acknowledgement form to the Department's Office of Human Resources on an annual basis.
- b. Ensuring training records in the internal database used to track employee training attendance are accurate and complete.

### **Department of Revenue Response:**

- a. Partially agree. Implemented.

The Department of Revenue developed and kicked off the first Information Security Awareness and Anti-Fraud Awareness (ISA/AFA) training program in May of 2008. All existing Department

employees were required to attend one of the 104 ISA/AFA classroom trainings offered throughout the State by the middle of November 2008. This was a major undertaking by the Department and it was extremely successful with only one existing employee unable to attend. Since the Department was under a hiring freeze, additional ISA/AFA training classes for newly hired Department employees were not scheduled until May 2009 in Pueblo and June 2009 in Denver. Starting in Fiscal Year 2010 these classes are scheduled on a quarterly basis and new employees are enrolled as their work schedules and travel arrangements permit.

As part of the new employee orientation employees are required to read all Department policies, including the Anti-Fraud and Security Standards policies, and attest to their understanding of the policies by signing the Statement of Understanding. The ISA/AFA training highlights and reinforces the information already provided to Department staff through these policies.

Starting in Fiscal Year 2010, current employees will complete the annual on-line ISA/AFA training and will provide their acknowledgment form upon completion. The form will be maintained by the Office of Human Resources.

- b. Agree. Implementation date: Implemented.

The Department's internal database used to track the ISA/AFA training is updated once the employee attends the ISA/AFA classroom training or completes the annual on-line ISA/AFA training and submits the associated ISA/AFA quiz and acknowledgement form.

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## **Tax Refund Transfers to Unclaimed Property**

The Department issues payments to the taxpayers for refunds of income, business, and other taxes. Any individual taxpayer refund payment, or warrant, that has not been presented for payment within six months of the issuance date is considered void, according to state statutes. As required by the statutes, the Department transfers these voided income tax warrants to the Office of the State Treasurer's Unclaimed Property Division (Division). The Division then notifies the affected taxpayers of the unclaimed funds, as required by the Unclaimed Property Act. In Fiscal Year 2009, the Department transferred voided income tax warrants totaling approximately \$8.4 million to the Unclaimed Property Division.

Unclaimed business tax warrants are to be treated differently, however. According to a 2006 statutory interpretation by the Office of Legislative Legal Services, the Department's current statutes do not allow for the transfer of unclaimed business tax warrants to Unclaimed Property. Therefore, unlike expired income tax warrants, expired business tax warrants are not transferred to Unclaimed Property. Rather, any unclaimed expired business tax warrant is recorded as a credit on the taxpayer's account. As of June 30, 2009, the Department had approximately \$530,000 in expired unclaimed business tax warrants. Department staff report that they do not notify taxpayers of any credits due to unclaimed business tax warrants but will provide a refund if it is requested by the taxpayer. However, because these warrants were never deposited by the taxpayer, it is possible that some taxpayers who are entitled to refunds of business tax overpayments may not be aware of the overpayments and therefore would not seek a refund. Therefore, the Department should seek statutory change to require transfer of expired business tax warrants to the Unclaimed Property Division.

(Classification of Finding: Not applicable – not an internal control issue.)

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## **Recommendation No. 42:**

The Department of Revenue should seek statutory change to require transfer of expired business tax warrants to the Office of the State Treasurer's Unclaimed Property Division.

### **Department of Revenue Response:**

Agree. Implementation date: June 30, 2011.

The Department of Revenue submitted a request to modify existing statute 39-21-108(5)(a) C.R.S. to allow the transfer of expired business warrants to the Office of the State Treasurer's Unclaimed Property Division. The request did not move forward due to limitations on the number of proposals the Department was allowed to submit.

The Department of Revenue will seek a statutory change again in Fiscal Year 2011. The Department of Revenue will implement the expiring of business warrants based on statutory modifications.

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**Department of Revenue****Prior Recommendations  
Material Weakness or Significant Deficiency  
Not Remediated by the Department  
As of June 30, 2009**

The following recommendations relating to internal control deficiencies classified as material weaknesses or significant deficiencies were communicated to the Department in previous years and have not yet been remediated as of June 30, 2009. These recommendations can be found in the original report and the IV. Prior Recommendations Section of this Report.

<b>Current Rec. No.</b>	<b>Prior Report and Rec. No.</b>	<b>Recommendation/ Classification</b>	<b>Implementation Date Provided by Department</b>
2009 Single Audit Rec. No. 43	2008 Single Audit Rec. No. 42	Controls over Severance Tax Refunds <i>Significant Deficiency</i>	a. December 2009 b. [1] c. December 2009
2009 Single Audit Rec. No. 44	2007 Single Audit Rec. No. 30	Transfers of Interest and Collection Costs <i>Significant Deficiency</i>	November 2010
2009 Single Audit Rec. No. 45	2007 Single Audit Rec. No. 31	Modification of Taxpayer Account Information <i>Significant Deficiency</i>	November 2010

<sup>[1]</sup> This part of the recommendation has been implemented, partially implemented, or is not applicable. See IV. Prior Recommendations Section of this Report.

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# Department of State

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## Introduction

The Secretary of State is the chief executive of the Department of State (Department) and is an elected official who serves a four-year term. The Department of State's primary responsibilities include supervision and administration of the following:

- **Colorado's Business and Commercial Statutes.** Businesses are required to file documents with the Department relating to various business organizations and business names.
- **The Colorado Election Code.** The Department oversees voter registration and administers campaign finance laws. The Department is also responsible for administering the federal Help America Vote Act, and lobbyists must register with the Department.
- **The Uniform Commercial Code.** Businesses file financing statements with the Department to provide evidence of security interests for use in determining the rights of the various parties in commercial transactions.
- **Bingo and Raffle Games.** The Department regulates organizations that operate games of chance, which are required to file various reports with the Department.
- **Notaries Public.** The Department oversees the commissioning of notaries public in the State.
- Various other laws, including the Colorado Charitable Solicitations Act.

The duties of the Department are divided primarily among the following three divisions: Business, Elections, and Licensing. The Department also has an Information Technology Division responsible for providing technical services and support to the Department, including the electronic filing and online services that are offered by the Business Division. In Fiscal Year 2009 the Department was appropriated approximately \$27.6 million in cash funds and 127.1 full-time-equivalent staff, or FTE.

## Travel Expenditures

During Fiscal Year 2009, the Department expended nearly \$86,000 for employees' in-state and out-of-state business travel. State Fiscal Rules, issued by the Office of the State Controller, require state agencies to follow certain procedures concerning business travel. Within 60 days of returning from business travel, employees are required to complete a travel expense form, itemizing all travel expenses incurred and stating the purpose of the travel. The travel expense form, which serves as the request for reimbursement, must be signed by the employee and the employee's supervisor. In addition to being reimbursed for allowable travel expenses incurred, employees receive a per diem travel amount based upon the location to which they traveled. The per diem rate is determined by State Fiscal Rules. Department accounting staff are required to review each travel expense form before approving it for reimbursement and entering it in the State's accounting system, COFRS.

As part of our Fiscal Year 2009 audit, we reviewed a sample of 40 of the Department's travel expenditures. We noted one or more problems with 11 (28 percent) of them. Specifically, we found the following:

- Four travel reimbursements included a total of approximately \$94 of nonreimbursable expenses, which were paid to employees. For example, in two cases, the employee was reimbursed for miles in excess of the trip distance. In another case the employee was reimbursed for breakfast, although meal reimbursement was not allowed under State Fiscal Rules since the travel occurred within one day.
- Two travel reimbursements, totaling approximately \$130, were not submitted within 60 days of the traveler's return date.
- One travel reimbursement, totaling about \$1,415, did not specify the purpose of the travel.
- Six travel reimbursements, totaling \$381, were coded incorrectly in COFRS. Two of the reimbursements should have been coded as "Official Functions" instead of "In-State Personal Travel Per Diem." The other four reimbursements should have been coded as "Other Operating Expenses" instead of "In-State Travel."

We also found that the Department lacks policies related to the allowability and appropriateness of expenditures for bingo hall investigations, which the Department is responsible for conducting under Section 12-9-103, C.R.S. We identified four travel reimbursements totaling \$271 for bingo pull tabs and bingo packets. Department staff indicated that the purchases were made by bingo

investigators during their bingo hall investigations. However, Department staff indicated that they do not have policies in place to limit or otherwise outline the appropriateness of bingo game purchases or to address how bingo game winnings should be reported. As a result, the Department risks inappropriately reimbursing excess or inappropriate bingo game purchases incurred during its investigations.

The Department should strengthen its controls over travel expenditures and ensure that supervisors thoroughly review travel expenditure requests and resolve any problems before approving reimbursements. The Department should also document policies that address the allowability of expenditures related to bingo hall investigations and consider setting limits on the related expenditures. The policy should also address the proper reporting of bingo game winnings. The Department should obtain repayment from employees for the excess reimbursements and reimbursements for non-reimbursable or unsupported expenses identified in our audit.

(Classification of Finding: Control Deficiency.)

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## **Recommendation No. 46:**

The Department of State should strengthen its controls over travel and bingo hall investigation expenditures by:

- a. Verifying that travel expenditures are allowable, properly supported, submitted timely, and coded correctly in the State's accounting system, COFRS, and that all other State Fiscal Rules regarding travel are followed.
- b. Ensuring that supervisors thoroughly review travel expenditure requests and resolve any problems before approving reimbursements.
- c. Obtaining repayment from employees for excess and other improper reimbursements.
- d. Establishing written procedures for the allowability and appropriateness of expenditures for bingo hall investigations and for the reporting of bingo game winnings.

## **Department of State Response:**

The Department partially agrees with the findings documented in the report. The Department has clearly written policies and procedures for travel, and that information is provided to each division's travel

coordinator. All policies and procedures are modeled after the State Fiscal Rules, Chapter Five.

- a. Agree. Implementation date: July 1, 2009.

The Department has internal policies and procedures in processing travel reimbursements that coincide with the fiscal rules. This has been implemented as of July 1, 2009.

- b. Agree. Implementation date: Implemented.

The Department has always received supervisor signatures on travel reimbursements. All reimbursements have followed fiscal rules with the exception of expenses approved verbally by the appointing authority and not in writing. The Department is no longer allowing travel due to budget restrictions.

- c. Disagree. Implementation date: Not applicable.

The Department does not feel that any employee has been overpaid nor reimbursed for expenditures that were not allowed while in travel status. We believe that the amount is immaterial and will not seek reimbursement from those employees. The Department always consults with the Office of the State Controller when there is an expense in question, and therefore we followed the fiscal rules and guidance we received.

***Auditor's Addendum:***

***We determined that the Department overpaid employees by a total of \$94 for expenses that were unallowable under State Fiscal Rules. This is an improper use of public funds, and therefore we recommend that the Department obtain reimbursement for the overpayments from the affected employees.***

- d. Agree. Implementation date: December 15, 2009.

The Department plans on implementing written procedures for expenditures for bingo hall investigations by December 15, 2009.

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## **Sizler Accounting System**

Sizler is the Department's automated, accounts receivable subsidiary ledger. Department employees record all point-of-sale transactions in Sizler, including cash and checks received both by mail and in person at the Department's central office location. Accounting staff within the Department's finance office use the information entered into Sizler to generate the daily bank deposit and create a cash receipt transaction in COFRS. In Fiscal Year 2009, the Department reports that it processed approximately \$17.4 million through Sizler. Sizler is considered a significant computer application because of its impact on recording, tracking, and reporting the Department's financial activities.

For Fiscal Year 2009, we evaluated the general computer controls relevant to Sizler. General computer controls are pervasive controls that provide for the integrity of the computer-based applications that support the company-wide internal control environment. The primary objective of these controls is to ensure the confidentiality, integrity, and availability of program and data files. Overall, we identified problems with the Department's controls related to user identity and access management, software configuration management, and data backups. During our audit work, we also found that the Department is not in compliance with industry standards for securely processing and storing credit card data.

### **User Identity and Access Management**

User identity and access management involves deciding who is allowed to access specific information systems, granting access to users commensurate with their job responsibilities, and then monitoring user access to ensure its appropriateness. Before an employee is granted access to Sizler, the employee's supervisor is required to approve the access and specify the level of access to be granted. The employee is then granted both an application user ID (for access to the Sizler application) and a network user ID. Our review of the Department's user identity and access management practices found problems with user access authorizations for both Sizler and the Department's network. First, for Sizler application users, not all the user access forms contained the required supervisory approval for access. Specifically, of the 25 Sizler user access forms we sampled, nine (36 percent) did not contain documented supervisory approval. According to Department policies and procedures and State Cyber Security Policies, access to the Sizler application should be granted only after the user's supervisor has approved the access. Creating a user ID without the appropriate authorization increases the risk that a person may gain unauthorized access to the system or receive privileges that are not compatible with the user's job duties.

Second, we found that approximately half of the 293 active network IDs were generic—that is, they were not linked to identified owners. To ensure the

appropriate level of system accountability, State Cyber Security Policies stipulate that all users and their information technology (IT) system activities are to be uniquely identifiable. Accordingly, each user should be assigned an individual system ID, and each ID should tie to an identified, documented owner. Lack of specific user ID designation can undermine security and accountability by making it difficult to tie system activity to a specific individual. As such, the Department should ensure that individual owners are designated for all IDs.

## **Software Configuration Management**

State Cyber Security Policies require that state agencies develop and implement a documented configuration management and change control policy that includes procedures for approving and implementing emergency changes. A software configuration management and change control policy is an important control that, in conjunction with other automated controls, provides reasonable assurance that only authorized and tested software changes are made to a system. We found that the Department lacked documented policies and procedures for making configuration changes to the Sizler application. To ensure that changes to Sizler are properly authorized and tested, the Department should develop and document a configuration management and change control policy. The policy should identify the roles, responsibilities, procedures, and documentation required for making changes; provide guidance for personnel involved in the change management function; and describe the process by which routine and emergency changes are to be authorized by managers and tested, tracked, and migrated into the production environment.

## **Data Backups**

The process of backing up data refers to making copies of data so that the data are available for restoration in case of a hardware failure, accidental deletion, incorrect modification, software corruption, or malicious activity, including catastrophic events. Generally accepted information security standards stipulate that agencies should have documented policies and procedures pertaining to data backups. These policies and procedures should specify the data availability requirements of the Department and not just reflect what IT believes is adequate. At a minimum, the procedures should stipulate the approach for accomplishing, monitoring, and validating successful backups; frequency and timing of backups; location of stored data; file-naming conventions; rotation frequency of backup media; and methods for securely transporting data offsite. Retention requirements for the backups should also be documented, as specific contractual or legal requirements may apply to the retention of financial data. Further, to ensure effective backups, data backup processes should be monitored to confirm their successful completion and should include the generation and review of backup activity logs.

We found that the Department did not have documented backup procedures for Sizler. Further, because the Department uses a manual process to produce backups for Sizler, no backup activity logs are produced and stored for later review. The lack of backup activity logs makes it difficult to verify the success of backups or to later analyze any error messages or recurring problems. To ensure the availability of Sizler data in the event of a disaster or other problem, the Department should develop a data backup strategy and incorporate it into written policies and procedures. These procedures should require Department IT staff to record and store backup activity logs for future review.

## **Payment Processing**

During our audit work, we learned that the Department processes credit card payments for the various fees it collects. These fees range from \$1 to \$5,000. The Department, like any other merchant or company that collects and processes credit card payments, must comply with the Payment Card Industry (PCI) Data Security Standard (DSS). PCI DSS was created by the major credit card companies and establishes requirements regarding information security management, network architecture, software design, and other important IT controls designed to protect credit card data from compromise.

If noncompliance with PCI DSS results in a security breach, the credit card companies can charge the merchant fines as high as \$500,000 per data security incident and/or \$50,000 for each day of noncompliance. Noncompliant merchants must also assume all liability for losses incurred from compromised account numbers and for the cost of reissuing cards associated with the compromise. Noncompliant merchants also risk suspension of their credit card payment processing privileges.

The Department is considered a Level 3 merchant. Levels are defined by the major credit card companies and are based on the volume of credit cards processed by the merchant during a 12-month period. In calendar year 2008, the Department processed more than 500,000 credit card transactions: about 325,000 for Visa; 126,000 for MasterCard International; and 64,000 for American Express. As a Level 3 merchant, the Department is required to perform quarterly network security scans, complete an annual PCI DSS self-assessment questionnaire, and attest to its level of compliance with PCI DSS.

In its 2008 PCI self-assessment questionnaire, the Department attested that it was not fully compliant with PCI DSS in the areas of network and firewall configuration, cardholder data retention, logging, and incident response. Noncompliance with PCI DSS not only places credit cardholder information at risk of disclosure and potential fraud, but also can result in substantial penalties imposed by credit card companies should a security breach occur. The

Department has begun to remediate the deficiencies identified in its self-assessment questionnaire but is experiencing delays that it attributes to budget cuts and hiring freezes. The Department estimates the cost of achieving full PCI DSS compliance at \$33,600.

The Department should reevaluate its strategy for achieving compliance with PCI DSS. As one option, the Department could implement compensating controls. PCI DSS authorizes merchants with legitimate or documented business constraints to use compensating controls to achieve compliance. If it selects this option, the Department would be required to undertake a risk analysis of its IT operations and to identify and implement compensating controls for each area of noncompliance.

(Classification of Finding: Control Deficiency.)

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### **Recommendation No. 47:**

The Department of State should improve its general computer controls related to the Sizler application and the protection of credit card data by:

- a. Ensuring system administrators adhere to Department policy that requires written approval by an employee's supervisor prior to the creation of user IDs and assignment of user access. The Department should review existing Sizler users and ensure that the level of access granted them has been approved in writing by their supervisors, as required by Department policies, and delete or resolve all users where approvals are not in place.
- b. Reviewing all system and network IDs and ensuring that each ID is associated with an identified and documented owner.
- c. Developing and implementing formal configuration management and control policies and procedures, including procedures for handling emergency changes.
- d. Developing and implementing written policies and procedures for data backups.
- e. Documenting and implementing procedures for creating and retaining backup logs.
- f. Reevaluating its strategy for achieving compliance with Payment Card Industry (PCI) Data Security Standard (DSS), including the option of implementing compensating controls.

## Department of State Response:

- a. Agree. Implementation date: January 2010.

The Department obtains written approval from an employee's supervisor prior to creation of user IDs and assignment of user access as a standard practice. This procedure has been instituted within the past few years and was not always followed for long-time employees hired in years past. The Department will perform a review of existing users, delete access or obtain approvals where appropriate, and continue periodic reviews to ensure compliance.

- b. Agree. Implementation date: March 2010.

The Department did review system and network IDs during the course of the audit and following. Some IDs are associated with generic accounts (e.g., "typing1", "etrain1", "public10") used for specific purposes where individual named accounts are not possible, such as for administering typing tests for job applicants, facilitating training sessions for county and/or the public, and providing access in our office to public terminals without internet access for use by walk-in customers. Other domain accounts are created to allow centralized management of shared resources and/or services. Both of these types of accounts have limited permissions and/or are not actually logged into by users. All other accounts are associated with identified and documented users. The Department will ensure that owners are assigned and accountable for all system and network IDs. The Department will continue to periodically review IDs and accounts to remain in compliance.

- c. Agree. Implementation date: April 2010.

The Department is developing formal policies and procedures in these areas. While informal practices exist, formal documentation is needed.

- d. Agree. Implementation date: May 2010.

The Department will develop written policies and procedures for data backups, including the creation and retention of backup logs. While daily operational practices identify and resolve issues with backups when they occur, the Department agrees that comprehensive written policies should be created.

- e. Agree. Implementation date: May 2010.

The Department will develop written policies and procedures for data backups, including the creation and retention of backup logs. While daily operational practices identify and resolve issues with backups when they occur, the Department agrees that comprehensive written policies should be created.

- f. Agree. Implementation date: January 2010.

The Department will review its existing strategy for achieving compliance with PCI DSS and consider this option.

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# Office of the State Treasurer

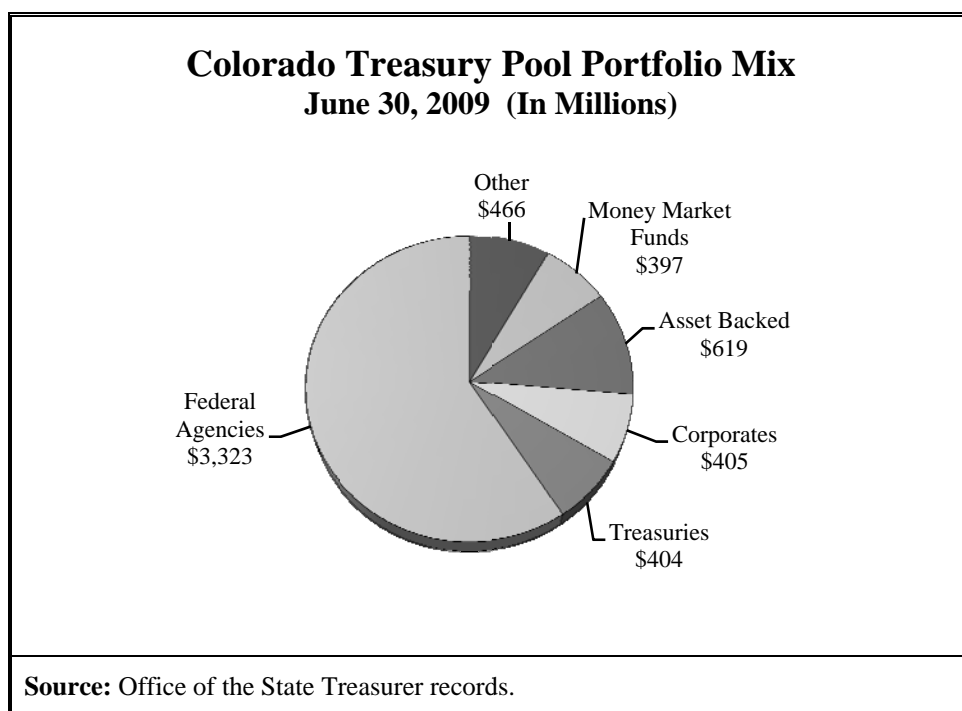
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## Introduction

The Office of the State Treasurer (Treasury) is established by the State Constitution. The Treasurer is an elected official who serves a four-year term. The Treasury's primary function is to manage the State's pooled investments and implement and monitor the State's cash management procedures. Other duties and responsibilities of the Treasury include:

- Receiving, managing, and disbursing the State's cash.
- Safekeeping the State's securities and certificates of deposit.
- Managing the State's Unclaimed Property Program, the School District Loan Program, and the Elderly Property-Tax Deferral Program.

The State's pooled investments are made up of a variety of securities as shown in the following chart:



In Fiscal Year 2009 the Treasury was appropriated approximately \$389 million and 29.5 full-time-equivalent staff, or FTE. The majority of the Treasury's funding (99 percent) was for special purpose programs, and the remaining 1 percent was for Treasury operations. The Treasury received approximately 22 percent of its funding from general funds and 78 percent from cash funds.

## **Internal Controls Over Unclaimed Property**

The Treasury's Unclaimed Property Division (Division) is responsible for the State's unclaimed property under the Colorado Unclaimed Property Act (Act) (Section 38-13-101 et seq., C.R.S.). The Act requires Colorado businesses to transfer to the Division custody of any customer property (e.g., the contents of safe deposit boxes) that has not been claimed within one to 15 years, depending on the type of property. Upon receipt of the unclaimed property, the Division assumes custody and responsibility for the safekeeping of the property until the property has been distributed to its rightful owner. According to the Act, within three years of the receipt of abandoned property, the Division is to sell the property to the highest bidder at a public sale unless a bid for property is insufficient or the Division determines that the cost of sale would exceed the value of the property. The Act requires the Division to hold securities for a minimum of one year and then sell the securities on an established stock exchange at prevailing prices within the three-year period, if it is in the best interest of the State. If the Division determines that abandoned property has an insubstantial commercial value, the Division may destroy or otherwise dispose of the property at any time after it is received. The proceeds of each sale, excluding sales of securities, and all other funds (i.e., currency) collected as unclaimed property are to be deposited into the Unclaimed Property Trust Fund (Trust Fund). Statutes require that, as of January 1, 2009, a portion of the Trust Fund shall be used to fund the CoverColorado program, which provides health insurance to Colorado citizens who have been denied insurance by other providers due to preexisting medical conditions. The proceeds from sold securities are to be deposited into the Unclaimed Property Tourism Promotion Trust Fund.

As of June 25, 2009, the Division was holding in its inventory more than 9,000 safekeeping and safe deposit property items that had been turned over by Colorado businesses as unclaimed property. Since 1998, the Division has assigned each item a unique identification number for tracking purposes. Securities are not held by the Division in its unclaimed property inventory but are transferred to Mellon Bank, where they are held and tracked on behalf of the Division until they are sold.

During our Fiscal Year 2009 audit, we tested the Division's internal controls over its unclaimed property inventory. Specifically, we tested a sample of 25 unclaimed safekeeping and safe deposit items included in the Division's inventory records. We found the following problems:

- The Division did not maintain accurate inventory records. We identified eight exceptions. In two instances, an item contained in the Division's vault was listed twice on the inventory, with two different identification numbers. In four instances, the Division could not physically locate items listed on the inventory. In two additional instances, items that had been disposed of were still listed on the inventory.
- The Division did not sell unclaimed property within three years of receiving it or determine that the unclaimed property had an insubstantial sale value and dispose of it. Alternatively, the Division did not provide written documentation to support the retention of the items past three years, due to insufficient bids or a determination that the cost of the sale would exceed the proceeds of the sale of the item. The Division had held all 25 of the property items in our sample for periods ranging from four to 22 years.
- The Division does not deposit currency into the Trust Fund on a regular basis. At the time of our testing, the Division was maintaining both collectible currency (e.g., rare coins and rare paper money) and uncollectible currency in its vault. Division staff indicated that they lack comprehensive procedures for distinguishing between collectible and uncollectible currency, so they frequently maintain both in the vault. Additionally, the Division was unable to verify the face value of the currency held in the vault because the inventory listing does not consistently detail this information.

The issues we identified indicate that the Division's internal controls over its inventory of unclaimed property should be strengthened. For example, by not maintaining accurate inventory records, the Treasury creates an environment in which errors and irregularities could occur and not be detected and corrected in a timely manner. The lack of adequate internal controls could also create the opportunity for fraud or abuse. Further, by not adequately documenting efforts to sell or decisions not to sell unclaimed property items (including collectible currency) within three years of receiving the property and depositing sale revenue and uncollectible currency into the Trust Fund, the Treasury cannot demonstrate that it is in compliance with statutory requirements.

The Treasury should ensure that its unclaimed property inventory records are accurate, that it develops and implements written policies and procedures to ensure that unclaimed property items (including collectible currency) are either sold within three years of receipt or determined to be insubstantial in value and destroyed, and that uncollectible currency is promptly deposited into the Trust Fund.

(Classification of Finding: Control Deficiency.)

**Recommendation No. 48:**

The Office of the State Treasurer should strengthen internal controls over unclaimed property and ensure compliance with state statute by:

- a. Conducting periodic physical inventories to ensure that the inventory list of unclaimed property is accurate and current and that all items on the inventory list can be located in a timely manner.
- b. Strengthening and fully implementing written procedures for conducting timely sales and disposals of unclaimed property, as appropriate.
- c. Strengthening and fully implementing written procedures for distinguishing collectible currency from uncollectible currency and for promptly depositing uncollectible currency in the Trust Fund.
- d. Determining the face value of the currency held in the vault and ensuring that the inventory listing details the face value of all currency held in the vault.

**Office of the State Treasurer Response:**

- a. Agree. Implementation date: June 2010.

The Treasury plans to perform periodic physical inventories to ensure that the inventory list of unclaimed property is accurate and current and that all items on the inventory list can be located in a timely manner.

- b. Agree. Implementation date: March 2010.

The Treasury plans to further document existing procedures for conducting timely sales of unclaimed property.

- c. Agree. Implementation date: March 2010.

The Treasury plans to further document existing procedures for distinguishing collectible currency from uncollectible currency and to promptly deposit uncollectible currency in the Trust Fund.

- d. Agree. Implementation date: March 2010.

The inventory listing currently details the face value of currency held in the vault in a text field titled “Description.” The Treasury plans to

provide a running tally of the face value of the currency held in the vault.

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## Unclaimed Property Claims

As discussed, the Treasury's Unclaimed Property Division (Division) maintains a list of unclaimed property that has been remitted to the Division by Colorado businesses. Individuals or businesses may claim property held by the Division by completing and submitting a claim form to the Division. The Division requires that each claimant provide sufficient evidence to prove his or her identity and right to, or ownership of, the property. The required documentation for each claim varies depending on the property being claimed or the type of claimant. The claim form indicates that the following examples of supporting documentation can be used to prove property ownership: a current driver's license, a social security card, and/or proof of the individual's association with the address reported with the unclaimed property. The claim form indicates that for claims made on behalf of a business, supporting documentation can include documentation demonstrating that the claimant is authorized to act on the business' behalf, that the business is presently operating unless the business has been merged or dissolved, and/or verification of the business' reported address. The claim form indicates that for claims made on behalf of estates or trusts, the supporting documentation can include documentation such as the owner's death certificate, proof of the owner's business relations with the entity who transferred the unclaimed property to the Division, verification of the owner's reported address, the probate will, and the schedule of distribution of the owner's property. While the Treasury lists required documents to establish the chain of ownership, Treasury staff indicate that they can use discretion when reviewing individual claims.

In order to ensure that claims are processed appropriately, the Division has established a review process for claims. For those claims that exceed a dollar threshold specified by the Division, either a claims manager or division director must provide a third level of review and approval to the claim. Division staff also indicated that staff are not allowed to review their own work (i.e. of the three reviews, the second review could not be completed by the person who had completed the first review, and the third review could not be completed by the person who had completed the second review). Division staff's review must include a review of the claim and the supporting documentation to ensure that the payment is appropriate and that all supporting documentation has been obtained.

During our Fiscal Year 2009 audit, we reviewed a sample of 25 unclaimed property payments and the related supporting documentation. We found the following problems:

- The Division did not provide supporting documentation at the time of our testing for 3 of 25 claims (12 percent). For example, for one business claim, the Division did not provide supporting documentation to demonstrate that Division staff had verified the business' reported address, that the business was currently operating or had been merged or dissolved, or that the claimant was authorized to act on the business' behalf. For one estate claim, the Division did not provide a copy of the owner's death certificate. Subsequent to our review, the Department provided adequate documentation for the three claims.
- Division staff did not follow established review procedures for 1 of 4 (25 percent) claims in our sample that met the Treasury's threshold for three levels of review and approval. Specifically, the claims manager or division director did not review or approve the claim as required by Division procedures.

We also identified one instance in which the same individual initiated, provided first level approval, and provided final approval for a claim totaling approximately \$17,600. While this instance was allowed under the Division's procedures, it weakens the segregation of duties over claims processing as discussed below.

The errors we identified indicate that the Division should strengthen its internal controls over unclaimed property claims processing. Although the Department's unclaimed property claim form lists supporting documentation to prove ownership, Treasury staff indicated subsequent to our testing that they can use discretion in determining whether alternative documentation is sufficient to prove ownership. The Treasury also indicated that because of limited resources, it is its policy to allow the same individual to provide more than one of the three levels of approval to a claim. However, this policy weakens the segregation of duties that need to be in place over claims processing. For example, there is a risk that an individual could initiate and/or apply first-level approval to a claim and make subsequent changes and provide the final approval for an inappropriate claim. As a result of the internal issues we noted, there is a risk that unclaimed property will not be returned to the correct owner.

(Classification of Finding: Control Deficiency.)

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## **Recommendation No. 49:**

The Office of the State Treasurer's Unclaimed Property Division should improve controls over claims processing by:

- a. Ensuring that staff obtain adequate documentation to support identity and rights to claims prior to claims processing and maintain the documentation in processing files.
- b. Strengthening its existing supervisory review process to ensure that instances in which supporting documentation is lacking are identified and corrected prior to payment and that all claims are appropriately reviewed in accordance with Division procedures.
- c. Ensuring that proper segregation of duties exists over claims processing by requiring separate individuals to review and approve claims, and making system modifications as appropriate.
- d. Expanding existing claims processing guidelines to further address the use of staff discretion.

### **Office of the State Treasurer Response:**

- a. Agree. Implementation date: Ongoing.

The Treasury plans to continue to ensure staff obtains adequate documentation to support identity and rights to claims prior to claims processing and maintain the documentation in processing files.

- b. Agree. Implementation date: Ongoing.

The Treasury plans to continue to strengthen its existing supervisory review process to ensure that should instances arise in which supporting documentation is lacking, they will be identified and corrected prior to payment.

- c. Agree. Implementation date: October 2009.

The Treasury has implemented changes to computer programming to ensure that proper segregation of duties exists over claims processing by requiring separate individuals to review and approve claims.

- d. Agree. Implementation date: May 2010.

The Treasury plans to refine existing claims processing guidelines to continue to address the use of staff discretion.

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## **Public School Fund**

The Public School Fund (Fund), created under Section 22-41,101, C.R.S., is used for the deposit and investment of proceeds from the sale of land granted to the State by the federal government for educational purposes, as well as for other monies as provided by law. Interest and income earned on the Fund are to be distributed to and expended by the State's school districts for the maintenance of the State's schools. In accordance with state statutes, the State Treasurer has the authority to "effect exchanges or sales" whenever the exchanges or sales will not result in the loss of the Fund's principal.

Statute 2-3-103 C.R.S., requires the Office of the State Auditor to annually evaluate the Fund's investments and to report any loss of the Fund's principal to the Legislative Audit Committee. During our Fiscal Year 2009 audit, we obtained confirmations from JPMorgan Chase Bank on the fair value of all investments held in the Fund. We compared the total fair value of the Fund's investments to the cost of the investments as recorded in COFRS and noted that the fair value of the investments exceeds the cost by approximately \$22.5 million. We did not identify any loss of principal to the Fund during Fiscal Year 2009. We also tested a sample of transactions recorded to the Fund during the fiscal year. We agreed the transactions to third-party source documentation and determined that the balance of the investments in COFRS was accurate at fiscal year-end. We noted no exceptions through our testwork. No recommendation is made in this area.

## **Compliance with Colorado Funds Management Act and the Tax Anticipation Note Act**

The Colorado Funds Management Act (the Funds Management Act) under Section 24-75-902, C.R.S., allows the State to finance temporary cash flow deficits caused by fluctuations in revenue and expenditures. Under the Funds Management Act, the State Treasurer is authorized to sell Tax and Revenue Anticipation Notes (TRANS) to meet these shortfalls. The Tax Anticipation Note Act under Section 29-15-112, C.R.S., authorizes the State Treasurer to issue tax and revenue anticipation notes for school districts for the purpose of alleviating temporary cash flow deficits of such districts by making interest-free loans to the districts. TRANS are short-term notes payable from anticipated pledged revenue.

Section 24-75-914, C.R.S., requires the Office of the State Auditor to review information relating to TRANS and report this information to the General Assembly. The following table and discussion provide information about the Treasurer's July 8, 2008, issuance of \$350 million in General Fund Tax and Revenue Anticipation Notes (hereafter referred to as the General Fund Notes) and the July 23, 2008, issuance of \$215 million (2008A) and December 18, 2008,

issuance of \$300 million (2008B) in Education Loan Program (ELP) Tax and Revenue Anticipation Notes (hereafter referred to as the ELP Notes).

<b>State of Colorado</b> <b>Details of General Fund and</b> <b>Education Loan Program Note Issuances</b> <b>For the Fiscal Year Ended June 30, 2009</b>			
	<b>General Fund Notes</b>	<b>Education Loan Program Notes Series A</b>	<b>Education Loan Program Notes Series B</b>
<b>Date of Issuance</b>	July 8, 2008	July 23, 2008	December 18, 2008
<b>Issue Amount</b>	\$350,000,000	\$215,000,000	\$300,000,000
<b>Denominations</b>	\$5,000	\$5,000	\$5,000
<b>Face Interest Rate</b>	3%	1.75%	1%
<b>Premium on Sale</b>	\$4,359,800	\$451,502	\$51,000
<b>Net Interest Cost to the State</b>	1.71%	1.55%	.97%
<b>Source:</b> Office of the State Treasurer records.			

## Terms and Price

The maturity dates of the General Fund Notes and the ELP Notes comply with statutory requirements. Specifically, the General Fund Notes have a maturity date of June 26, 2009, and the ELP Notes have a maturity date of August 7, 2009. Neither is subject to redemption prior to maturity. The General Fund Notes are required to mature at least three days prior to the end of the fiscal year. The ELP Notes are required to mature on or before August 31 of the fiscal year immediately following the fiscal year in which the notes were issued. In addition, on or before the final day of the fiscal year in which the ELP Notes are issued, there shall be deposited, in one or more special segregated and restricted accounts and pledged irrevocably to the payment of the ELP Notes, an amount sufficient to pay the principal and interest related to the ELP Notes on their stated maturity date.

Notes in each series are issued at different face interest rates. These are the rates at which interest will be paid on the notes. The average net interest cost to the State differs from the face interest rates because the notes are sold at a premium, which reduces the net interest cost incurred.

## Security and Source of Payment

In accordance with the Funds Management Act, principal and interest on the General Fund Notes are payable solely from any cash income or other cash

receipts recorded in the General Fund for Fiscal Year 2009. General Fund cash receipts include those that are subject to appropriation in Fiscal Year 2009 and any pledged revenue, including the following:

- Revenue not yet recorded in the General Fund at the date the notes were issued.
- Any unexpended note proceeds.
- Proceeds of internal borrowing from other state funds recorded in the General Fund.

The State Treasurer records monies reserved to pay the principal and interest of the notes in the 2008 Note Payment Account on COFRS. The notes were secured by an exclusive first lien on assets in the account. The State Treasurer held in custody the assets in the 2008 Note Payment Account (Account).

On June 15, 2009, and at maturity on June 26, 2009, the account balance was sufficient to pay the principal and interest without borrowing from other state funds. If the balance in the Account on June 15, 2009, had been less than the principal and interest of the General Fund Notes due at maturity, the Treasurer would have been required to deposit into the account all general fund revenue available at that time and borrow from other state funds until the balance met the required level.

According to Section 29-15-112, C.R.S., interest on the ELP Notes is payable from the General Fund. Principal on the ELP Notes is payable solely from the receipt of property taxes received by the participating school districts on and after March 1, 2009, which are required to be deposited to the general fund of each school district. Statutes require the school districts to transfer funds for the entire principal on the ELP Notes into the State Treasury by June 25, 2009. The State Treasurer used these funds to repay the principal on the ELP Notes. The school districts completed these transfers by June 25, 2009, and the State Treasurer used these funds to repay the principal on the ELP Notes.

If, on June 26, 2009, the balance in the Education Loan Program Notes Repayment Account is less than the principal of the ELP Notes at maturity, the Treasurer must deposit from any funds on hand that are eligible for investment an amount sufficient to fully fund the ELP account. On June 26, 2009, the balance in the Education Loan Program Notes Repayment Account was sufficient to fund both the Series A and Series B ELP Notes at maturity, and no additional deposits from other funds were necessary.

The amount due at maturity for the General Fund Notes is \$360,150,000, consisting of principal of \$350,000,000 and interest of \$10,150,000. The amount due at maturity for the 2008A ELP Notes is \$218,678,889, consisting of principal

of \$215,000,000 and interest of \$3,678,889. The amount due at maturity for the 2008B ELP Notes is \$301,908,333, consisting of principal of \$300,000,000 and interest of \$1,908,333. To ensure the payment of the General Fund and ELP Notes, the Treasurer agreed to deposit pledged revenue into both the General Fund Notes and ELP Notes Repayment Accounts so that the balance on June 15, 2009, and June 26, 2009, respectively, would be no less than the amounts to be repaid. The note agreements also provide remedies for holders of the notes in the event of default.

## **Legal Opinion**

Sherman & Howard LLC and Kutak Rock LLP, bond counsels, have stated that, in their opinion:

- The State has the power to issue the notes and carry out the provisions of the note agreements.
- The General Fund and ELP Notes are legal, binding, secured obligations of the State.
- Interest on the notes is exempt from taxation by the United States government and by the State of Colorado.

## **Investments**

The Colorado Funds Management Act, the Tax Anticipation Note Act, and the General Fund and ELP Note agreements allow the Treasurer to invest the funds in the General Fund and ELP Notes Repayment Accounts in eligible investments until they are needed for note repayment. Interest amounts earned on the investments are credited back to the General Fund, since the General Fund pays interest at closing. The State Treasurer is authorized to invest the funds in a variety of long-term and short-term securities according to Article 36 of Title 24, C.R.S. Further, Section 24-75-910, C.R.S., of the Funds Management Act and Section 29-15-112(4)(b), C.R.S., of the Tax Anticipation Note Act state that the Treasurer may:

- Invest the proceeds of the notes in any securities that are legal investments for the fund from which the notes are payable.
- Deposit the proceeds in any eligible public depository.

## **Purpose of the Issue and Use of Proceeds**

The General Fund Notes were issued to fund the State's anticipated General Fund cash flow shortfalls during Fiscal Year 2009. The Treasurer deposited the

proceeds of the sale of the General Fund Notes in the State's General Fund. Note proceeds were used to alleviate temporary cash flow shortfalls and to finance the State's daily operations in anticipation of taxes and other revenue to be received later in Fiscal Year 2009.

The ELP Notes were issued to fund a portion of the anticipated cash flow shortfalls of the school districts during Fiscal Year 2009. The net proceeds of the sale of the notes were used to make interest-free loans to the school districts in anticipation of the receipt of property tax revenue by the individual districts on and after March 1, 2009, to and including June 25, 2009.

## **Additional Information**

The General Fund Notes and the ELP Notes were issued through competitive sales. A competitive sale involves a bid process in which notes are sold to bidders offering the lowest interest rate.

The issuance of both types of notes is subject to the Internal Revenue Service's (IRS) arbitrage requirements. In general, arbitrage is defined as the difference between the interest earned by investing the note proceeds and the interest paid on the borrowing. In addition, if the State meets the IRS safe harbor rules, the State is allowed to earn and keep this arbitrage amount. The Office of the State Treasurer is responsible for monitoring compliance with the arbitrage requirements to ensure the State will not be liable for an arbitrage rebate.

## **State Expenses**

The State incurred expenses as a result of the issuance and redemption of the General Fund and ELP Notes. These expenses totaled approximately \$304,737. The expenses include:

- Bond legal counsel fees and reimbursement of related expenses incurred by the bond counsel.
- Disclosure counsel fees and expenses.
- Fees paid to rating agencies for services.
- Costs of printing and distributing preliminary and final offering statements and the actual notes.
- Travel costs of state employees associated with note issuance and selection of a financial advisor.

- Redemption costs, consisting of fees and costs paid to agents to destroy the redeemed securities.

## **Subsequent Events**

On July 20, 2009, the State issued \$650 million in General Fund Tax and Revenue Anticipation Notes with a maturity date of June 25, 2010. The notes carry a coupon rate of 2.00 percent and were issued with a premium of \$9.4 million. The total due at maturity includes \$650 million in principal and \$12.1 million in interest.

On July 22, 2009, the State issued \$255 million in Education Loan Program Tax and Revenue Anticipation Notes with a maturity date of August 12, 2010. The notes carry a coupon rate between 1.5 percent and 2.0 percent and were issued with a premium of \$3.4 million. The total due at maturity includes \$255 million in principal and \$4.7 million in interest.

On January 14, 2010, the State issued \$260 million in Education Loan Program Tax and Revenue Anticipation Notes with a maturity date of August 12, 2010. The notes carry a coupon rate of 1.50 percent and were issued with a premium of \$1.8 million. The total due at maturity includes the \$260 million in principal and \$2.3 million in interest.

No recommendation is made in this area.

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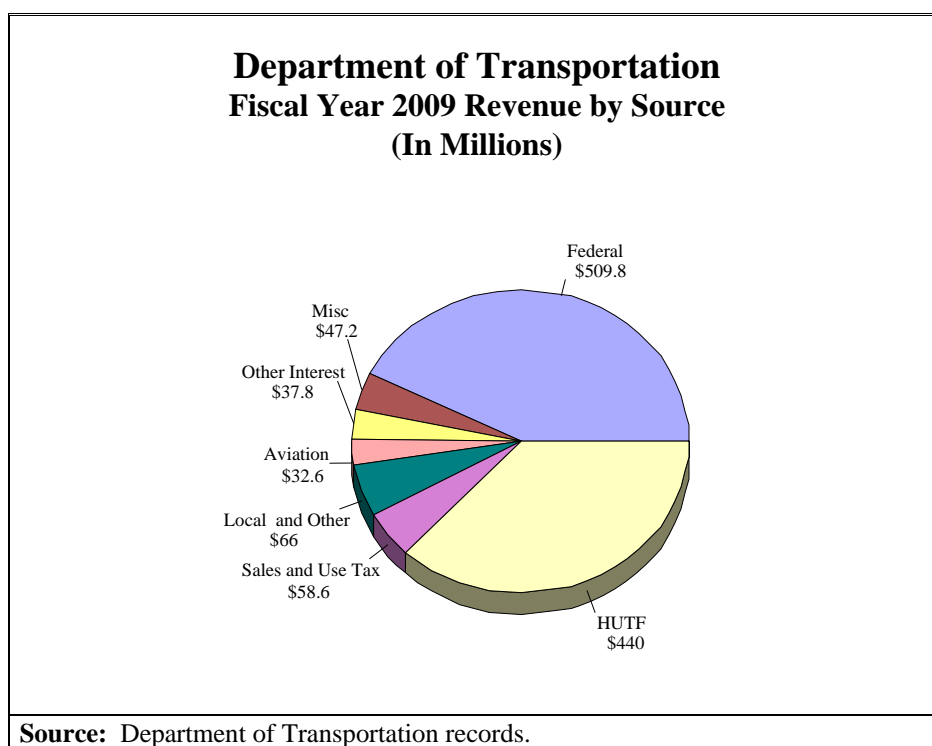
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# Department of Transportation

## Introduction

The Department of Transportation (Department or CDOT) is responsible for programs throughout the State that impact all modes of transportation. The State Transportation Commission, composed of eleven members appointed by the Governor and confirmed by the Senate, governs its operations.

In Fiscal Year 2009, about 74 percent of the Department's expenditures were related to construction. Financing for construction and other expenditures comes from the Federal Highway Administration (FHWA), the Department's portion of the State Highway Users Tax Fund (HUTF), local entities, and aviation-related taxes. The Department also receives other federal monies that are passed through to local governments and other entities for highway safety and transportation improvement programs. The Department was appropriated 3,359 full-time-equivalents, or FTE, for Fiscal Year 2009. The Department's Fiscal Year 2009 revenue totaled \$1,192 million as shown in the following chart:



The following comments were prepared by the public accounting firm of Clifton Gunderson, LLP, which performed Fiscal Year 2009 audit work at the Department of Transportation.

## **Accrued Contractor Expense Estimation Procedures**

The Department pays contractors based on a contractor estimate payment voucher (voucher). This voucher is a consolidation of multiple invoices, and other support, received from the contractor and entered into the Department's SiteManager software. The total estimated contractor accruals at June 30, 2009 were approximately \$26.7 million.

During our testing of accounts payables for Fiscal Year 2009 we noted \$8 million in contractor expenditures that were not accrued. The Department currently calculates contractor expenditures through the close of period 13 based on vouchers that have been received and processed but not paid. If a voucher has not been processed because the information either has not been input into SiteManager or the Department is waiting on support from contractors, the Department does not attempt to estimate or accrue these costs. This results in an understatement of liabilities and expenses at year end.

As part of the Department's accrual process it conducts an annual training that specifically addresses contractor expense accruals. The Department instructs its project engineers and business managers to input known contractor expenses timely into SiteManager. The training also requires project engineers and business managers to contact the contractors to request invoices, or an estimate of the expenses incurred, so that such information can be input into SiteManager and a voucher prepared. Even with these procedures in place, we noted expenditures that were not accrued. Of the \$8 million, \$5.7 million was a result of no contractor estimate payment voucher information being processed since the end of May for five projects.

When expenditures incurred prior to year end are not processed the Department cannot provide an accurate picture of its financial condition at year end. It is the Department's responsibility to identify expenses incurred as of year end that have not been input into SiteManager and to determine why such expenses were not included in the accrual process.

(Classification of Finding: Significant Deficiency.)

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**Recommendation No. 50:**

The Department of Transportation should review the contractor expenditures that were processed in SiteManager after the period 13 close and determine why and how such expenditures were not identified during the year-end accrual process. The Department should then determine if there is a need to revise or develop new accrual procedures to reduce or prevent such expenditures from not being accrued.

**Department of Transportation Response:**

Agree. Implementation date: September 15, 2010.

The Department will conduct this analysis at the next available opportunity which is when it executes its close for the Fiscal Year 2010.

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**Receivables from Local Agencies**

Several of the Department's construction projects are funded in part by local agencies, such as municipalities. The total revenue received from local agencies for construction in Fiscal Year 2009 was approximately \$28.6 million. These local agencies may provide upfront funding to the Department for the project, which is recorded by the Department as deferred revenue until earned. As the Department incurs expenditures related to the projects, a receivable is created in the Department's Systems, Applications, and Products (SAP) accounting system. If there is sufficient deferred revenue available, the receivable from the local agency will be entirely offset by applying deferred revenue against it. If there is not sufficient deferred revenue, the Department will request payment from the local agency for the remaining balance in the receivable.

Total receivables outstanding at June 30, 2009 were \$27.3 million. During our testing of local agency receivables we noted two concerns. First, receivables and related revenue and deferred revenue were overstated by almost \$3.3 million. These overstatements were the result of three issues.

- The Department set up a project with a local agency in SAP that erroneously caused an overstatement of \$1.6 million in the receivable balance and revenue for the project. The Department's lack of timely communications and billings to the local agencies caused the error.
- When the June 2009 billings to local agencies were processed, SAP erroneously included the billing from May 2009 as well. This caused May

billings to be posted twice; once in May and once in June and resulted in an overstatement of about \$1.0 million in both receivables and revenue. The Department reported that an error within SAP due to an IT failure and customer tables not being restored properly caused this error.

- The Department did not apply about \$687,000 in deferred revenue against the outstanding receivable because SAP did not post the specified documents appropriately. As such, both receivables and deferred revenue were overstated by this amount. The Department reported that this error resulted from a lack of review to determine if related documents cleared properly in SAP.

The first issue above was discovered through our audit procedures. The second and third issues above were identified by the Department.

The second concern we noted was that out of the receivable balance of \$27.3 million, \$23.4 million (86 percent) was 60 days or more in arrears. We sent confirmations to nine local agencies in an attempt to verify the receivable amounts reported by the Department. Out of the nine confirmations received from the local agencies, eight did not confirm the Department's recorded receivable balance.

- One of the confirmations returned resulted in the Department writing the entire balance off because the project was set up incorrectly in SAP, as noted above.
- For the remaining seven confirmations returned, the Department is currently researching the balances for these seven local agencies to verify whether or not the Department's records support the balances shown as outstanding at year end.

Overall, we found the Department does not communicate timely or effectively with local agencies in regard to their outstanding balances. For example, we noted the Department does not provide monthly statements to local agencies in regard to their outstanding balances. Local agencies only receive a statement when there is current activity on the project. Therefore, if a local agency falls behind on its payments after the project is completed, the local agency will not receive a monthly statement. This lack of timely and effective communication with local agencies contributed to the two concerns noted in our test work.

The Department's failure to properly monitor its outstanding receivables resulted in an overstatement of both intergovernmental receivables and revenues requiring an adjustment of \$3.3 million at fiscal year end. The Department's lack of regular communication with the local agencies resulted in inaccurate balances not being resolved in a timely manner and likely has contributed to high delinquency

rates. It is the Department's responsibility to ensure that it is reporting financial information accurately and completely and collecting amounts owed to the State in a timely manner.

(Classification of Finding: Significant Deficiency.)

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## **Recommendation No. 51:**

The Department of Transportation should strengthen its controls over local agency receivables, revenue, and deferred revenue by:

- a. Ensuring that supervisory reviews of accounts receivable are adequate to identify and correct errors in a timely manner.
- b. Completing the research on the seven confirmations from local agencies who disputed their account balances and making adjustments as appropriate.
- c. Following up with local agencies on a regular and timely basis regarding outstanding balances owed to the State and providing sufficient detail to the local agencies that supports the outstanding balance. This could be accomplished by issuing monthly statements to all local agencies with a receivable or deferred revenue balance with the Department, as well as to agencies with any account activity during the month. In cases where receivables are past due, additional communication should be considered.
- d. Considering the need for an allowance for outstanding balances that are 60 days or more in arrears.
- e. Ensuring that SAP operates as intended when processing transactions related to accounts receivable and that all system errors are addressed.

## **Department of Transportation Response:**

Partially agree. Implementation date: June 2010.

- a. Schedules and procedures have been implemented and documented which establish the review and reconciliation of receivable accounts at the subsidiary ledger level (by customer by project). These processes provide for escalation of outstanding receivable collection review through the Department Management Chain to ensure resolution at the lowest possible level with increasing management level of review to ensure that contractual, billing or communication problems are resolved in a timely manner at the lowest managerial levels.

- b. The Department completed the review of the contested Local Receivable Items using the process identified in part (a) and has collected payment from the local Agency on 7 of the 7 items disputed as follows:

City of Wheat Ridge	pending	\$1,898,078.42
City of Arvada	12/18/09	\$ 979,009.79
City of Broomfield	10/01/09	\$1,947,769.75
City of Castle Rock	10/08/09	\$1,940,203.81
City of Colorado Springs	09/02/09	\$1,244,159.50
City of Westminster	09/29/09	\$ 499,839.52
Regional Transp. District	08/25/09	\$ 297,398.67

The Department has expanded this review and validation process to include all Fiscal Year 2009 Local Agency Account Receivable items and anticipates completion of the validation prior to Fiscal Year 2010 year end.

- c. The Department implemented the process described in part (a), which incorporates a request for payment of previously invoiced expenditures, which provides sufficient detail to support the prior billings. Additionally, the Department has re-instituted a request for an SAP development initiative that will leverage basic SAP Dunning transactions for use on Local Receivables that employ “customized Dunning Letters” specifically to support this politically sensitive process of requesting payment for previously invoiced expenditures.
- d. The Department has carefully reviewed this recommendation and for specific business and legal reasons does not consider its implementation viable.

The state constructs projects on a reimbursement basis, so all expenses occur before an invoice is sent to a local government. Should a local agency contractual commitment be set aside through an allowance account, the State Planning process necessitates modifying the project to reflect the commitment of state funds. This alteration in funding would result in local revenues being un-billed and of the local commitment being supplanted by State funding. The Department Controller has no authority to take such an action. The Transportation Commission would have to specifically allocate the additional state funds and forgive the local government which would result in the Department never collecting the amount owed to it.

CDOT has never had to write off as uncollectable a local account receivable amount nor has the Department used the State’s Collection

process to obtain Local Agency payment. Turning a local government over to State Collections creates numerous issues and is generally inappropriate.

Although local governments typically take more than 60 days to process and pay invoices from CDOT, invariably they ultimately pay. Many projects are multi-year in nature and often the local government pays at project completion or when specific project elements are constructed even though the Department bills it monthly. Consequently, it is not unusual to carry the receivable beyond 60 days.

- e. The Department implemented an internal review process for deferred revenue postings that involves both daily validation of cash receipt postings and monthly billing postings that ensures proper systematic linkage of deferred revenues to project by provider billings. Additionally, project setup and budget approval processes are being reviewed against executed IGA's, to ensure pass through projects are properly established and billing tables are consistent with the pass through nature of the projects.
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# Department of Education

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## Introduction

Article IX of the Colorado Constitution places responsibility for the general supervision of the State's public schools with the Colorado State Board of Education (the Board). The Board appoints the Commissioner of Education to oversee the Department of Education (Department), which serves as the administrative arm of the Board by providing assistance to 178 local school districts and implementing administrative rules. The Department's Fiscal Year 2009 appropriation was approximately \$4.2 billion with 336 full-time-equivalent staff (FTE). Of the dollar amount, \$2.8 billion or 67 percent was general funds.

The following comments were prepared by the public accounting firm of BKD, LLP, which performed Fiscal Year 2009 audit work at the Department of Education.

## Allowable Costs/Cost Principles

During Fiscal Year 2009, the Department expended over \$524.4 million in federal grant funds. Under the provisions of OMB *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* (OMB Circular A-133), we tested Title IA Grants to Schools, Title IIA Improving Teacher Quality, IDEA Special Education Grants to States and Preschool Grants, and Reading First as major grant programs. Our audit tested, among other things, the Department's procedures for complying with Federal requirements for allowable costs/cost principles. The OMB *Circular A-133 Compliance Supplement* outlines the requirements that must be met for the majority of the grants operated by the Department. While a State may adopt its own written fiscal and administrative requirements, they must be consistent with OMB *Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments* which requires that funds received are spent only for reasonable and necessary costs of the program, and requires that funds are not used for general expenses required to carry out other responsibilities of state governments.

As required in OMB *Circular A-133*, an employee who works in part on a federal program must maintain time and effort distribution reports documenting the portion of time and effort dedicated to each program or other cost objective or other revenue sources. The purpose of maintaining such documentation is to allow the entity to properly allocate that employee's salary costs and related

benefits to the program benefited from the employee's time and to provide written documentation of the basis for such allocations. The documentation 1) must reflect an after-the-fact distribution of the actual activity of each employee, 2) must account for the total activity for which each employee is compensated, 3) must be prepared at least monthly and must coincide with one or more pay periods, 4) must be signed by the employee, and 5) should not be based on budget estimates or other distribution percentages determined before the services were performed.

During our audit of major federal grant programs in Fiscal Year 2009, we found that employee time and effort charged to federal programs is not consistently representative of actual time worked toward program objectives. Department employees complete and sign time sheets for each payroll period worked. However, some employees are documenting time and effort according to salary allocations based on available funding rather than time and effort actually expended toward grant purposes. The process to record time actually worked on specific grants if outside of the budgeted allocation is very cumbersome and does not encourage accurate reporting.

We interviewed 20 employees to gain an understanding of the time reporting process and the direction given to program employees by Department management regarding how time sheets are to be completed. In some instances, employees were not aware of their salary allocation and its connection with job descriptions and duties and simply completed their time sheet as they were instructed based on their budgeted salary allocation. In other instances, employees were certain that salary allocations were inconsistent with actual time and effort spent on program objectives. In Fiscal Year 2009, the Department recorded payroll related costs of approximately \$8.06 million to the major grant programs subjected to Single Audit. The amount of questioned costs could not be determined.

In addition to potential noncompliance noted with payroll costs, we also discovered a \$50,000 non-payroll expenditure for membership dues that was charged to major federal programs in Fiscal Year 2009 without clear documentation as to the justification for the allocation to particular grants. OMB *Circular A-87* requires that funds received are spent only for reasonable and necessary costs of the program, and requires that funds are not used for general expenses required to carry out other responsibilities of state governments. The amount of actual questioned costs could not be determined. In Fiscal Year 2009, the Department recorded non-payroll administrative costs of approximately \$9.51 million to the major grant programs subjected to Single Audit.

Based on procedures performed and indicated results, the Department is noncompliant with federal compliance requirements. Such noncompliance could

result in a requirement to either return certain federal awards deemed nonallowable or in the reduction of future federal awards.

(CFDA Nos. 84.010, 84.027, 84.173, 84.357, 84.367; Grants to Local Educational Agencies, Special Education Grants to States, Special Education Preschool, Reading First State Grants, Improving Teacher Quality State Grants; Allowable Costs/Cost Principles. Classification of Finding: Material Weakness.)

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## **Recommendation No. 52:**

The Department of Education should ensure compliance with federal grant requirements by:

- a. Evaluating job descriptions and ensuring that descriptions are consistent with related job activities and salary allocations correspond with time worked on grants for employees.
- b. Documenting employee time and effort capturing the work actually performed for grant objectives.
- c. Adequately supporting the allocation of non-payroll expenditures with written documentation.

## **Department of Education Response:**

Agree. Implementation date: July 2010.

- a. The Department has recognized the need to identify and resolve employee funding issues and has been working toward full alignment between funding sources and job duties for all of our employees. In April 2008, an independent report commissioned by Commissioner Dwight D. Jones by the Southwest Comprehensive Center, a Regional Educational Laboratory through its subcontractor WestEd titled "Examination of State and Federal Resources allocated to the Colorado Department of Education." This was followed by another study finalized by WestEd in February 2009 that reviewed all Department positions to assess whether they were appropriately funded per state and federal law. Presently the Department, with the assistance of an outside law firm specializing in federal compliance, is conducting an intensive review of employee effort for purposes of reconstructing compensation and specifically to measure the alignment between employee effort and funding source.

- b. The Department is in the process of changing how employees report time and effort spent on different grant objectives. This involves developing new timekeeping policies and procedures and beginning to use a cost-allocation module in COFRS called the Labor Data Collection system designed to allocate costs for payroll. This is a major undertaking because the Department is implementing the system without the benefit of an electronic time-keeping system.
  - c. All purchases in the Department require the employee approving the purchase to be able to support the direct benefit for each funding source used to pay for the purchase. However, the existing policy does not require the direct benefit for each funding source to be in writing. Therefore, the Department will implement not later than February 15, 2010, a new policy requiring all purchases made with more than one funding source to be accompanied by a written explanation supporting the funding decision.
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# Department of Health Care Policy and Financing

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## Introduction

The Department of Health Care Policy and Financing (Department or HCPF) is the state agency responsible for developing financing plans and policy for publicly funded health care programs. The principal programs administered by the Department are the Medicaid program, which provides health services to eligible needy persons, and the federal Children's Health Insurance Program (CHIP), which is known in Colorado as the Children's Basic Health Plan (CBHP). CBHP furnishes subsidized health insurance for low-income children aged 18 years or younger not eligible for Medicaid. The CBHP also subsidizes health insurance for low-income pre-natal women not eligible for Medicaid. Please refer to the introduction in the Department of Health Care Policy and Financing chapter within the II. Financial Statement Findings section for additional background information.

## Colorado Benefits Management System (CBMS)

On September 1, 2004, the Department of Health Care Policy and Financing and the Department of Human Services (DHS) jointly implemented the Colorado Benefits Management System (CBMS). CBMS was designed to improve the accuracy and timeliness of determining beneficiary eligibility for various programs, including Medicaid, CBHP, Supplemental Nutrition Assistance Program (SNAP)/Food Assistance, and Temporary Assistance for Needy Families (TANF)/Colorado Works. Through CBMS, the Department tracks determinations of beneficiary eligibility for the Medicaid and CBHP programs.

## Eligibility Determinations for Federal Programs

In Colorado, the responsibility for determining recipient eligibility for medical program benefits (i.e., eligibility for Medicaid and CBHP program benefits) is shared between local county and designated Medical Assistance (MA) eligibility sites and the State. For the Medicaid and CBHP programs, individuals and families apply for benefits at their local county departments of human services or social services or at designated MA sites. The eligibility sites are responsible for administering the benefit application process, entering the required data for eligibility determination into the CBMS, and approving the eligibility

determinations. The Department is responsible for supervising the eligibility sites' administration of the Medicaid and CBHP programs.

The Department is also responsible for ensuring that only eligible providers receive reimbursement for their costs of providing allowable services on behalf of eligible individuals.

During our Fiscal Year 2009 audit of the Department, we performed testing to determine the Department's compliance with federal grant requirements (for example, eligibility and allowable activities) for the Medicaid and CBHP programs. We also performed follow-up testing to determine the Department's progress in implementing numerous recommendations from our Fiscal Year 2008 audit.

As a result of the number and significance of our findings during the Fiscal Year 2009 audit, we determined that the Department has a material weakness in internal controls over compliance with federal requirements governing eligibility for the Medicaid and CBHP programs. According to the federal Single Audit Act and federal Office of Management and Budget (OMB) *Circular A-133*, a material weakness is the most serious internal control deficiency and occurs when there is a more than remote likelihood the Department's internal controls will not prevent or detect material noncompliance in a federal program such as Medicaid and CBHP. This is the fifth consecutive year in which we have concluded that the Department has a material weakness in internal controls over eligibility determinations for the Medicaid program, and this is the second consecutive year in which we have concluded that the Department has a material weakness in internal controls over eligibility determinations for the CBHP program.

For the Medicaid program, in Fiscal Year 2009 we tested a sample of 63 Medicaid payments that the Department made to providers on behalf of Medicaid beneficiaries between July 1, 2008, and June 30, 2009. For each sampled payment, we reviewed the associated case file to determine whether (1) the payment was made on behalf of an eligible beneficiary and in accordance with state and federal program guidelines, (2) the beneficiary's eligibility information was entered into CBMS correctly, (3) the information entered into CBMS was supported by information in the beneficiary's file, and (4) Medicaid benefits were properly discontinued if the beneficiary became ineligible. Overall, our sample of 63 case files associated with Medicaid payments totaling \$131,563, of which 38 payments (60 percent) contained at least one error. These 38 payments with errors involved total questioned costs of about \$16,986 (13 percent of costs). While reviewing the case files and payments in our sample, we identified an additional 27 errors in the reviewed cases, resulting in another \$448,783 in questioned costs. The total amount of questioned costs for all errors found was \$465,769.

Our Fiscal Year 2007 and 2008 audits identified similar material weaknesses in the Department's internal controls over compliance with federal requirements for the Medicaid program. In Fiscal Year 2007, we identified errors in 37 percent of the payments we sampled, and we questioned 15 percent of the sampled costs. In Fiscal Year 2008, we identified errors in 48 percent of the payments sampled, and we questioned 2 percent of the sampled costs.

For CBHP, in Fiscal Year 2009 we tested a sample of 60 case files for beneficiaries who were enrolled between July 1, 2008, and June 30, 2009. We reviewed each beneficiary's case file to determine whether (1) the payment was made on behalf of an eligible beneficiary and in accordance with state and federal program guidelines, (2) the beneficiary's eligibility information was entered into CBMS correctly, (3) the information entered into CBMS was supported by information in the beneficiary's file, and (4) CBHP cases were properly discontinued if the beneficiary became ineligible. Overall, of the 60 CBHP beneficiary case files in our sample, totaling \$68,837 in benefits paid, 27 (45 percent) contained at least one error. The 27 beneficiary case files with errors, involved a total cost of \$12,250 (18 percent). While reviewing the case files in our sample, we identified an additional 15 errors associated with the sampled case files, resulting in \$27,552 in questioned costs. The total amount of questioned costs was \$39,802.

Our Fiscal Year 2008 audit identified similar material weaknesses in the Department's internal controls over compliance with federal requirements for the CBHP program. In Fiscal Year 2008, we identified errors in 43 percent of case files sampled.

In the case of both the Medicaid and CBHP programs, the error rates noted indicate a substantial risk of the State's making improper payments under Medicaid and CBHP. From a state perspective, the risk is also significant because, given the high level of federal and state expenditures for Medicaid and CBHP, federal recoveries of disallowed costs could be substantial.

The specific results of our tests of the Medicaid and CBHP programs are discussed below.

## **Medicaid Case File Documentation**

In accordance with state and federal regulations, the Department is responsible for overseeing the Medicaid program in the State and ensuring the adequacy of internal controls over the program. This includes monitoring county departments of human/social services and MA sites to ensure that they are obtaining and maintaining sufficient supporting documentation to demonstrate that Medicaid

eligibility determinations are appropriate and that medical assistance payments are made only on behalf of eligible individuals.

During our Fiscal Year 2008 audit, we identified instances in which case files lacked sufficient documentation to support eligibility determinations. Our Fiscal Year 2009 audit revealed continuing deficiencies in this area. We selected a sample of 63 Medicaid payments, totaling \$131,563, and reviewed the 63 case files associated with those payments to test counties' and MA sites' documentation of Medicaid eligibility determinations. Of the 63 cases, 28 (44 percent) had at least one error in case file documentation. These errors resulted in a total of about \$12,600 in questioned costs. In 4 of the 28 cases identified and in three cases outside of our sample, with no associated questioned costs, the Department was able to subsequently provide all of the supporting documentation that was missing from the case files. While reviewing the case files, we also found errors related to payments for these cases in addition to the 63 payments in our sample. These additional errors resulted in additional questioned costs of about \$357,500. Not all of these errors related to Medicaid eligibility determinations. Overall, we identified six types of documentation errors:

**Lack of identity and citizenship documentation.** Seven case files inside our sample did not contain sufficient evidence to support the citizenship or identity of the applicant. In addition, we found that six family member case files of the individuals sampled also did not have sufficient evidence to support citizenship or identity. These family members were also Medicaid beneficiaries. Evidence of citizenship and identity is required by the federal Deficit Reduction Act of 2005, which specifies the various documents that a county or MA site can accept as verification of U.S. citizenship and identity. If a Medicaid applicant does not provide the required documents, the county or MA site must deny the applicant for the Medicaid program. In two of the seven cases, the county or MA site was able to provide the documentation that was missing from the case file. For the other five cases, the lack of documentation resulted in questioned costs of \$658 from within our sample, and \$141,207 from additional payments to these individuals outside our sample.

**Lack of a required level-of-care determination.** Long-term care includes nursing facility care and home-and-community-based services for individuals assessed as requiring long-term care. According to state rules, a person's eligibility for basic Medicaid services does not automatically translate to that person's eligibility for long-term care. Rather, a person's eligibility for long-term care services is to be determined by the Single Entry Point entity and documented on a level-of-care determination form (Form ULTC 100.2). The 63 cases in our sample included 29 long-term-care cases. Of these 29 cases, nine (31 percent) did not have the required level-of-care determination form in their case file. In six of the nine cases, the county or MA site was able to subsequently provide the required level-of-care determination form. As a result, we were unable to verify

that the remaining three individuals were eligible for \$11,834 in Medicaid payments within our sample and \$136,219 in additional payments outside our sample.

**Lack of completed redetermination packet.** Nine case files did not contain the completed eligibility redetermination packet required to be completed every 12 months by state and federal regulations. The county or MA site was able to provide the redetermination packets for six of the nine case files. As a result, we were unable to verify the remaining three beneficiaries' eligibility. The resulting questioned costs totaled \$7,086 in payments within our sample and \$111,729 in additional payments outside our sample.

As part of the Fiscal Year 2009 audit, our office also conducted eligibility testing on the federal Title IV-E Adoption Assistance program administered by the Department of Human Services (DHS). The program provides subsidies to parents who adopt children that have been removed from their birth parents due to health and safety concerns, and who have special needs or circumstances that would otherwise make them difficult to place in a traditional adoption. Our findings related to the Adoption Assistance program are reported in the DHS section of this report. With respect to Medicaid, under federal regulations children who are eligible for subsidies under Title IV-E are categorically eligible for Medicaid services. During our testing of Adoption Assistance we found that out of the 40 cases tested for eligibility, 20 case files did not contain the required Medicaid redetermination form, or the redetermination forms had been completed after the annual eligibility period. Over the years, the Department, in cooperation with DHS, created a form that county caseworkers were to complete each year to document their Medicaid eligibility determinations or redeterminations for children in Title IV-E programs. We found that the Department is not monitoring the counties and medical assistance sites to ensure that caseworkers are completing the forms each year, and that neither Department nor DHS staff were aware of the form, which was last revised in 2003. The Department should work with DHS to establish a method for documenting Medicaid eligibility redetermination for Title IV-E children and for monitoring county compliance with the requirement. There are no questioned costs in this area.

**Case cleansing.** For 14 beneficiaries within our sample, the information in the case file did not match the information in the CBMS. CBMS indicated that the beneficiary had provided a birth certificate, a social security card, or another legal document, but a copy of the document was not included in the case file. The Department stated that, for these cases, the information had been pre-populated during the September 2004 conversion to CBMS. The majority of these cases involve beneficiaries who were automatically enrolled in the Medicaid program because they were receiving benefits from the federal Supplemental Security Income program; in these cases the identification documents cited above are not necessary for Medicaid eligibility determination. Nonetheless, the Department

has not reviewed and has not had the counties and MA sites cleanse the case files to ensure the consistency of information in the case files and CBMS. None of these instances impacted the eligibility determination for these beneficiaries.

**Additional areas of noncompliance.** In one case, the income entered in CBMS was not supported by documentation in the case file. However, the county was later able to provide support for the income amounts entered into CBMS. Therefore, we verified that the beneficiary was eligible for Medicaid and there were no questioned costs. In addition, for one case the third-party liability information entered into CBMS could not be verified by documentation in the case file. This documentation error did not result in questioned costs.

During the prior year's audit, the Department responded that a goal of its Medicaid Eligibility Quality Improvement Plan was to improve controls over case file documentation. Based on our review, the Department needs to continue to improve its controls over case file documentation. To comply with program requirements and ensure that Medicaid benefits are provided only to eligible individuals, the Department should continue to conduct ongoing monitoring to ensure that counties and MA sites maintain the required information to support eligibility determinations and that CBMS accurately reflects the information documented in the case file.

(CFDA No. 93.777, 93.778; Medicaid Cluster; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Subrecipient Monitoring. Classification of Finding: Material Weakness.)

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### **Recommendation No. 53:**

The Department of Health Care Policy and Financing should improve controls over documentation in Medicaid case files to support eligibility by:

- a. Continuing to monitor counties and Medical Assistance (MA) sites to ensure that they are obtaining and maintaining the required case file documentation to support eligibility determinations.
- b. Requiring that counties and MA sites review case files to ensure consistency of information between the case file and the Colorado Benefits Management System (CBMS).
- c. Working with the Department of Human Services to identify and implement revisions to policies and procedures for documenting and monitoring Medicaid eligibility determination/redetermination for the

Title IV-E population. Changes should be communicated to counties and medical assistance sites, as appropriate.

## **Department of Health Care Policy and Financing Response:**

- a. and b. Agree. Implementation date: September 2010 (Phase II MEQIP Technical Assistance and Training), April 2010 (PEAK), February 2010 (CEPIC), December 2010 (Mapping Project), 2010–2013 (Electronic Interfaces).

The Department monitors case file documentation of the counties and medical assistance sites through the Medical Eligibility Quality Improvement Project (MEQIP). As of December 2009, 69 of 70 counties and medical assistance sites submitted their first quality improvement plans that included case file maintenance. Ninety-one percent of the counties and 100 percent of the medical assistance sites have submitted their first quarterly report. The Department will complete its review and analysis of the data by April 2010 and will identify counties that need additional training and technical assistance to improve their performance. The Department expects to begin the technical assistance and training phase of MEQIP in the fall of 2010.

The Department, in conjunction with the Colorado Trust, is developing and will maintain a robust searchable database that will allow applicants to search for application assistance sites by location, type of application assistance, and have an automatic mapping function to give the applicant the exact location of the community-based organization. People applying for medical assistance programs will be able to easily find a location in their community to verify citizenship and identity documentation and forward verified copies of the documentation together with the application to counties and eligibility sites for processing. When all of the case file documentation is submitted at once, it is more likely to be properly maintained.

The Department received grant funding from the Health Resource and Services Administration (HRSA) to create electronic interfaces with other state and federal databases that reduces the reliance on paper verifications to be maintained in a paper case file. The Colorado Program Eligibility and Application Kit (PEAK) will permit applicants to apply on-line, eliminating the need for a paper application.

Each of the aforementioned initiatives are in the start-up stages, therefore in the future, processes may need adjusting to improve outcomes.

- c. Partially agree. Implementation date: December 2010.

The Department does not have access to the eligibility records for the Title IV-E population. The records are in a system operated and managed by DHS. The Department believes that it is not its responsibility to monitor the eligibility and enrollment for the Title IV-E population. However, the Department will initiate discussions with DHS to determine the appropriate level of monitoring by the Department and documentation required for the eligibility determination process for this population.

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## **Controls Over Data Input for the Medicaid Program**

The Department is responsible for ensuring the effectiveness of controls over the Medicaid eligibility data in the CBMS. To receive public medical assistance in Colorado, including Medicaid, individuals and families apply for benefits at their local county department of human/social services or at an MA site. During applicant interviews, county or MA site caseworkers enter applicant-provided data into CBMS; these data are used in making eligibility determinations. Controls over data input are critical to ensure that eligibility determinations are accurate and that Medicaid claims are paid only on behalf of eligible individuals.

During our sample testing, we reviewed 63 Medicaid payments and the associated recipient case files to determine if the data supporting the beneficiaries' eligibility had been accurately entered into CBMS. Our review indicated a lack of adequate controls over data input. Of the 63 Medicaid files reviewed, 10 contained at least one data entry error, and two of these case files had two types of errors (resulting in a 16 percent error rate overall.) We identified a total of six types of errors. As discussed below, only the first type of error affected the eligibility of the Medicaid beneficiaries and resulted in questioned costs.

- In four of the Medicaid cases, either the caseworker had not entered into CBMS the beneficiary's reported financial resources or resource amounts were not updated. In three of the four cases, the caseworker had not entered the cash value of the life insurance policy that was included in the case file. This error affected eligibility for two of the beneficiaries. In the last case, the caseworker did not update the resource amount for the

beneficiary; however, this did not affect eligibility. We identified a total of \$4,390 in questioned costs related to payments within our sample for two cases and \$81,052 in additional questioned costs related to payments outside of our sample.

- In two cases, identification documentation was included in the case file but had not been entered into CBMS. Without this information in CBMS, a beneficiary could be inappropriately deemed ineligible for benefits. The documentation pertained to two beneficiaries within our sample and five beneficiaries outside of our sample.
- In two cases, CBMS had not been updated with the income information in the file. The lack of current information in CBMS could affect the determination of a beneficiary's eligibility.
- In two cases, the beneficiaries reported third-party medical insurance, which was documented in the case file but had not been entered into CBMS.

In two additional cases we found the following:

- In one case, one parent's income was not entered into CBMS. Although this information was not required for the Needy Newborn program that the child is enrolled in currently, this information will be needed in order to reevaluate the child for future Medicaid eligibility.
- In one case, a child was placed in the Medicaid program because the Department could not locate the case file for the child. However, because the child's mother was in the CBHP program, CBHP regulations require that the child be placed in the CBHP program for one year. The child stayed in the Medicaid program until CBHP benefits expired in December 2008.

These types of errors, regardless of whether they resulted in questioned costs, compromise the integrity of the data in CBMS. During the prior year's audit, the Department responded that a goal of the Medicaid Eligibility Quality Improvement Plan was to improve controls over data input for the Medicaid program; the Department indicates that this effort is still in progress. Such errors continue to indicate a need for additional supervisory review and training at the county level related to data entry and Medicaid eligibility requirements. Accordingly, the Department should ensure that effective supervisory review processes are in place at the county level and that all caseworkers are adequately trained on appropriate data entry and eligibility criteria.

(CFDA No. 93.777, 93.778; Medicaid Cluster; Eligibility, Subrecipient Monitoring. Classification of Finding: Material Weakness.)

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### **Recommendation No. 54:**

The Department of Health Care Policy and Financing should improve controls over Medicaid program eligibility determinations and data entry into the Colorado Benefits Management System (CBMS) by:

- a. Ensuring that county departments of human/social services and Medical Assistance (MA) sites have in place effective supervisory reviews of CBMS data entry, including comparisons of case file data with CBMS data as part of the eligibility determination process.
- b. Reviewing counties' and medical assistance sites' data input and monitoring their supervisory reviews. Follow-up procedures should be performed as appropriate.
- c. Expanding the Medicaid training and technical assistance provided to counties and medical assistance sites to emphasize the issues identified.

### **Department of Health Care Policy and Financing Response:**

Agree. Implementation date: September 2010 (Phase II MEQIP Technical Assistance and Training), April 2010 (PEAK), February 2010 (CEPIC), December 2010 (IDE).

The Department continues to address internal controls over Medicaid eligibility determinations and increased accuracy of data entry by using a multi-faceted approach. This approach is outlined below.

The Department monitors CBMS data entry of the counties and medical assistance sites through the Medical Eligibility Quality Improvement Project (MEQIP). In December 2009, 69 of 70 counties and medical assistance sites submitted their first quality improvement plans with respect to data entry, timely processing and case file maintenance. On a quarterly basis, counties and medical assistance sites report their results of their reviews with respect to CBMS data entry. Ninety-one percent of the counties and 100 percent of the medical assistance sites have submitted their first quarterly report. The Department will complete its review and analysis by April 2010 and will identify counties that need additional

training and technical assistance to improve their performance. The Department expects to begin the technical assistance and training phase of MEQIP in the fall of 2010. The supervisors are responsible for submitting their review and findings of CBMS data entry. The addition of supervisory reviews will be integrated in a future phase of MEQIP in early 2011.

The Intelligent Data Entry (IDE) project seeks to redesign the front end of CBMS to streamline the CBMS screens, eliminate unused data fields within CBMS, and to eliminate duplicative data entry into CBMS. This project will greatly increase the productivity of the CBMS worker, reduce the data entry error rates and improve the overall timeliness of processing applications. Phase I of IDE will be implemented in late summer of 2010 and Phase II of IDE will be implemented in late 2010.

In April 2010, the Colorado Program Eligibility and Application Kit (PEAK) will be implemented. PEAK will allow applicants to apply directly on-line for children's and family medical assistance programs. The PEAK interface with CBMS will permit data fields within CBMS to be automatically populated within CBMS reducing the amount of CBMS data entry and decreasing the probability of data entry errors.

In February 2010, the Department will begin work with 15 counties to assist them in identifying changes to their work processes by using process improvement methods that are common to the private sector. The Colorado Eligibility Process Improvement Collaborative (CEPIC) funded by the Colorado Health Foundation. This project will also have a supervisory review component.

Each of the aforementioned initiatives are in the start-up stages, therefore in the future, processes may need adjusting to improve outcomes.

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## **Income, Eligibility, and Verification System Compliance for the Medicaid Program**

Federal regulations require that the Department make data comparisons with other information systems, or "interfaces," to verify the validity of recipient-provided data. Data comparisons are an important control for ensuring the accuracy of recipient-provided data used in determining eligibility for medical assistance, as well as for the overall integrity of the data in CBMS. CBMS interfaces with the federal Income, Eligibility, and Verification System (IEVS) to verify earned and unearned income information used for eligibility determinations for Colorado's

public assistance programs, including Medicaid. IEVS provides the State with applicant income information from the Social Security Administration, the Internal Revenue Service, and the Colorado Department of Labor and Employment (DOLE). Through IEVS, applicants' social security numbers are matched with these agencies' records to identify instances in which applicants have potentially misstated their earned and unearned income and resources. CBMS is programmed to collect the social security numbers of all individuals approved for public assistance, as well as the social security numbers of their family members that are included in CBMS, and compares the income information with the information in IEVS. If any of the CBMS income-related data reported by an individual do not match the data in the other systems, a "hit" will be produced via a CBMS system alert and returned to the caseworker for follow up and resolution. If there are no hits, it is assumed that all data related to income and resources match with the data in other systems through IEVS.

Federal regulations require that caseworkers verify IEVS information on hits within 45 days of the caseworker's receipt. In addition, the state plan filed with the federal government states that the Department will follow up on and reconcile any IEVS hits associated with unemployment insurance benefits, as well as any other hits that exceed \$750 for a recipient in any reporting quarter.

In prior years' audits and again in the current audit, we found that county caseworkers are not addressing all IEVS hits. During our sample testing, we reviewed 63 Medicaid case files to determine if IEVS hits existed and whether caseworkers were addressing IEVS hits. In two of the sampled files and in two files associated with sampled case files, we found IEVS hits related to DOLE that showed differences in the earned income for recipients. For all of these files, neither the case file nor CBMS contained any evidence that the caseworker researched and cleared the IEVS hits. In all four instances, we determined that the differences did not affect the recipients' eligibility for Medicaid benefits.

The Department is not complying with IEVS federal regulations or its state plan with regard to IEVS, specifically for hits associated with DOLE. In the prior year's response, the Department agreed to our recommendation and stated that changes and additions had been made to CBMS to eliminate the inconsistent processing of IEVS discrepancy records. In addition, the Department planned to provide training to caseworkers during the spring of 2009. However, we found that although the Department stated that it has made changes in CBMS to eliminate inconsistent processing of IEVS discrepancy records, the Department has not provided instruction to caseworkers to work the hits from DOLE. Additionally, training related to IEVS hits has not yet been performed.

IEVS is designed to detect instances in which participants misreport earnings and receive medical assistance on the basis of incorrect or incomplete information. While our audit did not identify eligibility errors related to lack of follow-up on

IEVS hits, if timely action is not taken on all IEVS data matches the Department increases its risk of providing benefits to ineligible individuals and having payments disallowed by the federal government. The Department should ensure that caseworkers address all IEVS hits within 45 days.

(CFDA No. 93.777, 93.778; Medicaid Cluster; Eligibility, Subrecipient Monitoring. Classification of Finding: Material Weakness.)

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### **Recommendation No. 55:**

The Department of Health Care Policy and Financing should ensure that county departments of human/social services and Medical Assistance (MA) sites are addressing Income, Eligibility, and Verification System (IEVS) data discrepancies within 45 days of receiving notification of a discrepancy, including discrepancies related to Department of Labor and Employment data, as required by federal regulations and in accordance with its state plan filed with the federal government.

### **Department of Health Care Policy and Financing Response:**

Agree. Implementation date: January 2011—Contingent upon Department of Human Services (DHS) acceptance.

The Department received funding from a local health foundation grant and from the U.S. Health and Human Services, Health Resources and Services Administration to implement changes into CBMS so that county departments and medical assistance sites can verify income through IEVS and address any discrepancies. However, the Department is unable to implement CBMS changes because of the adverse program impacts the changes would have on the financial programs administered by the Department of Human Services (DHS), most notably the Food Assistance program.

The Department, DHS, and the Governor's Office of Information Technology (OIT) have been working with the CBMS maintenance and operations vendor, Deloitte Consulting LLC to identify feasible options to implement IEVS for all medical assistance programs that are acceptable to DHS. Further analysis is underway to determine the best alternative and develop a timeframe for implementation.

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## **Provider Eligibility**

Providers in the Medicaid program are required to meet applicable federal and state regulations in order to participate and receive funding through this program. For example, federal and state laws require that certain types of providers, such as hospitals and nursing facilities, must be licensed. All providers are required to sign a provider participation agreement and disclose certain information, such as the owners' names and addresses and the business name and address. In Fiscal Year 2009, the Department paid more than \$2.7 billion to more than 30,000 Medicaid service providers.

The Department is responsible for having controls in place to ensure that only eligible providers participate in and receive funding through the Colorado Medicaid program. Specifically, for providers that are required to be licensed, the Department is responsible for ensuring that the providers have current licenses and that the licensing information is reflected in the Medicaid Management Information System (MMIS). Additionally, for all providers, the Department is responsible for maintaining provider participation agreements.

In our prior year's audit, we identified instances in which current licensing information was not reflected in MMIS for providers that were required to be licensed, including out-of-state providers. The Department said it would explore opportunities for automating the provider license data and would seek cost-effective ways to obtain license information for out-of-state providers.

In our Fiscal Year 2009 audit, we again found problems with the Department's controls over provider eligibility. We reviewed 100 Medicaid providers and identified instances in which current licensing information was not reflected in MMIS for providers that were required to be licensed. In some of these instances, the licensing information was also missing from the providers' files. We also identified instances in which provider participation agreements were not maintained in providers' files.

## **Licensing**

Of the 100 providers in our sample, 83 were required to be licensed. These 83 providers included 41 nursing facilities; 39 other providers (e.g., physicians, behavioral health organizations, health maintenance organizations, and a federally qualified health center); and three out-of-state providers. However, we found that for 52 (63 percent) of those 83 providers, current licensing information was not reflected in MMIS. Additionally, for some of these providers, current licensing information was not maintained in the provider files:

- **Nursing Facilities:** Current licensing information was not reflected in MMIS for 40 (98 percent) of the 41 nursing facilities we reviewed. Additionally, for 11 (27 percent) of those 40, the providers' files did not contain licensing information. For those 11 facilities, the Department requested and obtained a copy of the license from the state licensing agency to show that the nursing facilities had current licenses.
- **Other Providers:** Current licensing information was not reflected in MMIS for 11 (28 percent) of the 39 other providers we reviewed, nor was it contained in the 11 providers' files. Upon reviewing various state license websites, we found that 10 of these 11 providers had current licenses. However, we could not verify that one of these providers was licensed. At the time of testing, the Department was unable to provide documentation that this provider was currently licensed. The Department later provided details confirming that this provider was licensed.
- **Out-of-State Providers:** Current licensing information was not reflected in MMIS for one (33 percent) out of the three out-of-state providers we reviewed, nor was it contained in the provider's file. However, we were able to confirm that this provider was licensed.

Last year, the Department reported that it was working with the Department of Regulatory Agencies and the Colorado Department of Public Health and Environment to investigate ways to automate the process of updating provider license information in MMIS. This year, the Department reported that it is still in the process of working with these Departments and that the anticipated automated updates are not expected to occur until 2010. The Department has not devised an alternative method for ensuring, in the interim, that provider licensing information in MMIS is manually updated, nor does it have in place a consistent process for verifying licensure for all providers required to be licensed, including out-of-state providers. Consequently, the Department cannot ensure that it is paying claims only to eligible, properly licensed providers. According to the Department, there are currently 1,541 out-of-state providers alone in the Medicaid program, and the Department paid about \$17.5 million to these providers during Fiscal Year 2009.

## Provider Participation Agreements

Provider participation agreements were not contained in the files for five of the 100 providers we reviewed. According to Department officials, these five providers have been submitting claims for the Medicaid program for several years. Without these agreements, the Department cannot demonstrate its compliance with federal regulations, which require the Department to have either an agreement or a contract in place with all Medicaid providers. Department rules require the provider participation agreement to be signed by all providers before

they are enrolled in the Medicaid program. According to Department staff, the provider files should contain the provider participation agreements. The provider participation agreement requires compliance with state and federal regulations for the program and specifies the responsibilities of the Department and the provider. The agreement also allows for the billing of services and the payment of those services by the Department.

The Department needs to establish a process for updating current license information in MMIS, including out-of-state licenses, either through automation or through manual input into the system. The Department should also work on a process for ensuring that all the Medicaid providers' files contain a provider participation agreement. The Department does not have adequate processes in place to ensure compliance with federal regulations for ensuring that providers are eligible for Medicaid funding.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Special Tests and Provisions. Classification of Finding: Material Weakness.)

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### **Recommendation No. 56:**

The Department of Health Care Policy and Financing should improve its controls over eligibility of Medicaid providers by:

- a. Ensuring that the Medicaid Management Information System (MMIS) contains current licensing information for all Medicaid providers that are required to have a license. Until the implementation of licensure information is automatically updated in MMIS, the Department should implement an alternative method of ensuring that all providers are currently licensed.
- b. Developing and implementing a process for verifying the current licensure of all providers that are required to have a license, including out-of-state providers.
- c. Ensuring that all providers have valid current provider participation agreements or contracts.

## **Department of Health Care Policy and Financing Response:**

- a. Agree. Implementation date: June 2010.

The Department acknowledges its responsibility to ensure eligibility of its providers.

Full compliance to the Department's responsibility regarding provider licensure will require adjudication of claims against the provider's license data. This will require A) near real time access to the data from the licensing agencies and B) significant changes to the MMIS. The possible replacement of MMIS and the impact of the Unified Provider Enrollment Project (UPEP) outlined in the response to part (c) below discourages large changes to MMIS which might duplicate the effort in these projects. In the interim, the Department will continue to establish and improve systematic methods of gathering provider licensure data from the licensing agencies and recording it in MMIS. Where necessary, the Department will use alternate methods to document licensure in the provider's file.

Significant progress has been made in recent months. For in-state providers, the percentage with current licensure recorded in MMIS has risen from 27percent in August, 2009 to 88 percent in December 2009. The percentage for Department of Regulatory Agencies (DORA) licensed providers is currently 93 percent.

The Department will continue to work with the Department of Public Health and Environment (DPHE) to implement automated updates of MMIS from monthly DPHE reports. In the interim, DPHE licensure information will be reviewed and updated in MMIS by appropriate Department staff.

- b. Agree. Implementation date: June 2010.

See part (a). For out-of-state providers and other providers where automated updates are not feasible, the Department will seek paper copies of licensure.

- c. Agree. Implementation date: November 2010 (Interim), July 2011 (UPEP – CMS recently placed UPEP on hold and has not provided an implementation or resume date.)

The Department is participating in a pilot project with CMS known as the Unified Provider Enrollment Project (UPEP), which the Department anticipates will result in an online provider enrollment process. This project is currently on hold per the federal Centers for Medicare and Medicaid Services (CMS) (resume date not yet provided by CMS). Once developed, a provider data validation process will begin. A selected number of existing providers will be required to validate their enrollment information on a cyclic rotation. If the provider is unable to comply, their provider participation agreement will be terminated. All provider enrollment records will be stored electronically. This will provide a more systematic method to record and update licenses, exclusions, addresses, affiliations, convictions, ownership, etc.

In the interim, the Department will continue to direct its fiscal agent to ensure that provider files contain enrollment documentation. Unless funding can be identified to fund temporary staff, a project dedicated to gathering missing provider enrollment documentation will be completed on a best efforts basis. Providers without enrollment documentation will be asked to provide that documentation within certain timeframes or enrollment will be terminated. It should be noted that providers may choose to withdraw from the program rather than accept the administrative burden of providing necessary documentation.

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## **American Recovery and Reinvestment Act Controls**

In Fiscal Year 2009, the Department expended about \$252.5 million in Medicaid federal funds under the American Recovery and Reinvestment Act of 2009 (Recovery Act). The purpose of this funding, which the Department received an enhanced federal matching rate ranging from 58.78 percent to 61.59 percent for Medicaid expenditures, is to protect and maintain state Medicaid programs during a period of economic downturn. Without the enhanced rate, the State is reimbursed 50 percent of Medicaid expenditures. Under the terms of the Recovery Act, the Department can draw (i.e., receive) federal funds for eligible Medicaid expenditures incurred during the 27-month period between October 1, 2008, through December 31, 2010, as long as the Department complies with the requirements of the Recovery Act during the 27-month period of time. These Recovery Act requirements state that the Department should maintain Medicaid eligibility levels that were in effect on July 1, 2008. In addition, the Department was required to timely pay allowable provider claims, ensure Recovery Act funds are not included as part of the State's reserve funds, ensure federal funding does

not exceed 100 percent of the Medicaid expenditures, and ensure certain types of Medicaid expenditures do not receive Recovery Act funds, such as disproportionate share hospital payments and payments that received an already enhanced Medicaid match.

During our Fiscal Year 2009 audit, we reviewed the Department's drawdown process of federal funds. In addition, we reviewed the Department's process for identifying and recording those expenditures eligible for increased federal reimbursement rates through the Recovery Act and the Department's compliance with the Recovery Act. While we found no problems with the federal fund drawdown process or compliance with the Recovery Act, we did find errors with the process used by the Department for identifying and recording those activities eligible for increased reimbursement rates available through the Recovery Act. In addition, we found that the Department has not documented this process.

As part of the Recovery Act reimbursement process, accounting staff utilize the State's accounting system, COFRS, to identify and compile draws for expenditures eligible for increased reimbursement rates. The Department utilized this process in order to record 59 transactions during Fiscal Year 2009 to draw Recovery Act funds. We identified the concerns described below.

**Lack of segregation of duties.** The Department did not ensure adequate segregation of the duties related to the drawing of Recovery Act funds. In some cases, the same accounting staff that extracted COFRS financial information also reviewed and approved the associated Recovery Act transaction. Specifically, of the 59 transactions recorded, 21 were approved by the same staff who prepared the spreadsheet. These 21 transactions represented about \$152.3 million in Recovery Act funds. Another transaction lacked an approval signature. By not segregating these duties, the Department runs the risk that errors will not be identified on these transactions and that federal funds will be drawn inappropriately.

**Lack of adequate review.** The Department did not adequately review supporting information and transactions for accuracy. We identified the following errors that were not detected and corrected through review. Specifically:

- While preparing transactions for Recovery Act funding, Department staff entered incorrect COFRS account codes in 25 instances, affecting 18 of the 59 transactions. These incorrect codes represented amounts ranging from \$8 to nearly \$4.9 million. The information on the electronic spreadsheet used to prepare the transactions was incorrect in four of the 25 instances. None of these errors was detected through review. Although these errors did not affect the total amount of the Recovery Act draw, they did affect the recording and reporting of the Recovery Act funds within specific accounts.

- The Department did not investigate accounts with a negative balance. A negative balance can occur for various reasons, such as adjustments made during the quarter, and are appropriate in some cases. We found that, for one account with a negative balance, the Department did not research the negative balance but instead incorrectly assumed the balance was appropriate and represented funding owed to the federal government. As a result, the Department erroneously paid nearly \$4.3 million to the federal government. The Department subsequently adjusted the payment.
- The Department did not ensure that all necessary accounts were included in the quarterly draws of Recovery Act funds. The Department did not draw funds in the second quarter for one account for which it drew funds in the third quarter. The error resulted in the Department's not requesting approximately \$149,500 for which it was eligible. As of the end of our audit, the Department had not requested reimbursement for this amount from the federal government.

**Amounts excluded from reimbursement requests.** The Department did not include all transactions in its first quarter Recovery Act draw. We found that the Department excluded transactions totaling about \$214,000 from the first two weeks of October 2008. The Department stated that it had excluded these transactions because of a change in reporting, and had included them in the September 2008 federal report. As a result, \$214,000 was not returned to the federal government as of the end of the fiscal year. Although the Department cannot report transactions in more than one federal report, it should have recorded an adjustment on the next federal report in order to return Recovery Act funds correctly in the first quarter. The need for such an adjustment was also confirmed by the federal CMS.

Without adequate internal controls, the Department cannot ensure it is accurately drawing federal Recovery Act funds. Accordingly, the Department needs to strengthen its internal controls over requests for Recovery Act funds.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Program Income, Period of Availability. Classification of Finding: Material Weakness.)

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## **Recommendation No. 57:**

The Department of Health Care Policy and Financing should improve controls over requests for federal funds through the American Recovery and Reinvestment Act (Recovery Act) by:

- a. Adequately segregating duties related to preparing and approving requests for Recovery Act funds.
- b. Documenting written procedures and ensuring adequate review of federal draws and supporting information to ensure their accuracy. This should include ensuring account codes are accurate, investigating negative account balances for appropriateness, and ensuring all necessary accounts are included in the draw request.
- c. Submitting an adjustment on the next quarterly federal report for amounts excluded in its October 2008 Recovery Act draw.
- d. Request reimbursement for those amounts not already corrected that were identified by this audit.

### **Department of Health Care Policy and Financing Response:**

- a. Agree. Implementation date: March 2010.

The Department completed a preliminary draft dated August 14, 2009, of procedures for creating, reviewing, recording and approving financial transactions that draw down Recovery funds. The Department will review and update these procedures to ensure that each of these duties is appropriately segregated between accounting staff.

- b. Agree. Implementation date: March 2010.

The Department will review and update its current written procedures related to Recovery funds to ensure an adequate review of supporting documentation for Recovery fund transactions. The procedures will require the review of all account codes and credit balances. The Department is currently working with and waiting on guidance from the federal CMS regarding the credit balances addressed in this audit and any amounts excluded from the Recovery funds. The results of this inquiry will be documented in the Department's policies and procedures.

- c. Agree. Implementation date: Implemented.

The Department created a transaction on October 8, 2009 in COFRS to record the amounts excluded in its October 2008 Recovery Act draw.

This adjustment was reported on the CMS-64 for the quarter ended September 30, 2009.

- d. Agree. Implementation date: June 2010.

The Department is reviewing amounts identified in this audit that were excluded from reimbursement requests and is working with the federal CMS to determine if any of these amounts are reimbursable by Recovery funds. Based on the outcome of this review and guidance provided by CMS, the Department will make the appropriate financial entries, if necessary.

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## Medicaid Eligibility Termination and System Problems

The Department is responsible for ensuring that Medicaid payments are made only on behalf of eligible individuals, in accordance with federal guidelines. In Colorado, as stated previously, the eligibility sites (county departments of human/social services and MA sites) are responsible for administering the Medicaid benefit application process. At these sites, caseworkers enter applicant data into the CBMS; these data are used to determine applicants' eligibility for program benefits. CBMS was designed to improve the accuracy and timeliness of eligibility determinations and eligibility terminations. The eligibility data in CBMS feeds into the MMIS, which pays for the services received by beneficiaries.

During the current year's audit, we reviewed 63 Medicaid payments and the associated beneficiary case files to determine if Medicaid benefits were discontinued in a timely manner if the individual became ineligible. In six of the 63 case files beneficiaries became ineligible for Medicaid, however, all six beneficiaries continued to receive benefits. This problem occurred because system problems in CBMS or MMIS prevented timely detection of ineligibility and allowed payments to continue. These errors resulted in total questioned costs of \$11,547; however, these payments were outside our original sample of 63 payments.

**Eligibility Terminations.** Some families with children are eligible to receive Medicaid services under Section 1931 of the Social Security Act, referred to as the 1931 Medicaid program, which serves families, qualified pregnant women, and children with limited income. If at any time a family becomes ineligible for the 1931 Medicaid program because of increased earned income, the family may continue to receive Medicaid benefits for up to 12 months through the Transitional Medicaid program. To remain eligible for Transitional Medicaid

throughout the 12-month period, beneficiaries are required to periodically report their earnings on a Transitional Benefit Report (TBR). In addition, state rules guarantee a six-month period of eligibility for individuals placed in Transitional Medicaid; however, the beneficiary is required to submit a TBR within the fourth, seventh, and tenth months in order for their eligibility to continue after the sixth month. Therefore, a beneficiary who did not file a benefit report by the fourth month of the transitional period would become ineligible for benefits in the seventh month.

In two cases we reviewed, the beneficiary did not file the TBR as required but continued to receive Transitional Medicaid benefits after the eligibility period had expired. In the first case, the beneficiary's eligibility period for the Transitional Medicaid program began on May 1, 2008. Because the beneficiary did not file the required TBR in the fourth month, benefits should have been discontinued beginning November 1, 2008. However, benefits totaling \$1,284 continued to be paid through April 30, 2009. In the second case, the eligibility period began on March 1, 2008. Because the beneficiary did not submit the required TBR in the seventh and tenth months of the transitional period, benefits for the beneficiary, along with benefits for two family members, should have been discontinued beginning November 1, 2008, the eighth month. However, benefits of \$8,225 continued to be paid for all family members through February 28, 2009. In total, the two cases resulted in questioned costs of \$9,509.

According to Department staff, these payment errors resulted from a problem in the CBMS decision table that allowed Transitional Medicaid cases to remain open even though the receipt of a TBR had not been recorded in CBMS. In addition, in our Fiscal Year 2007 audit, we found that CBMS did not have an alert established for this program. At that time, the Department stated that it would implement the alert in September 2008; however, the alert was not established. According to the Department this alert is now established for a later implementation. In the meantime, there is a risk that ineligible individuals may continue to receive benefits.

**CBMS alerts.** CBMS is programmed to send alerts to notify caseworkers to take appropriate action on beneficiary cases. These alerts, once established and activated, enable caseworkers to effectively and proactively manage their assigned caseload.

In one case we reviewed, a CBMS alert was deleted by CBMS. For the Medicaid Qualified Pregnant Woman program, CBMS is programmed to notify the caseworker when a beneficiary's due date has arrived. At that time, the caseworker is to enter information that will terminate the beneficiary's program eligibility after a 60-day postpartum period. The Department could not determine why the alert was deleted by the system; however, because the CBMS alert was deleted, the beneficiary's eligibility continued in the system for seven months

beyond the 60-day postpartum period. Therefore, about \$1,709 in benefits was inappropriately paid for this beneficiary.

**MMIS issues.** In three cases, the MMIS system continued to pay claims on behalf of beneficiaries whose Medicaid eligibility had ended. The associated payments totaled about \$329. According to the Department, there is a lag of up to three business days between the termination of a beneficiary's eligibility and the transfer of the termination notice to MMIS. Therefore, the Department stated that claims are valid at the time of submission into MMIS if MMIS shows the client as still being eligible.

In addition to the above issues found for our current audit, there were additional areas that we reviewed. In our prior year's audit, we recommended that the Department ensure that counties and MA sites address CBMS alerts timely, and that the Department should utilize existing eligibility determination monitoring procedures to identify additional payments related to timeliness of eligibility determination. We found that the Department utilized its existing eligibility monitoring team to identify further payments related to timeliness. Further the Department stated that system changes to CBMS were implemented to take action on alerts for the Medicaid Qualified Pregnant Woman program; however, we found that the alert may not function if the technician receives updated beneficiary information. Therefore, the Department should fully implement changes related to alerts for the Medicaid Qualified Pregnant Woman program.

The Department should work with the eligibility sites to ensure that CBMS is functioning as designed. The Department should also identify any additional inappropriate Medicaid payments that may have resulted because of the lag of information between CBMS and MMIS, as noted in this audit.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility. Classification of Finding: Material Weakness.)

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### **Recommendation No. 58:**

The Department of Health Care Policy and Financing should ensure that the Colorado Benefits Management System (CBMS) alerts are working as designed and that Medicaid eligibility is terminated in a timely manner, when appropriate, by:

- a. Correcting the CBMS problem related to the Transitional Medicaid program to ensure prompt termination of eligibility when a beneficiary does not submit a Transitional Benefits Report as required. The

Department should determine whether the CBMS problem has caused additional payment errors and, if so, seek recovery of the erroneous payments as appropriate.

- b. Ensuring that CBMS alerts are working as designed for all Medicaid programs that have specified time limitations for eligibility, such as the Medicaid Qualified Pregnant Woman program.
- c. Identifying and recovering any additional erroneous Medicaid payments that may have occurred as a result of the system problems, within CBMS and Medicaid Management Information System (MMIS), as appropriate.

### **Department of Health Care Policy and Financing Response:**

- a. Agree. Implementation date: March 2010.

The Department is considering whether to grant 12 months of continuous coverage with no reporting and income eligibility requirements during the Transitional Medicaid (TM). In order to be eligible for the TM period, the family must have earned income that exceeds the 1931 income limits. When the 12 months of TM ends, the client would then be reassessed for eligibility for another medical assistance category. A decision will be made in March 2010. If the Department chooses this option, the changes can be implemented immediately. Based on its review of the cited federal regulations, it has determined that recoveries cannot be made because there were no advance notices of adverse actions to Medicaid clients. See 42 CFR Ch. IV Section 435.912 and Section 435.919 (a) and (b), Section 431.211 and Section 431.213.

- b. Agree. Implementation date: CBMS Alerts-January 2011, Training-Ongoing.

The Department has developed materials to guide CBMS technicians for reviewing and resolving CBMS alerts and continues to provide training for eligibility site workers. The Department will investigate whether the CBMS alerts related to the automatic termination of cases are working properly.

- c. Agree. Implementation date: Implemented.

Based on its review of the cited federal regulations, it has determined that recoveries cannot be made because there were no advance notices

of adverse actions to Medicaid clients. See 42 CFR Ch. IV Section 435.912 and Section 435.919 (a) and (b), Section 431.211 and Section 431.213.

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## **Children’s Basic Health Plan (CBHP) Eligibility Determination and Case Documentation**

According to federal regulations for the Children’s Health Insurance Program, known in Colorado as the Children’s Basic Health Plan (CBHP), the Department must design its screening and enrollment procedures to allow only eligible individuals to participate in the program. To be eligible for CBHP, an applicant must meet specific income guidelines: either the family income must be no greater than 150 percent of the federal poverty level or, if the family income exceeds this threshold, the applicant must pay an enrollment fee and family income must not exceed 205 percent of the federal poverty level. Additionally, to be eligible for CBHP, an applicant must not be eligible for Medicaid, have third-party insurance, or be a child of a state employee.

Documentation of an applicant’s eligibility for CBHP is to be maintained in the case file. According to federal regulations, the case file must contain “facts to support the State’s determination of the applicant’s eligibility.” For example, the case file should contain the original application, redetermination of eligibility, documentation of the family’s income, and copies of birth certificates or social security cards provided by the applicant.

To apply for public assistance in Colorado, applicants submit a joint Medicaid/CBHP application to an eligibility site, either a county department of human/social services or an MA site. The eligibility site reviews the application for completeness and enters the information into CBMS, which simultaneously processes the applicant’s eligibility information for both Medicaid and CBHP. Eligibility staff then review the information and approve the applicant’s eligibility for one of the programs (an applicant cannot be enrolled in both Medicaid and CBHP). During Fiscal Year 2009, the Department spent about \$135.3 million on CBHP medical services for children and pregnant women. Each month, on average, according to the Department, CBHP served 61,582 children and 1,665 pregnant women.

In Fiscal Year 2009 we tested 60 CBHP case files for beneficiaries who were enrolled between July 1, 2008, and June 30, 2009. Overall, of the 60 CBHP case files in our sample, totaling \$68,837 in benefits paid, 11 (18 percent) contained at least one error. These 11 case files represented a total questioned cost of about \$4,995 (7 percent) in benefits paid. While reviewing the payments in our sample,

we identified an additional 10 errors outside our sample resulting in \$11,656 in additional questioned costs. The total amount of questioned costs for all errors was \$16,651. We identified two types of errors related to eligibility determination and case documentation as follows:

**Eligibility Determination Errors.** We identified two types of eligibility determination errors. First, three beneficiaries, one in our sample and two family members outside our sample, had been determined eligible for CBHP even though they were children of a state employee. This error resulted in a total of \$988 in payments within our sample and \$3,133 in payments outside our sample, for total questioned costs of \$4,121. Second, CBMS issues caused inaccuracies that, in some cases, also resulted in questioned costs. These system issues are as follows:

- For two beneficiaries, one inside our sample and one outside our sample, CBMS did not identify that an enrollment fee was due; therefore the fee was never collected, resulting in total questioned costs of \$798. When an applicant is determined eligible for CBHP but the family income exceeds 150 percent of the federal poverty level, CBMS is to automatically calculate the enrollment fee.
- For four beneficiaries, two in our sample and two outside our sample, a lag in the transfer of CBMS data allowed payments to continue after the beneficiaries' program eligibility had ended, resulting in total questioned costs of about \$5,493. Eligibility information maintained in CBMS feeds into another system—the MMIS—that pays medical providers for their services. However, according to information provided by the Department, there is a lag of up to 3 business days between the termination of a beneficiary's eligibility and the transfer of the termination notice from CBMS to MMIS.
- For one beneficiary, CBMS placed the beneficiary in the wrong income bracket. CBMS places each CBHP beneficiary in an income bracket based on the information provided by the beneficiary and entered into CBMS. Although we found no discrepancies between the income information in CBMS and the information documented in the case file, CBMS had placed the beneficiary in the wrong income bracket. In this case, the error did not affect the beneficiary's eligibility. Nonetheless, an error of this type could affect the fees required of a beneficiary or a beneficiary's eligibility.

**Lack of Documentation.** For 10 beneficiaries, seven beneficiaries in our sample and three outside of our sample, the case files were missing key documentation to support the information in CBMS and, thus, the eligibility determination. Some case files had more than one document error. Specifically:

- For four beneficiaries, three beneficiaries in our sample and one beneficiary outside our sample, the case files did not contain the original application or the redetermination packet to support the eligibility information entered into CBMS. Therefore, we questioned \$2,297 in payments made on behalf of these beneficiaries.
- For four beneficiaries, three beneficiaries in our sample and one beneficiary outside our sample, the case files did not contain documentation supporting all or part of the families' income shown in CBMS. Therefore, we questioned \$5,576 in payments made on behalf of these beneficiaries.
- For seven beneficiaries, five beneficiaries in our sample and two beneficiaries outside our sample, the case files did not include copies of birth certificates or social security cards that CBMS indicated had been received. The Department subsequently provided that documentation for each of the seven beneficiaries.

Our May 2008 performance audit report on CBHP noted some of these same problems and recommended that the Department establish a comprehensive program for monitoring the CBHP eligibility determination process, target eligibility training, improve supervisory reviews, and investigate errors found in that audit. In its response to our recommendation the Department indicated that it would create a Medicaid Quality Improvement Committee to improve supervisory review processes and case documentation by obtaining corrective action plans/quality improvement plans from the eligibility sites. Although the Department has implemented parts of the recommendation, the errors we found this year indicate a need for the Department to continue its efforts to reduce errors in eligibility determinations and case file documentation.

To ensure that limited state and federal CBHP funds are spent only on those who are eligible to receive program services, the Department should improve its monitoring of eligibility-determination and case documentation practices at eligibility.

(CFDA No. 93.767; Children's Health Insurance Program; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Subrecipient Monitoring. Classification of Finding: Material Weakness.)

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**Recommendation No: 59:**

The Department of Health Care Policy and Financing should reduce eligibility determination errors for the Children's Basic Health Plan (CBHP) by improving oversight and training of eligibility sites. Specifically, the Department should:

- a. Continue providing eligibility sites with CBHP training and technical assistance on eligibility and documentation requirements.
- b. Enforce eligibility sites' supervisory review processes and corrective action plans by following up on problems identified through the Department's monitoring program and this audit.
- c. Investigate the causes of the Colorado Benefits Management System (CBMS) errors identified in the audit and modify CBMS as needed to correct them.
- d. Recover payments made after a beneficiary's eligibility has ended, as appropriate.

**Department of Health Care Policy and Financing  
Response:**

a., b., and c. Agree. Implementation date: September 2010 (Phase II MEQIP), April 2010 (PEAK), February 2010 (CEPIC), December 2010 (Mapping Project), 2010 – 2013 (Electronic Interfaces).

The Department monitors case file documentation of the counties and medical assistance sites through the Medical Eligibility Quality Improvement Project (MEQIP). As of December 2009, 69 of 70 counties and medical assistance sites submitted their first quality improvement plans that included data entry, timely processing and case file maintenance. Ninety-one percent of the counties and 100 percent of the medical assistance sites have submitted their first quarterly report. The Department will complete its review and analysis by April 2010 and will identify counties that need additional training and technical assistance to improve their performance. The Department expects to begin the technical assistance and training phase of MEQIP in the fall of 2010. The supervisors are responsible for submitting their review and findings of CBMS data entry. The addition of supervisory reviews will be integrated in a future phase of MEQIP in early 2011.

In February 2010, the Department will begin work with 15 counties to assist them in identifying changes to their work processes by using process improvement methods that are common to the private sector. The Colorado Eligibility Process Improvement Collaborative (CEPIC) funded by the Colorado Health Foundation. This project will also have a supervisory review component.

The Department, in conjunction with the Colorado Trust, is developing and will maintain a robust searchable database that will allow applicants to search for application assistance sites by location; type of application assistance and an automatic mapping function to give the applicant the exact location of the community-based organization. People applying for medical assistance programs will be able to easily find a location in their community to verify citizenship and identity documentation and forward verified copies of the documentation together with the application to counties and eligibility sites for processing.

The Department received grant funding from the Health Resource and Services Administration (HRSA) to create electronic interfaces with other state and federal databases that reduces the reliance on paper verifications to be maintained in a paper case file.. The Colorado Program Eligibility and Application Kit (PEAK) will permit applicants to apply on-line, eliminating the need for a paper application.

The Department has identified the cause of the CBMS related enrollment fee and income bracket issues. The Department shares a pool of maintenance hours with DHS and must jointly prioritize all change requests. It is unlikely that resources will be available to implement the change request until State Fiscal Year 2013. The lag time from CBMS into MMIS is between 24-72 hours. The Department has begun discussions regarding feasible options to address the issue and anticipates a decision on a direction by December 2010.

d. Agree. Implementation date: Implemented.

Historically, the federal government has not required repayment of eligibility errors for the Payment Error Rate Measurement. Additionally, under Section 25.5-4-205(5)(a)(5)(a), C.R.S., the state department shall not pursue recovery from a county for the cost of medical services provided to a person who has been incorrectly determined eligible for medical assistance by that county or any other entity.

Further, the county is the appropriate entity to recover payments made after a beneficiary's eligibility has ended.

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## **Income, Eligibility, and Verification System Compliance for the CBHP Program**

The Department conducts comparisons with other information systems, or “interfaces,” between the data in the CBMS and the data in other systems, including IEVS. Data comparisons are an important control for ensuring the accuracy of data provided by individuals, including the social security numbers and information on their income and resources. These data are used in determining the individuals' eligibility for Colorado's public assistance programs, including Medicaid and CBHP programs. Data comparisons also help ensure the overall integrity of data in CBMS. CBMS interfaces with IEVS to verify information on program applicants' earned and unearned income.

IEVS contains applicant income information from the Social Security Administration, the Internal Revenue Service, and the Department of Labor and Employment (DOLE). Through IEVS, the system uses the applicants' social security numbers to match the CBMS data with these agencies' records to identify instances in which applicants have potentially misstated their earned and unearned income and resources. CBMS is programmed to collect the social security numbers for all individuals approved for public assistance, as well as the social security number of their family members that are included in CBMS, and compares the income information for the individual based on the individual's social security number with the information in IEVS. If any of the CBMS income-related items reported by the individual do not match data in these other systems, an IEVS “hit” will be produced via a CBMS system alert and returned to the caseworker for follow-up and resolution. If there are no IEVS hits, the caseworker assumes that all CBMS data related to the individuals' income and resources match the IEVS data and, thus, the other systems' data.

New state regulations require that CBHP caseworkers verify IEVS information annually or at the time of application or reenrollment in the program. The Department stated these regulations are not currently in place because the Department has not been able to obtain funding to implement these regulations. Additionally, neither the Department's rules for CBHP or the federally required state plan for the CBHP program contain any requirements regarding the review or verification of IEVS information.

In the prior years' audits and again this year, we found that CBHP caseworkers are not addressing IEVS hits related to earned income. During our sample testing,

we reviewed 60 CBHP case files and found that 19 of them (32 percent) had produced hits indicating differences between IEVS and the individual's reported income shown in CBMS. Although in 14 of these cases the discrepancy did not affect the individual's eligibility for the CBHP program, in five cases it did. Additionally, we found four additional individuals related to the individuals in our sample where the differences between IEVS and the individual's reported income shown in CBMS impacted their eligibility for the CBHP program. These discrepancies resulted in questioned costs totaling \$12,140 (\$1,940 for cases within our sample and \$10,200 for the related individuals).

Caseworkers were not addressing IEVS hits for two reasons. First, the Department has not provided instruction to caseworkers at counties and MA sites to address IEVS hits. The Department should provide instruction that require IEVS hits to be reviewed by caseworkers. Second, caseworkers at MA sites do not have access to IEVS information; therefore, these caseworkers are unable to identify and address any discrepancies between IEVS information and individuals' reported information in CBMS. The Department states that it will try to obtain this access for all sites when addressing IEVS legislation for the next fiscal year.

In our Fiscal Year 2008 audit, we recommended, in part, that the Department ensure that IEVS hits were addressed, including those from the DOLE. The Department agreed to implement the recommendation and stated that changes were made to the CBMS system to eliminate inconsistent processing of IEVS discrepancy records and automate the DOLE file update to interactive interview windows. However, we noted that the Department has not provided any instruction to caseworkers regarding addressing IEVS hits from DOLE, and IEVS system changes were not made in CBMS.

IEVS is designed to detect instances in which participants misreport earnings and receive medical assistance on the basis of incorrect or incomplete information. If timely action is not taken to address and resolve IEVS hits, the Department risks providing benefits to individuals who are ineligible for them, and the State risks having payments disallowed by the federal government. The Department should ensure that caseworkers address IEVS hits during the application process and the redetermination process.

(CFDA No. 93.767; Children's Health Insurance Program; Eligibility, Subrecipient Monitoring. Classification of Finding: Material Weakness.)

**Recommendation No. 60:**

The Department of Health Care Policy and Financing should ensure that all county departments of human/social services and medical assistance sites have access to the Income, Eligibility, and Verification System (IEVS) data and address any discrepancies, including those related to Department of Labor and Employment data, as required by state regulations. Additionally, the Department should incorporate IEVS requirements within the Children's Basic Health Plan program's state plan and within the Department rules for this program.

**Department of Health Care Policy and Financing Response:**

Partially agree. Implementation date: January 2011 (contingent upon DHS acceptance).

The Department received funding from a local health foundation grant and from the U.S. Health and Human Services, Health Resources and Services Administration to implement changes into CBMS so that county departments and medical assistance sites can verify income through IEVS and address any discrepancies. However, the Department is unable to implement CBMS changes because of the adverse program impacts the changes would have on the financial programs administered by the Department of Human Services (DHS), most notably the food assistance program.

The Department, DHS, and OIT have been working with the CBMS maintenance and operations vendor, Deloitte Consulting LLC to identify feasible options to implement IEVS for all medical assistance programs that are acceptable to DHS. Further analysis is underway to determine the best alternative and develop a timeframe for implementation.

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**Other Health Insurance and the CBHP Program**

The purpose of the CBHP program is to provide health care for eligible uninsured children and pregnant women. Under federal regulations, individuals who have other health insurance are generally not eligible to receive health care benefits under CBHP. According to the Department's State Plan, "if the family reports creditable coverage (most group health plans and health insurance coverage), the child will be found ineligible;" therefore, if an individual reports other insurance coverage, the Department must determine whether the insurance is creditable

under federal regulations and the State Plan as part of the application process. Applicants are required to self-declare any other health insurance coverage as part of the program's initial application process and during the annual eligibility redetermination process. If an applicant or beneficiary reports having creditable coverage, the caseworker makes a copy of the applicant's insurance card for the case file and enters the health insurance information into CBMS. CBMS then generates a Client Health Resource Information Form (MS-10 form), which the recipient is to complete and return to the Department's Benefit Coordination Division. The form is forwarded to the CBHP eligibility and enrollment vendor, who reviews and verifies the other health insurance information. In addition, the Health Maintenance Organization (HMO) contractors that provide health benefits to CBHP beneficiaries send reports of other health insurance coverage to the CBHP eligibility and enrollment vendor for review and verification. In both cases, CBHP coverage is terminated if other creditable health insurance is found. In both cases, an applicant found to have creditable health insurance coverage is to be denied enrollment in the CBHP program. In addition, a beneficiary in CBHP who is later found to have creditable insurance coverage is to be disenrolled from the CBHP program.

During our Fiscal Year 2009 audit, we reviewed 60 CBHP recipients and the associated case files to determine whether the recipients had reported other health insurance or creditable coverage and, if so, whether the recipients had been appropriately denied CBHP coverage. We noted a total of 14 recipients (eight recipients [13 percent] in our sample, and six additional CBHP recipients outside our sample), who had reported other health insurance but the health insurance either had not been verified, or the insurance had been reported but not entered into CBMS. For all 14 recipients, neither CBMS nor the case file contained any evidence that the insurance information had been investigated to determine whether or not the reported insurance met the definition of creditable coverage, and therefore the individual needed to be disenrolled from CBHP. After our review, the Department investigated five of the 14 recipients and found that four were eligible for CBHP coverage because the recipients did not in fact have creditable coverage. However, the Department was unable to provide documentation on its investigation and determinations. All 14 recipient errors in verification of other health insurance resulted in total questioned costs of about \$15,764.

Ensuring that only eligible individuals are enrolled in CBHP is a critical aspect of the Department's program management. At the same time, enrolling all applicants who are eligible is fundamental to accomplishing the program's purpose of providing health care for eligible uninsured children and pregnant women. Since state and federal funds for CBHP are limited, it is crucial for the Department to monitor eligibility-determination practices at eligibility sites to ensure that monies are spent appropriately for only those individuals who are eligible for services.

(CFDA No. 93.767; Children's Health Insurance Program; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility. Classification of Finding: Material Weakness.)

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### **Recommendation No. 61:**

The Department of Health Care Policy and Financing should ensure that requirements related to determining whether an individual has creditable coverage and is therefore ineligible for the Children's Basic Health Plan (CBHP) program are met by:

- a. Investigating and resolving all reports of other health insurance coverage for applicants or beneficiaries and documenting the basis for the determination of whether the coverage precludes an individual from being eligible for CBHP.
- b. Denying eligibility or disenrolling individuals determined to have other creditable coverage and recovering any unallowable payments, as appropriate.

### **Department of Health Care Policy and Financing Response:**

- a. Agree. Implementation date: January 2010.

The CBHP program had an informal process in place effective September 2007 to resolve reporting of other health insurance and the process became formal in January 2010. The process is managed by the CBHP eligibility and enrollment vendor, Affiliated Computer Systems (ACS). When third party liability (TPL) (MS-10) forms are received, the vendor is responsible for researching other insurance and terminating coverage as appropriate. This information is documented in the Case Comments field of Colorado Benefits Management System (CBMS). The Health Maintenance Organization (HMO) contractors also provide reports to the CBHP eligibility and enrollment vendor for follow-up and termination if families reported other health insurance. If there is other insurance indicated on the initial application or the renewal for members applying for the CBHP program, CBMS will deny eligibility.

b. Agree. Implementation date: January 2011.

The eligibility and enrollment vendor for the CBHP program is responsible for terminating CBHP members that have reported other insurance. The vendor receives this information from CBHP members, participating HMOs and the Department (Benefits Coordination Division). This information can be provided on forms such as a TPL form, HMO report or information received from a CBHP member (e.g. phone call or TPL form). The Department will develop a list of feasible options to operationalize any client recoveries.

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## **CBHP Program Data Input Controls**

The Department is responsible for ensuring the effectiveness of controls, including data input controls, over the CBHP program. To receive public medical assistance in Colorado, including assistance through the CBHP program, individuals and families apply for benefits at their local county department of human/social services or MA sites. During applicant interviews, county or medical assistance site caseworkers enter applicant-provided data into the CBMS. These data are used in determining applicants' eligibility to receive program benefits. Accordingly, controls over data input are critical to ensure that eligibility determinations are accurate and that CBHP claims are paid only on behalf of eligible individuals.

During our sample testing, we reviewed 60 CBHP case files to determine if data supporting applicants' eligibility were accurately entered into CBMS. Our review indicated a lack of adequate controls over data input. Of the 60 CBHP files reviewed, five contained at least one data entry error, resulting in an 8 percent error rate overall. One of these errors affected the beneficiary's eligibility and resulted in \$201 in questioned costs. We identified two types of errors:

- In two cases, the beneficiary had reported having third-party insurance or had updated their insurance information, as documented in the case file, but the caseworker did not enter this information into CBMS. An individual who has third-party insurance is not eligible for the CBHP program. Thus, for the individual who had reported having third-party insurance, about \$201 in benefits was improperly paid on the individual's behalf. The other individual's third-party insurance related to a previous employer and was no longer effective; however, this was not reflected in CBMS.

- In three cases, the caseworker did not enter income information or entered incorrect income information in CBMS. In one case, the beneficiary had reported bi-monthly income, but the caseworker entered it as bi-weekly income. This error resulted in the system's incorrectly calculating the beneficiary's monthly income. In addition, for the same beneficiary, the case file contained pay stubs that documented the income earned, but the caseworker entered incorrect information related to three of the pay stubs. In another case, the case file included six pay stubs that documented the income earned, but the caseworker entered information from only two of the pay stubs. In the last case, the caseworker incorrectly entered medical deductions of \$9,000, instead of the \$90 documented in the case file. These errors affected the \$2 co-pay that was required but not collected from the beneficiary; however, they did not affect overall eligibility.

Such errors, regardless of whether they resulted in questioned costs, compromise the integrity of the data in CBMS. During the prior year's audit, the Department responded that a goal of the Medicaid Eligibility Quality Improvement Plan was to improve controls over data input for the CBHP program; however, current information from the Department indicates that this effort is still in progress. The errors noted this year indicate a continued need for additional supervisory review and training at the county departments and medical assistance sites. The Department should ensure that effective supervisory review processes are in place at the county departments and medical assistance sites and that all caseworkers are adequately trained on eligibility criteria and data entry.

(CFDA No. 93.767; Children's Health Insurance Program; Eligibility, Subrecipient Monitoring. Classification of Finding: Significant Deficiency.)

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## **Recommendation No. 62:**

The Department of Health Care Policy and Financing should improve controls over the Children's Basic Health Plan (CBHP) program data entry into the Colorado Benefits Management System (CBMS) by:

- a. Ensuring that county departments of human/social services and medical assistance sites have in place effective supervisory reviews of CBMS data entry, including comparisons of case file data with CBMS data as part of the eligibility determination process.
- b. Reviewing counties' and medical assistance sites' data input and monitoring their supervisory reviews. Follow-up procedures should be performed as appropriate.

- c. Expanding the CBHP training and technical assistance provided to counties and medical assistance sites to emphasize the issues identified, such as CBMS income calculations.

### **Department of Health Care Policy and Financing Response:**

Agree. Implementation date: September 2010 (Phase II MEQIP Technical Assistance and Training), April 2010 (PEAK), February 2010 (CEPIC), December 2010 (Mapping Project), 2010–2013 (Electronic Interfaces).

The Department continues to address internal controls over CBHP eligibility determinations and increased accuracy of data entry by using a multi faceted approach. This approach is outlined below.

The Department monitors CBMS data entry of the counties and medical assistance sites through the MEQIP. In December 2009, 69 of 70 counties and medical assistance sites submitted their first quality improvement plans with respect to data entry, timely processing and case file maintenance. On a quarterly basis, counties and medical assistance sites report their results of their reviews with respect to CBMS data entry. Ninety-one percent of the counties and 100 percent of the medical assistance sites have submitted their first quarterly report. The Department will complete its review and analysis of the data in April 2010 and will identify counties that need additional training and technical assistance to improve their performance. The Department expects to begin the technical assistance and training phase of MEQIP in the fall of 2010. The supervisors are responsible for submitting their review and findings of CBMS data entry. The addition of supervisory reviews will be integrated in a future phase of MEQIP in early 2011.

The Intelligent Data Entry (IDE) project seeks to redesign the front end of CBMS to streamline the CBMS screens, eliminate unused data fields within CBMS, and to eliminate duplicative data entry into CBMS. This project will greatly increase the productivity of the CBMS worker, reduce the data entry error rates and improve the overall timeliness of processing applications. Phase I of IDE will be implemented in late summer of 2010 and Phase II of IDE will be implemented in late 2010.

In April 2010, the Colorado Program Eligibility and Application Kit (PEAK) will be implemented. PEAK will allow applicants to apply directly on-line for children's and family medical assistance programs. The PEAK interface with CBMS will permit data fields within CBMS to

be automatically populated within CBMS reducing the amount of CBMS data entry and decreasing the probability of data entry errors.

In February 2010, the Department will begin work with 15 counties to assist them in identifying changes to their work processes by using process improvement methods that are common to the private sector. The Colorado Eligibility Process Improvement Collaborative (CEPIC) funded by the Colorado Health Foundation. This project will also have a supervisory review component.

Each of the aforementioned initiatives are in the start-up stages, therefore in the future, processes may need adjusting to improve outcomes.

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## **Requirements of the Deficit Reduction Act**

The federal Deficit Reduction Act of 2005 (Act or DRA) requires that individuals provide evidence of U.S. citizenship and identity when applying for certain public or medical assistance programs, including Medicaid. Examples of such evidence include an original birth certificate and a copy of a driver's license, with photo, issued by a U.S. state or territory. To implement the Act, the federal CMS issued an interim rule in July 2006 and a final rule in July 2007. According to the final rule, "A Medicaid application is not complete without the submission of all documentation, including documentary evidence of citizenship and identity..."

Different requirements pertain to individuals applying for assistance under the federal Children's Health Insurance Program, which in Colorado is known as the CBHP. Applicants for this program are not required to submit the same citizenship and identity documents required under the DRA. For example, CBHP applicants may verbally attest to being U.S. citizens, according to federal regulations and the Department's state plan.

In effect, however, the Act's requirements do pertain to most CBHP applicants. As part of the CBHP application process, federal regulations require that CBHP applicants first apply for and be denied Medicaid assistance in order to be eligible for CBHP. Therefore, a child found ineligible for Medicaid assistance (e.g., because the family's income was too high) may still apply for CBHP assistance. When this happens, the citizenship and identity documents required by the DRA should have been submitted with the application for Medicaid assistance.

In July 2006 the Department began automatically enrolling potentially Medicaid-eligible applicants into CBHP, when the applicants had not submitted within Department deadlines the citizenship and identity documents required under the

DRA. In its July 2007 final rule, CMS clarified how the Act affects separate CHIP programs such as Colorado's: ***"... it is not permissible under federal regulations to enroll a potentially Medicaid eligible child into a separate State Children's Health Insurance Program pending submission of citizenship and identity documents necessary to complete the Medicaid application process."*** [Emphasis added.] CMS reviewed the CBHP program in July 2007 and found that "Colorado's current practice of enrolling Medicaid eligible children into CBHP while awaiting Deficit Reduction Act [DRA] documentation violates Medicaid screen and enroll requirements" and requested a corrective action plan. In addition, the CMS letter stated that the final rule relating to "citizenship documentation requirements for the Medicaid program clearly provides that a Medicaid application will not be considered to be complete without submission of all documentation including documentary evidence of citizenship and identity."

In responding to CMS, the Department said it had changed its procedures effective April 1, 2008, to discontinue the practice of enrolling potentially Medicaid-eligible individuals into the CBHP program in cases in which the applicant had not provided the citizenship and identity documents required for Medicaid. In addition, the Department stated that it would "determine a client's eligibility for Medicaid and CBHP prior to requesting DRA documentary evidence of citizenship and identity, since it would be improper to request DRA documentation for CBHP eligible clients." However, according to federal regulations, an individual's application for Medicaid is not complete, and so eligibility cannot be determined, until the DRA documentation has been received. If the applicant is found ineligible for Medicaid assistance, a denial letter is sent to the applicant, and the applicant can be reviewed for CBHP eligibility. In order to demonstrate that the Medicaid application was complete, the Department should maintain copies of the DRA documentation that accompanied the Medicaid application in the CBHP case files.

During our Fiscal Year 2009 audit, we reviewed 60 CBHP recipients and the associated case files to determine if the recipients were eligible for and properly enrolled in the CBHP program. In addition to other areas tested, we also tested to determine if the recipient had DRA documentation included in the case file. We found seven recipients in our sample and five recipients outside of our sample (but related to the individuals in our sample) who did not have DRA documentation included in their case files. According to the Medicaid denial letter these individuals had their Medicaid application denied based on income. According to CBMS, each of these individuals had verbally verified that they were U.S. citizens. However, as indicated above, the DRA documentation must be obtained prior to a Medicaid application's being approved or denied; therefore, the documentation should have been maintained for CBHP purposes as well. In addition, based on the absence of DRA documentation in the case files, it would appear that the Department made Medicaid eligibility determinations based on incomplete applications.

As of June 2009, CMS had not provided written approval of the Department's corrective action plan. According to the Department, CMS's lack of response indicates its acceptance of the plan. However, without CMS's written approval, the Department lacks assurance that its corrective action plan is in compliance with federal regulations governing Medicaid and CBHP. The Department should continue to work with CMS to ensure the appropriateness of the Department's corrective action plan and the procedures that went into effect in April 2008.

(CFDA No. 93.767; Children's Health Insurance Program, Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 63:**

The Department of Health Care Policy and Financing should ensure compliance with federal regulations governing Medicaid and the Children's Basic Health Plan (CBHP) programs by:

- a. Ensuring that all Medicaid applications include the citizenship and identity documentation required by the Deficit Reduction Act (DRA) prior to approving or denying eligibility for Medicaid.
- b. Maintaining DRA documentation received with Medicaid applications in CBHP case files.
- c. Working with the Centers for Medicare and Medicaid Services to ensure the appropriateness (as evidenced by the Centers' written approval) of the Department's corrective action plan for implementing the DRA as it affects CBHP.

### **Department of Health Care Policy and Financing Response:**

- a. Agree. Implementation date: January 2010.

The current Medicaid policy requires all DRA documentation remain a part of the case file where the documentation was originally presented. The documentation does not follow the electronic CBMS case file; therefore, the location of the documents must be researched in order to make the request to the correct eligibility site for future audit requests. Per 10 CCR 2505-10 8.100.3.H.5(a), the eligibility site shall retain a paper or electronically scanned copy of an individual's citizenship and

identity documentation, including any verification described in 8.100.3.H.4.e.1, for at least five years from the ending date of the individual's last period of Medical Assistance eligibility.

- b. Agree. Implementation Date: December 2010 - Mapping Project, 2010–2013 - Electronic Interfaces, January 2010 - CHP+ DRA Compliance.

Effective January 2010, DRA requirements are extended to children eligible under CBHP. Uniform processes for both Medicaid and CBHP will ensure that all Medicaid and CBHP applications include the citizenship and identity documentation required by the DRA prior to approving or denying eligibility for Medicaid. When an application is received and the income is clearly above the Medicaid income limits, DRA documentation will now be requested if it was not initially included with the application for medical assistance.

Case file documentation is more likely to be properly maintained when a complete application, together with required verifications, is submitted to the counties and medical assistance sites. The Department, in conjunction with the Colorado Trust, is developing and will maintain a robust searchable database that will allow applicants to search for application assistance sites by location, type of application assistance, and an automatic mapping function to give the applicant the exact location of the community-based organization. People applying for medical assistance programs will be able to easily find a location in their community to verify citizenship and identity documentation and forward verified copies of the documentation together with the application to counties and eligibility sites for processing.

The Department received grant funding from the U.S. Health and Human Services, Health Resource and Services Administration to implement eligibility modernization that will verify needed verifications electronically by creating interfaces with other state and federal databases to comply with the DRA requirements.

- c. Agree. Implementation date: March 2010.

The Department submitted its original corrective action plan in October 2007 to CMS and provided an update to them in May 2008. To date, CMS has not asked the Department for any additional information. The Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009 extended DRA requirements to CBHP. The Medical Services Board adopted emergency rules for

documentation requirements for CBHP in December 2009 to be effective January 2010. Changes to CBMS to automate the DRA process will be implemented in March 2010.

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## **Timely Processing of Applications**

According to federal and state regulations, the Department is to process benefit applications for the Medicaid program and for CBHP within specific time frames. Specifically, most Medicaid and all CBHP applications are required to be processed within 45 days. Other Medicaid applications, such as those for long-term care, are to be processed within 90 days. The Department tracks processing timeliness through CBMS.

In Fiscal Years 2007 and 2008, our audits identified problems with timely processing of Medicaid and CBHP cases, and we recommended that the Department take steps to ensure that Medicaid and CBHP cases are processed within 45 days, as required. The Department agreed with this recommendation; however, our Fiscal Year 2009 audit again found problems with timely processing for these two programs. Overall, as of July 2009, a total of 4,562 Medicaid and CBHP cases exceeded the processing time frame, and about 79 percent of these cases exceeded the processing time frame by 60 days or more. As shown in the table below, the number of Medicaid cases that exceeded the processing requirements has decreased over the three-year period, while the number of CBHP cases exceeding requirements has increased. The following table shows the number of cases that exceeded the processing time frame at the time of our audit in each of the past three fiscal years.

<b>Department of Health Care Policy and Financing  Medicaid and Children's Basic Health Plan Program  Cases Exceeding 45-Day Processing Guidelines  October 2007, October 2008, and July 2009<sup>1</sup></b>			
<b>Program</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Children's Basic Health Plan program (CBHP)	2,170	2,953	3,273
Medicaid <sup>2</sup>	1,880	1,455	1,289
<b>Total Cases Exceeding Processing Guidelines</b>	<b>4,050</b>	<b>4,408</b>	<b>4,562</b>
<b>Source:</b> Office of the State Auditor analysis of the CBMS Exceeding Processing Guidelines Report. <sup>1</sup> Reports from the Colorado Benefit Management System provided by the Department dated October 1, 2007; October 6, 2008; and July 6, 2009. <sup>2</sup> Medicaid long-term-care cases are not represented in this table.			

As noted above, applications for Medicaid long-term-care benefits are to be processed within 90 days. As of July 2009, the Department reported that a total of 353 Medicaid long-term-care cases exceeded the processing time frame, or 35 (9 percent) fewer than we found during our Fiscal Year 2008 audit. The Department should monitor these cases to ensure that processing of these applications occurs within the required 90-day time frame.

In its response to our Fiscal Year 2008 recommendations, the Department stated that it had partially implemented changes in CBMS that would improve the accuracy of the Exceeding Processing Guidelines report. The CBMS changes included an option in CBMS that would allow the user to indicate that an application is incomplete because of the need for information from the beneficiary, and thus would exclude these incomplete applications from the EPG report. Also, to improve timeliness in processing applications and redeterminations, the Department stated that it had created a Medical Eligibility Quality Improvement Plan that included improving timeliness of processing medical assistance applications as one of its goals and has formed a unit to implement the plan and provide training to the counties. At the time of our Fiscal Year 2009 audit, the Department had fully implemented the CBMS changes, including the exclusion of incomplete applications from the report, and was still working to improve the timeliness of processing. The Department has provided eligibility training to counties; however, it is still in the process of establishing appropriate measures to review cases for accurate and timely processing.

### **Timely Processing of Eligibility Redeterminations**

In addition to the lack of timely application processing, we identified concerns related to the timeliness of Medicaid redeterminations. Under federal and state regulations, county departments of human/social services and medical

assistance sites (eligibility sites) are to redetermine Medicaid and CBHP beneficiaries' eligibility at least every 12 months. When beneficiaries approach the end of a 12-month period, they are required to complete the Department's Redetermination, Reassessment, or Recertification packet (the redetermination packet). Eligibility sites use the information reported on the redetermination packet to redetermine a recipient's Medicaid or CBHP eligibility. Under federal regulations, eligibility sites are to promptly redetermine eligibility upon their receipt of the redetermination packet. Specifically, according to Department staff, redetermination of a recipient's eligibility is to occur before the recipient's current 12-month eligibility period has expired. Prompt redeterminations are important because CBMS is programmed to automatically terminate a recipient's Medicaid or CBHP benefits if a recertification has not been entered into the system before the eligibility period has expired. Thus, if a redetermination packet is not processed timely, the recipient is at risk of having Medicaid or CBHP coverage terminated.

During our Fiscal Year 2009 audit, we reviewed 63 Medicaid payments and 60 CBHP cases to determine compliance with federal regulations on the timeliness of redetermining eligibility. Of the 63 Medicaid payments tested, 39 (62 percent) were made on behalf of recipients who had been certified using a redetermination packet. For 11 of the 39 redeterminations within our sample and four redeterminations outside our sample of payments tested, the recipient had reported timely, but the eligibility site had processed the redetermination after the expiration of the recipient's prior eligibility period. Of these 15 late redeterminations, 13 were for recipients receiving Medicaid long-term-care services, and CBMS is programmed not to terminate services for these recipients. In the other two cases, applications were appropriately backdated to time of submittal of the application. Accordingly, services were not interrupted or terminated for these 15 cases. We did not identify any noncompliance of timely processing of redeterminations for the CBHP cases in our sample.

Processing delays can prevent program applicants from receiving needed medical assistance for which they are eligible. Further, processing delays subject the Department to fiscal sanctions from the federal government for noncompliance with federal regulations. The Department should work with county departments of human/social services and medical assistance sites to ensure that processing guidelines are met for all federal programs.

(CFDA No. 93.767, 93.777, 93.778; Children's Health Insurance Program, Medicaid Cluster; Eligibility, Subrecipient Monitoring. Classification of Finding: Significant Deficiency.)

**Recommendation No. 64:**

The Department of Health Care Policy and Financing should ensure that all program processing requirements for Medicaid and Children's Basic Health Plan (CBHP) eligibility are met by:

- a. Using existing mechanisms, such as CBMS reports and the Monitoring and Quality Unit, to identify all cases, including long-term-care cases, which exceed processing guidelines. The Department should consider setting a short-term goal to evaluate how its mechanisms are working.
- b. Working with county departments of human/social services and MA sites to improve the application processing timeliness by offering technical assistance that focuses on the cause of untimely processing to ensure that new cases and redeterminations for Medicaid and for the CBHP program are processed within state and federal guidelines.

**Department of Health Care Policy and Financing  
Response:**

Agree. Implementation date: September 2010 (Phase II MEQIP Technical Assistance and Training), April 2010 (PEAK), February 2010 (CEPIC), December 2010 (Mapping Project), 2010–2013 (Electronic Interfaces).

The Department continues to address the timely processing of applications and redeterminations by using a multi faceted approach. The Department monitors the timely processing of applications of the counties and medical assistance sites through the Medical Eligibility Quality Improvement Project (MEQIP). As of December 2009, 69 of 70 counties and medical assistance sites submitted their quality improvement plans that included timely processing. Ninety-one percent of the counties and 100 percent of the medical assistance sites have submitted their first quarterly report. In the fall of 2010, the Department expects to begin the technical assistance and training phase of MEQIP, based on its review and analysis of the data to be completed by April 2010.

The Colorado Eligibility Process Improvement Collaborative (CEPIC), funded by the Colorado Health Foundation, will begin work with 15 counties to assist them in identifying changes to their work processes to improve the timely processing of applications in February 2010.

The Department initiated the Application Overflow Unit in May of 2009. The Department has been diverting close to 1,000 applications per month from the counties to other medical assistance sites to ensure timely processing.

In the spring of 2010, applicants will be able to apply directly on-line for children and family medical assistance programs. The availability of the self-service option for applicants should greatly improve the timeliness of application processing. The Intelligent Data Entry (IDE) project will greatly increase the productivity of the CBMS worker, reduce the data entry error rates and improve the overall timeliness of processing applications.

The Department is working with the Colorado Health Foundation (CHF) to develop a Request for Proposal (RFP) for the "Auto Enrollment Project." Potential vendors will submit a strategic plan for the design and implementation of an automated eligibility determination system for Medicaid and CBHP.

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## Family Planning Expenditures

Under federal Medicaid regulations, the Department can receive federal reimbursement for 90 percent of allowable expenditures for family planning services within the Medicaid program. These services are generally intended to control family size by preventing or delaying pregnancies and include such activities as counseling and patient education, examination and treatment by medical professionals, laboratory examinations and tests, and pharmaceutical supplies and devices. Family planning services are provided through both the fee-for-service and the Managed Care Program under Medicaid. Family planning services are separately identified and tracked within the fee-for-service program. However, under Managed Care these services are not separately identified because providers receive a monthly capitation payment (flat fee) for each of their Medicaid patients, regardless of the amount or type of service provided. In order to estimate the amount of family planning expenditures under the Managed Care Program, the Department determines the percentage of family planning expenditures to total Medicaid expenditures under the fee-for-service program and then applies this percentage to the total Medicaid expenditures under the Managed Care Program. Using this methodology, the Department estimated that, of about \$344 million in Fiscal Year 2009 Managed Care expenditures, about \$967,000 was for family planning.

During our Fiscal Year 2009 audit, the Department reported that it may have overstated its Managed Care family planning reimbursement amount for federal

Fiscal Years 2002 through 2008 by approximately \$4.6 million to \$5.3 million and received excess federal reimbursements for this amount. The Department identified this potential error after it received a request from the federal CMS for a description of the State's methodology for determining family planning expenditures. While reviewing its methodology, the Department performed an analysis of the calculation and identified potential issues with how the methodology was applied, which could cause family planning expenditures to be overstated. The Department reported this information to the Office of the State Auditor and CMS for further review.

During our Fiscal Year 2009 audit we reviewed the Department's methodology for calculating family planning expenditures and noted a lack of policies and internal controls over the process, as well as a lack of adequate training on the methodology for staff involved in the process and calculations. We also tested the expenditures reported during the period January 1, 2004, through June 30, 2009 and found that the Department appeared to have underreported its expenditures by about \$450,000, rather than overreported. Therefore the Department appears to have requested reimbursement for about \$406,000 less than it should have, or 90 percent of the underreported expenditures. The specific problems that we identified are described below.

- **Lack of adequate staff knowledge about the methodology for calculating family planning expenditures.** We found that staff in both the accounting and rates sections, including their supervisors, did not have sufficient knowledge about the entire methodology for calculating family planning expenditures regarding the data to be extracted from the State's accounting system, COFRS, and how the methodology was to be applied using the data.
- **Lack of defined policies and procedures and adequate internal controls over determining family planning expenditures.** Although the Department has a written methodology, we noted the Department does not have written policies and procedures for applying the methodology that should be used to calculate Family Planning expenditures for Managed Care. Because the methodology has not been clearly documented, this has resulted in problems such as a lack of consistency in how data for the calculation are identified and extracted from COFRS. We also found that staff did not routinely maintain documentation to support the calculation of the family planning expenditures, and supervisors were not reviewing the calculation performed by staff. Without documents to support how calculations were performed and lack of supervisory review, errors were not detected and corrected, and erroneous information was reported to the federal government.

Once the Department has completed its review of the methodology currently used to calculate family planning expenditures, it should establish written policies and procedures documenting the methodology, including details about the data to be used, and implement adequate controls over the process. This should include maintaining supporting documentation and performing supervisory reviews. All staff involved in the process should be trained on the policies, procedures, and controls over the process. The Department should submit any changes to the methodology to CMS, as appropriate.

The Department is responsible for accurately calculating its family planning expenditures and submitting accurate and complete claims for federal reimbursement of those expenditures. Accordingly, the Department must have adequate controls in place to ensure the accuracy of these calculations and reimbursement requests.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Reporting. Classification of Finding: Material Weakness.)

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## **Recommendation No. 65:**

The Department of Health Care Policy and Financing should improve its controls over the calculation and reporting of family planning expenditures under the Medicaid Managed Care Program by:

- a. Completing its review of the methodology used to calculate and report family planning expenditures and developing and implementing written policies and procedures for the methodology.
- b. Training all staff on the policies and procedures involved with the methodology.
- c. Maintaining all supporting documentation used for the calculation of the family planning expenditures.
- d. Ensuring that supervisors review the data used, the calculations, and the supporting documentation for compliance with the established methodology prior to submission of reports to the federal government.
- e. Ensuring all data from the State's accounting system, COFRS, are extracted in a consistent manner and in accordance with policies and procedures.

- f. Submitting the Department's methodology for calculating and reporting Family Planning expenditures to the federal government for approval, as appropriate.

### **Department of Health Care Policy and Financing Response:**

- a. Agree. Implementation date: June 2010.

By June 2010, the Department will complete its review of the methodology used to calculate and report Family Planning expenditures and will develop and implement detailed written policies and procedures to ensure that its methodology for calculating and reporting Family Planning expenditures under managed care is performed consistently and accurately. Specifically, this document will include procedures describing staff training, document retention, and supervisory review. Also, the Department will document each section's role in the calculation process, to ensure that staff and supervisors understand how each individual component in the process fits together into the entire structure for calculating Family Planning expenditures.

- b. Agree. Implementation date: July 2010.

The Department will provide training for all staff who work with the Family Planning program and their supervisors on the policies and procedures related to the methodology for calculating and reporting Family Planning expenditures.

- c. Agree. Implementation date: June 2010.

The Department will maintain all supporting documentation used for the calculation of the Family Planning expenditures in compliance with the Department's standard operating procedure for Records Maintenance, Storage and Retention (SOP-ADM-014), guidance provided by the State Archives and federal regulations.

- d. Agree. Implementation date: June 2010.

The Department will provide training for supervisors who oversee staff that work with the Family Planning program to ensure the data, calculations, and supporting documentation are properly reviewed prior to the submission of reports to the federal government. An

internal clearance process will be implemented to document and record the supervisory review.

- e. Agree. Implementation date: June 2010.

The Department will extract data from Colorado Financial Reporting System based on its current methodology for calculating and reporting family planning expenditures.

- f. Agree. Implementation date: Implemented.

The Department submitted its current methodology for calculating and reporting family planning expenditures to CMS for approval on July 9, 2009, and has not received a response. Any future modifications to the Department's methodology shall be submitted to CMS for approval.

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## Certifications for Laboratory Providers

The federal Clinical Laboratory Improvement Amendment (CLIA) program establishes quality standards for laboratory testing to ensure accurate, reliable, and timely patient test results across laboratories. The CLIA program, overseen by the federal CMS, requires certification to ensure that laboratories meet these standards. Under federal Medicaid regulations, all providers of laboratory services, including physicians' offices that perform less complex laboratory work, must be CLIA-certified and are issued a CLIA number in order to receive reimbursement under the Medicaid program. Certifications also indicate the level of laboratory services that the provider is permitted to perform.

In Colorado, the Department of Public Health and Environment conducts the CLIA certification process for laboratories on behalf of CMS. In Fiscal Year 2009, the State paid about \$28.2 million to providers for laboratory services under the Medicaid program. These payments are processed through MMIS by the Department of Health Care Policy and Financing (Department). The Department is responsible for having a control in place to ensure that providers have a CLIA certification before they are paid through MMIS. According to the Department, about 279 of the 21,621 providers of laboratory services located in Colorado are CLIA-certified.

Problems with controls to ensure providers that submit laboratory claims are CLIA-certified were first identified during our Fiscal Year 2001 audit. At that time, the Department reported that the edits had not worked properly since December 1998, when the new version of MMIS was implemented. The system edit problems persisted, and during our 2007 audit, the Department reported that

edits in MMIS related to CLIA certifications had been put into place and were anticipated to be activated by June 2009, after system enhancements had been implemented and providers had updated their CLIA information in MMIS.

During our 2009 audit, we found that the Department continues to have problems that prevent it from ensuring that payments are made only to providers who have the required CLIA certification. The Department reported that the MMIS system changes that would enable MMIS to accept certification information from the providers have not been working as intended. In addition, the Department has not established an alternative process, such as conducting post-payment reviews or verifying CLIA certifications during site visits to providers, to ensure that laboratory claims are only paid to CLIA-certified providers.

The Department should implement system changes to edits and processes to ensure that it can identify and verify providers' CLIA certifications prior to issuing payments for laboratory claims. If this is not feasible, then the Department should identify some other process to ensure requirements for CLIA certifications are met and recover any payments erroneously made to noncertified providers.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Special Tests and Provisions. Classification of Finding: Material Weakness.)

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### **Recommendation No. 66:**

The Department of Health Care Policy and Financing should improve controls over payments to laboratory providers for the Medicaid program by:

- a. Ensuring that the Medicaid Management Information System (MMIS) edits necessary for accepting complete certification information from providers are working as intended to ensure compliance with the Clinical Laboratory Improvement Amendment (CLIA) requirements.
- b. Until system edits can be completed, establishing an alternative method to verify that only providers with CLIA certification are receiving payment through the Medicaid program.
- c. Identify and recover any payments erroneously made to laboratories that were not CLIA-certified.

## **Department of Health Care Policy and Financing Response:**

- a. Agree. Implementation date: July 2011.

A Customer Service Request (CSR), #2366, has been initiated to address the issue of ensuring that the MMIS edits necessary for accepting complete certification information from providers has been activated. The target production date for this update is July 2011.

- b. Agree. Implementation date: December 2009.

Periodic reports can be generated to identify payments for CLIA procedures which were not provided by CLIA certified providers. CSR #2212 has been initiated to make provider CLIA information more easily accessible by making it available in the MMIS Decision Support System. The target production date for this update is December 2009.

- c. Agree. Implementation date: March 2010.

The Department will work to identify payments erroneously made to non-CLIA certified providers and will attempt to recover, within guidelines set forth in federal regulations, state statute and Department regulations, any payments erroneously made to laboratories that were not CLIA-certified.

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## **MMIS System Edits**

The MMIS is the State's Medicaid claim processing and payment system. MMIS is owned by the Department but is managed and operated by the Department's fiscal agent, Affiliated Computer Services, Inc. (ACS). In Fiscal Year 2009, ACS processed approximately 31.2 million claims, totaling \$3.3 billion, through MMIS.

MMIS includes controls, such as automated edits, to help ensure that all claims submitted by providers represent Medicaid-allowable services and are in compliance with state and federal Medicaid laws and regulations. In some cases system edits place certain types of claims on hold for manual processing by ACS staff. In processing such claims, staff are to follow the ACS "resolution text"—a step-by-step guide that contains instructions for either approving or denying a

manually processed claim. Therefore, it is important that both the edits within MMIS and the resolution text accurately reflect Department policies.

The Department is responsible for ensuring that its policies incorporate state and federal laws and regulations and that controls are in place to ensure policies are implemented as intended. For example, according to the Department's occupational and physical therapy policy, which was updated in 2002, claims exceeding the annual 24-unit limit related to occupational and physical therapy services to a qualified individual should not be processed and paid without a prior authorization request. The Department meets with ACS staff on a monthly basis about edits within MMIS and the resolution text; ACS staff are responsible for implementing agreed-upon edits and writing the resolution text to implement Department policy.

During the Fiscal Year 2009 audit, we tested a sample of 27 paid claims totaling \$12,430 that had been processed through MMIS. We also reviewed the system edits and resolution instructions associated with 12 edits that related to the 27 claims and found that the resolution instructions did not clearly reflect the Department's policy for occupational therapy claims. Specifically, we found that resolution instructions for occupational therapy claims did not clearly require a prior authorization, if the beneficiary's annual 24-unit service limit had been reached. While we found that the two occupational therapy claims in our sample were paid correctly, at our request, the Department reviewed all occupational therapy claims paid in Fiscal Year 2009 and identified 14 claims totaling \$483 that were paid without prior authorization. In these 14 instances, the beneficiary had reached the 24-unit service limit for the year; therefore, under the Department's policy the claims should have been denied unless a prior authorization had been obtained prior to performing services. In addition, although there were no physical therapy claims in our sample, the Department indicated that the resolution text for physical therapy claims also included similar language and thus could have resulted in the payment of physical therapy claims above the annual limit without a prior authorization request. Upon review of all physical therapy claims paid in Fiscal Year 2009, the Department identified 40 claims totaling \$1,580 that were paid without a prior authorization, when this request should have been obtained under the Department's policy. Finally, the Department reviewed occupational and physical therapy claims paid between Fiscal Year 2005 through Fiscal Year 2008 and identified 814 additional claims totaling \$25,248 that were incorrectly paid without a prior authorization request. No claims were identified by the Department as being paid out incorrectly for Fiscal Years 2002 through 2004. In total, questioned costs of \$27,311 related to occupational and physical therapy claims were identified.

Because of the volume of claims processed in MMIS, it is essential that controls are in place to ensure system edits are working correctly and that claims are resolved in a manner consistent with current Department policy. Department

staff, including those involved in policy setting, should work with ACS to ensure that resolution instructions for all occupational and physical therapy edits are in compliance with the Department's policies.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility. Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 67:**

The Department of Health Care Policy and Financing should improve controls over occupational and physical therapy claims processed through the Medicaid Management Information System by working with Affiliated Computer Services, Inc. (ACS) and policy staff to ensure that the resolution text related to these claims is consistent with Department policy, including the requirement to receive authorization prior to processing these claims when the annual service limit has been reached. In addition, the Department should seek to recover the erroneous payments identified in the audit and ensure prior authorizations are received on all occupational and physical therapy claims, when applicable, going forward.

### **Department of Health Care Policy and Financing Response:**

Agree. Implementation date: December 2009.

The resolution texts that were the subject of this finding were corrected on August 6, 2009. Future occupational and physical therapy claims which exceed the maximum of 24 units of service must have a valid prior authorization or will be denied. The Department will attempt to recover all erroneous payments identified in this audit to the extent that the affected providers are still in operation and in accordance with federal requirements.

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### **Claims Paid on Behalf of Deceased Beneficiaries**

The Department's MMIS contains specific system edits to prevent payment of Medicaid claims after the date of a beneficiary's death. MMIS receives daily uploads of Medicaid eligibility information from the CBMS. When a beneficiary is not currently residing in a nursing facility, the Department relies on the deceased beneficiary's family to report the date of death to the county department

of human/social services. Entering the date of death in CBMS in a timely and accurate manner is essential to ensure benefits are not paid after the date of death.

During our Fiscal Year 2008 audit, we identified \$1,090 in claims that had been paid on behalf of deceased individuals. We recommended that the Department improve controls over Medicaid payments related to deceased individuals by investigating and implementing automated links or matches on a regular basis between CBMS and other state or federal death record databases. Doing so would help eliminate the manual processes of reporting and recording deaths of Medicaid beneficiaries that are currently required of caseworkers and facilities. We also recommended that the Department continue to seek reimbursement from providers for erroneous payments for services provided after a beneficiary's date of death. The Department has yet to recover \$85 of the claims identified in the Fiscal Year 2008 audit.

During our Fiscal Year 2009 audit, we found that the Department researched automated links between CBMS and other death record databases; however, the Department determined these links are not practical at this time. As an alternative, the Department has developed a date-of-death matching process to identify and recoup payments made after a beneficiary's date of death. The Department has contracted with Health Management Systems (HMS) to run the date-of-death match against various sources such as Social Security and Vital Statistics.

As part of our audit, we selected a sample of 40 deceased beneficiaries who passed away during Fiscal Year 2009. We found that 15 of the 40 beneficiaries (38 percent) had a total of approximately \$1,477 paid after their dates of death. During Fiscal Year 2009, the Department ran a date-of-death match process that identified payments on behalf of deceased individuals from July 2005 through May 2009. As a result of this process, the Department identified \$2,607,976 in erroneous payments, including the \$1,468 identified during our audit. According to the Department, it has begun the process of recovering all erroneous payments identified through its date-of-death match. A letter of instruction was sent to providers identified in the match on June 11, 2009, to notify them of the erroneous payments. The providers were given 45 days to respond to the accuracy of claims submitted on behalf of deceased beneficiaries. As of the end of our audit, the Department had not recouped any of the erroneous payments identified through its match process. According to staff, the Department has no formal, written procedures for conducting the date-of-death match process that outlines the specific process that will be used, nor a schedule for how often this match process will occur, and the process that will be used to recover payments that appear to be unallowable. The Department should establish and implement formal procedures for the match in order to provide assurance that the date of death match process will be run on a consistent schedule and that erroneous claims will be pursued for recovery.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Eligibility. Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 68:**

The Department of Health Care Policy and Financing should improve controls in the Medicaid program over the date of death match process by:

- a. Developing formal, written procedures that outline the process for performing the data match, the schedule and frequency for conducting the match, and the process for recovering payments that appear unallowable.
- b. Continuing to work to recoup erroneous payments identified through the date-of-death match process conducted by the Department and during our Fiscal Years 2008 and 2009 audits.

### **Department of Health Care Policy and Financing Response:**

- a. Agree. Implementation date: December 31, 2009.

The Date-of-Death (DOD) data match and recovery project is currently in the implementation stage. Ongoing evaluation of the processes during the implementation stages shall continue to help determine the best mechanisms for identification and recovery of DOD overpayments.

The Department shall work with the contractor to develop formal, written procedures that outline the process for performing the DOD data matches. The formalized procedures will be completed by December 31, 2009.

- b. Agree. Implementation Date: November 30, 2009.

The DOD data match and recovery project is currently in the implementation stage. This data match and recovery project shall continue. The Department has identified and posted, in the MMIS, an approximate \$1.9 million in recoveries in the latest DOD recovery project completed in October 2009.

The DOD data match and recovery projects completed to-date by the Department have recognized and recovered all claims identified in the 2008 and 2009 audits.

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## **Overexpenditures Related to the State Survey and Certification Grant**

As the State's Medicaid agency, the Department is responsible for overseeing the Medicaid program, including all grants that are part of the federally defined Medicaid grant cluster. One of these grants is the State Survey and Certification grant (Survey program) the objective of which is to provide funds to states for ensuring that Medicaid providers such as hospitals and nursing homes comply with regulatory health and safety standards. Under an agreement with the federal CMS, the Department of Public Health and Environment (DPHE) is the agency charged with conducting surveys and ensuring providers' compliance with applicable requirements. The Department is responsible for overseeing DPHE's administration of the Survey program. The Department received an award of about \$1.7 million for the 2009 Survey program grant.

The Department is responsible for monitoring grant expenditures to ensure the compliance with grant provisions, including ensuring that grant funds are not overspent. The Department receives requests for reimbursement from DPHE for direct and indirect expenditures incurred for administering the Survey program, accompanied by supporting documentation. The Department reviews the support to ensure the expenditures comply with grant provisions. Indirect expenditures should be charged in accordance with the indirect cost rate established through DPHE's Indirect Cost Allocation Plan, which must be approved by the federal government. The Department then requests federal reimbursement from CMS for the direct expenditures and the indirect cost rate applied to the indirect expenditures.

During our Fiscal Year 2009 audit, we identified several problems with the Department's reporting and monitoring of Survey program expenditures, as described below.

- First, the Department informed us that it had incorrectly reported Survey program expenditures when requesting federal reimbursement for Fiscal Years 2007 and 2008 and had overspent the grant awards by about \$191,000 and about \$78,000, respectively, which were repaid to the federal government using state general funds. The majority of these overexpenditures occurred because indirect cost expenditures were double-recorded and the Department did not adequately monitor to ensure

that expenditures did not exceed the grant awards. As a result, grants for both 2007 and 2008 were overspent.

- Second, the Department incorrectly requested reimbursement from the federal government of about \$170,000 for federal fiscal year 2007 and more than \$78,000 for 2008 because the Department duplicated the amount of the indirect cost expenditures incurred by DPHE. We noted the expenditures and supporting documentation were reviewed by the Department; however, the review did not detect these errors. The Department repaid the federal government \$248,000 during Fiscal Year 2009 for these excess reimbursements received.
- Third, the Department was reimbursing DPHE 100 percent for its indirect costs, totaling \$926,000 for the 2007 through 2009 grant award periods, instead of basing the reimbursements on the approved indirect cost rate for the Survey program.

Because the Department did not adequately monitor the State Survey and Certification grant, it did not detect recording errors that resulted in overexpenditures of the 2007 and 2008 grant awards. As a result, the Department had to use limited state general funds to pay for the overexpenditures during Fiscal Year 2009.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Reporting. Classification of Finding: Significant Deficiency.)

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## **Recommendation No. 69:**

The Department of Health Care Policy and Financing should improve its monitoring and reporting of the State Survey and Certification grant, by ensuring that:

- a. All expenditures are properly recorded and included in the monitoring of grant awards and expenditures.
- b. The review of supporting documentation for expenditures is adequate to identify and correct errors.
- c. The federally approved indirect cost rate is applied to indirect cost expenditures when determining the amount of reimbursement to request from the federal government.

## **Department of Health Care Policy and Financing Response:**

- a. Agree. Implementation date: April 2010.

The Department will review its current procedures and will revise these procedures where necessary to ensure the proper recording and monitoring of expenditures related to the State Survey and Certification grant.

- b. Agree. Implementation date: April 2010.

The Department will review its current procedures and will revise these procedures where necessary to ensure that the supporting documentation for expenditures is adequate to identify and correct errors. The Department will work with the Department of Public Health and Environment to obtain additional supporting documentation if necessary.

- c. Agree. Implementation date: April 2010.

The Department has met with staff from the Department of Public Health and Environment to discuss their federally approved indirect cost rate and their process for billing indirect costs. Supporting documentation related to the federally approved indirect cost rate and the billing process has been requested. The Department will review this supporting documentation and will revise its current policies and procedures, if necessary. This supporting documentation will be included with the policy and procedure documentation for the State Survey and Certification grant.

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## **Medicare Supplementary Medical Insurance Benefits Program**

The Medicare Supplementary Medical Insurance Benefits (SMIB) program helps participants who are eligible for Medicaid and Medicare pay their Medicare Part B health insurance premiums. Individuals can apply for the program at their local county department of human/social services. During Fiscal Year 2009, the Department had about 76,000 SMIB participants and paid approximately \$92 million to the federal CMS for Medicare Part B insurance premiums on behalf of these participants. In turn, CMS reimbursed the Department for about 50 percent of these payments. Controls over the SMIB program are important to ensure the accuracy of payments to, and reimbursements from, the federal government for Medicare Part B insurance premiums.

During our Fiscal Year 2009 audit, we found that the Department had not yet implemented all of our prior year's recommendations pertaining to the SMIB program. In Fiscal Year 2008, we recommended that the Department document its policies and procedures for payments under the SMIB program, provide training on these policies and procedures, cross-train staff, test any new systems to ensure that they are operating as intended before implementing them, and work with CMS to resolve the amounts overbilled to CMS, as identified by the Department. Although the Department has implemented portions of these recommendations, it has not yet conducted training and cross-training for staff on new SMIB policies and procedures. The Department also has not developed an automated system for SMIB reporting to CMS. The Department plans to implement a new automated system during Fiscal Year 2010.

Currently, Department staff use a manual method to work around the flaws in the existing SMIB reporting system. We reviewed this "work around" method in Fiscal Year 2008 and found that it appeared to be working correctly. In Fiscal Year 2009 we reviewed the controls over the work-around and tested four transactions and their related supporting documents and found no associated problems.

Each Department employee who is currently working with the SMIB program appears to have an in-depth knowledge of only his or her portion of the program. It is important that these employees, along with their supervisors, be cross-trained to ensure that they understand the entire SMIB program and the associated accounting entries. Supervisors need to fully understand the program in order to ensure that they complete an adequate review to ensure the correct amounts are reported to the federal government and that the correct amounts are reimbursed. In addition, these employees should receive training on the Department's policies and procedures for the SMIB program.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Activities Allowed or Unallowed, Allowable Costs/Cost Principles. Classification of Finding: Significant Deficiency.)

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## **Recommendation No. 70:**

The Department of Health Care Policy and Financing should improve its controls over the Medicare Supplementary Medical Insurance Benefits (SMIB) program to ensure the accuracy of, and proper support for, federal reporting and reimbursements by:

- a. Training all staff involved in the SMIB program on the program policies and procedures.

- b. Ensuring that all program staff and their supervisors are cross-trained in program and accounting areas and that their supervisors perform adequate reviews.
- c. Developing an automated reporting system for SMIB reporting, including performing adequate testing of the new system to ensure that it is operating as intended prior to implementation.

### **Department of Health Care Policy and Financing Response:**

- a. Agree. Implementation date: August 2010.

The Department's program, budget and accounting staff involved with the SMIB program have documented their policies and procedures. The Department will perform training for all staff involved with the SMIB program once the Customer Service Request (CSR) is implemented by its fiscal agent, Affiliated Computer Systems (ACS) for the automated reporting system. The Department expects this implementation to occur during the summer of 2010.

- b. Agree. Implementation date: August 2010.

The Department will provide cross-training for all program, budget and accounting staff, including supervisors, involved with the SMIB program once the CSR is implemented by ACS for the automated reporting system. This training will include policies and procedures to assist supervisors in performing adequate and appropriate reviews of the SMIB data and corresponding transactions entered into the State's accounting system, COFRS. The Department expects this implementation to occur during the summer of 2010.

- c. Agree. Implementation date: July 2010.

The Department is preparing to work with ACS on completing the test plan and technical specifications for a CSR that will implement an automated reporting system for the SMIB program. The Department currently estimates a completion date for this CSR of summer 2010.

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## DSH and UPL Payments to Providers

Under federal law, hospital providers that serve medically indigent individuals may be eligible to receive additional federal Medicaid funds to help offset the cost of providing this care. This federal funding includes the Disproportionate Share Hospital (DSH) and Upper Payment Limit (UPL) payments that provide additional funding to hospital providers that participate in the Colorado Indigent Care Program (CICP). As part of its responsibilities for administering CICP, the Department determines the amount of DSH and UPL payments made to these hospital providers that qualify for funds under federal provisions. In Fiscal Year 2009, the Department paid about \$167 million in DSH and UPL payments to a total of 48 providers. As required by federal Medicaid regulations, the Department documents, in its Medicaid State Plan, the methodology it uses to calculate the DSH and UPL payments due providers. This methodology and any changes to it must be approved by the federal CMS before any payments are made. Federal regulations also allow states to use “certification” of public expenditures made by publicly owned hospital providers as a match for receiving federal funds, instead of requiring states to use expenditures of state general funds.

During our Fiscal Year 2009 audit, we identified two issues related to DSH and UPL payments. First, we noted that the Department had revised its methodology relating to the treatment of inflation for calculating DSH and UPL payments for Fiscal Year 2009, but the Department was not able to provide documentation of CMS’s approval of the revised methodology. To determine the effect of the revised methodology on provider payments, for a sample of five providers that received a total of more than \$92.3 million in DSH and UPL payments for Fiscal Year 2009 we compared the payments they received through the revised methodology with the payments they would have received through the previous methodology. We found the DSH payments would have been the same under either methodology, but the UPL payments for these five providers would have been a total of \$1,485 less. Although the amount of the difference is not significant compared to the total amount of the payments received, the Department risks that the federal government will disallow payments that are made under a methodology that has not been formally approved.

The second issue we identified concerns the need for the Department to review the hospital providers it has determined are “publicly owned” to ensure these providers continue to meet the conditions specified in the federal regulations. In cases where the provider is publicly owned, federal regulation allows states to use nonfederal expenditures by the provider (instead of general fund expenditures by the state) as the match for requesting the appropriate share of federal reimbursement. These nonfederal expenditures by publicly owned providers are referred to as “certified expenditures” because states must certify that the provider

spent these funds. Based on review of federal regulations and discussion with the Department, we determined that federal regulations do not define a “publicly owned” provider, and therefore the Department is responsible for defining these types of providers. State legislation, effective May 2008, defines a unit of government for hospital care providers as the board of a county hospital, a health service district, or a municipally owned hospital. In other words, according to the Department, a unit-of-government provider is a subset of a publicly owned provider. However, the Department stated that the federal regulation does not require certifications from units of government but rather from public funds or publicly owned governments; therefore, it continues to use its definition of publicly owned rather than the statute definition of a unit of government. For Fiscal Year 2009, the Department has classified 32 providers as publicly owned providers. According to the Department, a publicly owned provider is defined as a provider that has a financial relationship with another government. The Department further defines a financial relationship as: the government provides tax revenues to support bonds to construct the facility, the government is financially responsible for the provider even if the provider is operated by another company, or if the provider goes bankrupt, then the provider’s liabilities and assets revert to the government.

We reviewed 10 of the 32 providers that certified expenditures and received DSH and UPL payments in Fiscal Year 2009 to determine whether these providers meet the definition of publicly owned. We reviewed providers’ financial information from their comprehensive annual financial reports, provider websites, and other governments’ financial information. We found one of these providers does not appear to meet the Department’s definition of publicly owned. The Department stated that this provider met the definition of publicly owned because the county issued bonds to finance the construction of the hospital facility. However, the bonds appeared to have been issued in 1952 and are no longer outstanding; therefore, we question whether a financial relationship exists between the provider and the county. If this provider is not considered publicly owned, then this provider may be ineligible to provide certifications of expenditures and to receive federal DSH and UPL payments. In Fiscal Year 2009, this provider submitted certifications and received DSH and UPL payments of about \$7.4 million.

To ensure its compliance with federal regulations, the Department should obtain CMS approval of any changes to the methodology for calculating DSH and UPL payments before implementing those changes. Additionally, the Department should periodically review all providers it has classified as publicly owned to ensure that they meet the Department’s definition of publicly owned.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility. Classification of Finding: Significant Deficiency.)

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**Recommendation No. 71:**

The Department of Health Care Policy and Financing should ensure compliance with federal regulations governing payments to providers for the Disproportionate Share Hospitals and the Upper Payment Limits by:

- a. Ensuring that the Medicaid State Plan contains the current methodology used to calculate payments to providers and that the methodology has been approved by the Centers for Medicare and Medicaid Services (CMS) prior to implementing the methodology and making payments to providers.
- b. Following up with CMS about the allowability of payments calculated under the revised methodology and paid before the Department had obtained CMS approval of the revised methodology.
- c. Performing periodic reviews of providers classified as publicly owned to ensure that these providers meet the definition of a publicly owned provider and maintaining supporting documentation of the reviews. Additionally, the Department should ensure that the definition of the publicly owned providers is in accordance with applicable federal and state regulations.

**Department of Health Care Policy and Financing Response:**

- a. Agree. Implementation date: Implemented and ongoing.

The Department agrees that the Medicaid State Plan should always be updated prior to making any payments to providers, which is a requirement of federal regulations. On September 30, 2009 the Department submitted a State Plan Amendment (SPA) that will modify all Disproportionate Share Hospital (DSH) and Supplemental Medicaid Upper Payment Limit (UPL) payments to comply with the Health Care Affordability Act of 2009. The Department will not make any payments under that SPA until the federal CMS has formally approved the SPA. Therefore, the section of the Medicaid State Plan questioned in this finding is no longer relevant.

- b. Disagree. Implementation date: Not applicable.

The Department does not agree that the Fiscal Year 2009 DSH and UPL payments were calculated in error or used an inflation factor that

was not approved under the Medicaid State Plan. Under the Department's approved State Plan, it states that hospital costs will be "...inflated forward to the request budget year using the most recently available Consumer Price Index - Urban Wage Earners, Medical Care Index - U.S. City Average for the second half of the previous calendar year." In Fiscal Year 2008, the Department inflated provider costs by using the same inflation factor twice (the Consumer Price Index for the second half of 2006) since the costs must be inflated forward for two years. In Fiscal Year 2009, the Department inflated provider costs by using two inflation factors once (Consumer Price Index for the second half 2007 and then second half of 2008) to inflate costs forward for two years. For the Fiscal Year 2009 DSH and UPL payments, the Department decided it was more accurate to use the most recently available inflation factors. The approved language under the Medicaid State Plan, which has been approved by the Department's federal oversight body CMS, allows the Department to use the Consumer Price Index for the second half of 2007 and second half of 2008. There is no need for the Department to modify the State Plan or follow-up with CMS regarding this finding.

***Auditor's Addendum:***

***For Fiscal Year 2009, the Department changed its current state plan methodology in applying inflation factors. We believe this change requires an approval by CMS.***

- c. Partially agree. Implementation date: Implemented and ongoing.

The Department's classification of state-owned, public-owned and private-owned providers is reviewed each year when establishing the UPL. These reviews partially occur through discussions with the providers and the Department seeks clarification from providers as determined necessary. The Department agrees to continue that annual review, which is already in accordance with applicable federal and state regulations. Further, the Department already maintains the certification of expenditure from each state-owned and public-owned provider to justify the federal expenditures

for DSH and UPL payments. The Department does not feel it is required to maintain any additional supporting documentation.

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## Allocation of Expenditures

Within the Department, accounting staff are responsible for performing all accounting-related functions, including the recording of CBMS expenditures incurred by the Department of Human Services (DHS) but attributable to the Department for the portion of CBMS that is utilized to run the Department's three benefit programs: Medicaid, the CBHP, and the Old Age Pension program.

As part of the billing process, DHS bills the Department monthly for a percentage of the total CBMS expenditures that are attributable to the Department's programs. The Department then allocates a percentage of the total expenditures among the three programs based on the amount of time each program utilizes CBMS. The accuracy of this allocation is important since two of these programs, Medicaid and CBHP, have a portion of their expenditures reimbursed by the federal government. The third program, Old Age Pension, does not receive federal funds.

For the Fiscal Year 2009 audit, we reviewed the Department's CBMS expenditures originally incurred by DHS and subsequently billed to the Department, to determine whether the expenditures were appropriate, properly supported, properly coded, and processed timely. While we did not find problems with the total amount of expenditures billed to the Department for the use of CBMS, we determined that the Department was applying the incorrect percentages to allocate expenditures among the three programs. This error resulted in the improper allocation of a total of about \$34,000 among the Medicaid, CBHP, and Old Age Pension programs for Fiscal Year 2009. As a result, the Department did not request or receive reimbursement for about \$22,000 in federal funds for a portion of qualifying expenditures.

The Department has a review process for these transactions; however, the review did not identify these errors. Inadequate review of financial information increases the risk that inappropriate payments will be made and that reimbursement from the federal government will not occur. Therefore, the Department should strengthen its supervisory review procedures to ensure that expenditures are properly reclassified and request federal reimbursement for the \$22,000 identified.

(CFDA Nos. 93.767, 93.777, 93.778; Children's Health Insurance Program, Medicaid Cluster; Allowable Costs/Cost Principles, Reporting. Classification of Finding: Control Deficiency.)

**Recommendation No. 72:**

The Department of Health Care Policy and Financing should improve its controls over expenditures by strengthening its supervisory review process to ensure the accuracy of expenditure allocations among Medicaid, the Children's Basic Health Plan, and the Old Age Pension program, and request reimbursement for the \$22,000 in federal funds identified in the audit.

**Department of Health Care Policy and Financing Response:**

Agree. Implementation date: April 2010.

The Department will review its current procedures related to its allocation of CBMS expenditures and will ensure the supervisory review process includes a review of the percentages of expenditures allocated between Medicaid, the Children's Basic Health Plan, and the Old Age Pension programs.

In addition, the Department will review the expenditures that were not properly classified and will work with the federal CMS to request reimbursement of \$22,000 in federal funds.

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**Medicaid Management Information System**

As discussed previously, the MMIS is the State's Medicaid claim processing and payment system. MMIS is owned by the Department but is managed and operated by the Department's fiscal service agent, Affiliated Computer Services, Inc. (ACS). In Fiscal Year 2009 ACS processed through MMIS approximately 31.2 million Medicaid claims totaling \$3.3 billion. Because the information stored in MMIS is of a critical and sensitive nature, access to that information must be protected and limited. State Cyber Security Policies and industry best practices require that the system access privileges of terminated users be immediately removed from state systems, and that user access be limited to the least amount necessary to perform job duties.

During our Fiscal Year 2008 audit, we tested the Department's user access controls over MMIS and found the following control deficiencies:

- The Department had not evaluated MMIS user access profiles and identified those profiles, or combination of profiles, that are appropriate for different system users.
- The Department lacked a formalized user access escalation procedure. An escalation procedure is required when information technology (IT) staff disagree with the level of access requested by the user's supervisor. An escalation process is designed to resolve these disagreements.
- Department IT staff did not tightly control MMIS access profiles providing users with escalated system privileges.
- Department IT staff did not promptly remove user IDs belonging to terminated users from MMIS.

We recommended that the Department make immediate improvements. The Department agreed, and reported that all corrective actions would be taken by June 30, 2009.

However, our Fiscal Year 2009 audit found that the Department had not taken the necessary corrective actions. We again performed test work and found the same deficiencies. For example, we compared a list of all active MMIS users with a list of state employees whose employment had been terminated during Fiscal Year 2009. Of the 300 active MMIS user IDs, four (1 percent) belonged to terminated employees. On average, these four IDs remained active for 200 days after the owner had been terminated.

During our Fiscal Year 2009 audit, we also conducted an automated assessment of the operating system supporting the MMIS application. The underlying operating system must be appropriately configured, or hardened, to prevent attack or compromise. State Cyber Security Policies specifically require agencies to harden systems based on industry best practices, such as the standards developed by the National Institute of Standards and Technology or the Center for Internet Security. Our automated assessment of the MMIS operating system found areas for improvement. Given the sensitive nature of the weaknesses identified, we have provided the configuration details to the Department under separate cover.

(CFDA Nos. 93.767, 93.777, 93.778; Children's Health Insurance Program, Medicaid Cluster; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility. Classification of Finding: Control Deficiency.)

**Recommendation No. 73:**

The Department of Health Care Policy and Financing should improve Medicaid Management Information System (MMIS) user access controls by immediately implementing our prior year recommendation and strengthening MMIS's operating system, including:

- a. Evaluating MMIS user access profiles and identifying those profiles, or combinations of profiles, that are appropriate for different system users. This information should be shared with the supervisors of MMIS users.
- b. Establishing a written procedure that Department IT security staff follow when MMIS access is requested. The procedure should identify users requesting elevated levels of access and should require that the final decision to grant elevated access be documented and retained.
- c. Ensuring that profiles or profile combinations that provide escalated system privileges are identified and tightly controlled, including the establishment of compensating controls.
- d. Periodically reviewing MMIS user access levels for appropriateness and promptly removing access for terminated users, including comparing active MMIS users to termination information contained in the Colorado Personnel and Payroll System and requiring business managers to annually verify the accuracy and relevance of access levels belonging to the MMIS users they supervise.
- e. Strengthening the configuration of the MMIS operating system by implementing the recommendations made under separate cover.

**Department of Health Care Policy and Financing  
Response:**

- a. Agree. Implementation date: March 2010.

The Department and its fiscal agent, Affiliated Computer Services (ACS), have finished identifying new roles for Department users and third party vendors and the access associated with these roles. ACS is currently working on a role based access matrix defining the access associated with the new roles. Once the role based access matrix is submitted to and approved by the Department, third party users will be assigned to the new roles.

- b. Agree. Implementation date: January 2010.

The Department does have a Health Insurance Portability and Accountability Act (HIPAA) privacy and security policy and procedure that address this issue but an updated, more in-depth, procedure will be developed, that specifically addresses the MMIS system.

- c. Agree. Implementation date: May 2010.

Once the new roles have been implemented, new users will be assigned access based on their role within the Department. Requests for access outside the user's role would need to be authorized by the user's supervisor as well as HCPF Security.

- d. Agree. Implementation date: May 2010.

Once the new roles are implemented, ACS and the Department will periodically review the roles and access assigned to the roles. ACS currently sends out monthly lists of user accounts that have been inactive and may be available for suspension or termination. ACS will also send out a list of user roles for review by supervisors.

- e. Agree. Implementation date: February 2010.

As many as seven of the ten important operating system deficiencies observed during the audit will be corrected with the implementation of an operating system upgrade (zOS 1.9) on the mainframe computer which runs the MMIS system. This is currently planned for February 2010. Items not addressed at this time will be reviewed for implementation in future operating system upgrades. The computer used for the Colorado Medicaid program is shared by multiple states. As a result, at least one of the requested changes must be coordinated with all these states.

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During Fiscal Year 2009 the Office of the State Auditor conducted the *Controls Over Medicaid Claims for Durable Medical Equipment and Supplies, Laboratory, and Radiology Services Performance Audit*, Report No. 1900, dated October 2009. The information and comments below were contained in that report.

## **Background**

In Fiscal Year 2009 the Department paid about \$77 million for durable medical equipment and supplies and \$28.4 million for laboratory and radiology services provided to Medicaid clients. Since Fiscal Year 2005 these costs have increased by about 53 percent and 62 percent, respectively.

The provision of and billing practices related to durable medical equipment and supplies are often considered to be at risk of fraud and abuse schemes, particularly by the Medicare Program. Because of these risks, it is essential for the Medicaid Program to establish payment controls, such as targeted claim reviews and on-site visits of providers, to prevent and detect inappropriate payments made to providers.

During our audit, we reviewed the controls in place for Colorado's Medicaid Program to prevent and detect inappropriate payments for durable medical equipment and supplies, laboratory, and radiology services. We tested samples of claims to determine whether the Department: (1) properly handled payments for services provided to dual-eligible clients (i.e., clients eligible for both Medicare and Medicaid benefits); (2) made payments for equipment, supplies, and services at appropriate rates; and (3) ensured payments were not made for services occurring after a client's date of death. We identified payment errors and concerns in all of these areas.

## **Information Management**

During the audit, we encountered a number of problems in obtaining Medicaid data from the Department that were accurate, complete, and timely. Due to these data problems, we were unable to fully evaluate the Department's compliance related to certain claims processing and payment activities. These problems raise concerns about the Department's ability to manage data for program decision making. This is particularly a concern because the Department's estimated expenditures of \$2.7 billion on behalf of Medicaid beneficiaries in Fiscal Year 2009 totaled about 13 percent of the State's estimated \$21.6 billion in expenditures for the year.

For example, one of the major obstacles faced during our audit was obtaining data in a timely manner. In December 2007 we requested the Department provide us with specific claims data by the end of January 2008. The Department attempted to respond to our request on two separate occasions in June and July of 2008. In both instances, the claims data provided by the Department were missing key information. The Department did not provide complete data files in response to our request until August 2008. Later in the audit, we experienced delays when clearing our audit exceptions. Specifically, we provided the Department with

information on the audit exceptions in April 2009. The Department did not provide all of the documentation needed to determine the disposition of these exceptions until August 2009.

Under government auditing standards, lack of access to the data necessary to meet the objectives of an audit results in a scope limitation that directly impairs the effectiveness of the audit process. Delays in the provision of data or the repeated provision of incomplete or erroneous data increases the risk that an organization may be attempting to prevent auditors from identifying problems or performing accurate analysis. For this audit, we did not uncover evidence that the Department altered the data provided. The Department's lack of attention to providing complete and accurate data in a timely manner is troubling not only because it reduces the intended benefit of the audit, but because it raises concerns about the Department's ability to access these data for program oversight.

Despite the problems we encountered with receiving accurate, complete, and timely data, we were able to evaluate the Department's payment controls in several areas over claims paid for durable medical equipment and supplies, laboratory, and radiology services. We noted deficiencies and identified a total of \$37,510 in questioned costs for claims paid between July 1, 2004 and June 30, 2007.

## **Payments for Claims on Behalf of Dual-Eligible Clients**

The Department is responsible for ensuring Medicaid payments are properly applied to services provided to dual-eligible clients. Dual-eligible clients are those individuals who are eligible for both Medicare and Medicaid benefits. Under federal regulations, the Medicare program is the primary payer for claims filed on behalf of dual-eligible clients, and the Medicaid program is the payer of last resort. This means that providers must first file claims for dual-eligible clients with Medicare. After Medicare pays for services covered by its program or denies the claim, the claim can then be submitted to Medicaid for payment.

To determine if Medicaid payment rules were properly applied to durable medical equipment and supplies, laboratory, and radiology services provided to dual-eligible clients, we selected a judgmental, non-statistical sample of 75 claims (25 durable medical equipment and supplies, 25 laboratory, and 25 radiology claims) for services provided between July 1, 2004, and June 30, 2007. To select our sample, we identified more than 57,000 claims that met three criteria: (1) the client was dual-eligible; (2) the service/procedure was a Medicare covered benefit; and (3) the claim information provided by the Department indicated no Medicare payment was made for any portion of the claim. From this subset of claims, we randomly selected a non-statistical sample of 75 claims, which

included claims filed electronically and by paper. These claims totaled about \$35,960 in payments to providers. For each claim, we requested the Department provide the explanation of benefits, which includes detail about Medicare's payment or denial of the claim.

From the documentation provided by the Department, we determined that the Department should have denied or recouped payment for 58 of the 75 claims, or 77 percent, as shown in the table below. These claims totaled about \$18,590 in questioned costs, which represents 52 percent of the claims payments in our sample.

<b>Medicaid Program</b> <b>Payment Errors for a Judgmental Sample of Claims Paid for Dual-Eligible Clients<sup>1</sup></b> <b>State Fiscal Years 2005 Through 2007</b>						
Service Type	Claims			Dollars		
	Sample	Claims with Errors	Error rate	Sample	Value of Errors	Error Rate
Durable medical equipment and supplies	25	17	68%	\$23,564	\$6,921	29%
Laboratory	25	16	64%	\$2,837	\$2,104	74%
Radiology	25	25	100%	\$9,563	\$9,563	100%
<b>TOTALS</b>	<b>75</b>	<b>58</b>	<b>77%</b>	<b>\$35,964</b>	<b>\$18,588</b>	<b>52%</b>
<b>Source:</b> Mercer's analysis of claims and explanation of benefits for a sample of 75 durable medical equipment and supplies, laboratory, and radiology claims. Errors cannot be extrapolated to the entire durable medical equipment and supplies, laboratory, and radiology claims population.						
<sup>1</sup> Dual-eligible clients are those individuals eligible for both Medicare and Medicaid benefits.						

We identified several reasons for the payment errors in our sample. Specifically:

- No recoupment of payments made for Medicaid clients retroactively determined to be dual-eligible. For 41 claims representing about \$11,470 in payments, the Department's MMIS showed these clients were only eligible for Medicaid benefits at the time the claim was paid. We determined that based upon the eligibility information in the system, at the time of adjudication, the Department correctly paid these claims. Subsequent to payment of these claims, the clients were retroactively determined to be eligible for both Medicaid and Medicare on the dates of services. Under federal regulations, the Department should have sought recovery of claims payments from providers because these benefits were covered by Medicare. However, we found no evidence in the documentation provided by the Department that these payments were recovered. The Department informed us that its current policy, which was approved by the federal Centers for Medicare and Medicaid (CMS) as part of Colorado's State Plan, states that the Department does not seek recovery of any claim that is less than \$50. Of the 41 claims, four (10

percent) were for payments of less than \$50 each, and the Department does not plan to recover these claims.

- Lack of Medicare explanation of benefits. For 13 claims totaling about \$6,460 in payments, the Department did not provide us with evidence, including a Medicare explanation of benefits, showing that the provider billed Medicare first for these claims. Providers indicated that they were unaware the clients were eligible for Medicare benefits and only submitted the claims to Medicaid. These claims were adjudicated and paid by the Medicaid Program even though eligibility records in MMIS indicated the clients were eligible for both Medicare and Medicaid benefits.
- No recoupment when providers received full payment from both Medicare and Medicaid. For two claims totaling about \$370 in payments, the providers informed us that they received full payment from both Medicare and Medicaid but stated that the Department later identified these errors and recouped the payments. However, we found no evidence in the recovery data provided by the Department showing that these claims were recouped.
- The explanation of benefits provided did not match the claim. For two claims totaling about \$290 in payments, the Department provided explanation of benefits that did not match the claims. For example, one of the explanations of benefits showed that Medicare denied a durable medical equipment claim because the service was provided to a client residing in a skilled nursing facility and Medicare does not cover durable medical equipment for clients in this type of facility. However, the corresponding Medicaid claim listed the client's home as the place of service. Medicare covers durable medical equipment provided in a client's home. Therefore, Medicaid should not have paid the claim.

The Department does not have adequate controls over payments made for dual-eligible clients. In particular, the Department does not conduct periodic audits of providers to: (1) determine whether providers are retaining evidence that they submitted the claims to Medicare before filing them with the Department, and (2) identify clients with retroactive Medicare eligibility determinations. In addition, the Department does not require providers to submit Medicare explanations of benefits with paper claims, which provides evidence that the provider first filed the claim with Medicare. We also found that providers filing claims with the Department do not always complete the appropriate fields necessary for the Department to assess whether the claim was filed first with Medicare.

The Department should modify its policies to require providers filing paper claims to include the Medicare explanation of benefits as evidence that the claims for dual-eligible clients were first submitted to Medicare. Further, the Department should add edits to MMIS to ensure that MMIS will only accept claims if the providers complete all the necessary fields for assessing whether the claim was filed first with Medicare prior to claim submission to Medicaid. Upon making these changes, the Department should provide training and technical assistance to durable medical equipment and supplies, laboratory, and radiology providers on the proper billing procedures for dual-eligible clients.

The Department should also quarterly identify and recover any Medicare payments that should have been received for durable medical equipment and supplies, laboratory, and radiology services paid on behalf of dual-eligible clients, including those retroactively determined to be eligible for Medicare benefits, and develop procedures to ensure that Medicaid is the payer of last resort for these and all other claims.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster, Activities Allowed or Unallowed. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 74:**

The Department of Health Care Policy and Financing should ensure that Medicare is the primary payer on claims processed through the Medicaid Management Information System (MMIS) for dual-eligible Medicaid clients by:

- a. Reviewing and revising its policies, as necessary, to require providers to submit a Medicare explanation of benefits for paper claims after Medicare makes a payment determination.
- b. Analyzing the paid claims for all clients whose eligibility changed from Medicaid-only to dual-eligible, identifying claims for which recovery should be sought, and instituting recovery action.
- c. Instituting a quarterly audit of all claims paid for dual-eligible clients and identifying claims that may have been paid incorrectly. The Department should seek recoupment from providers for any incorrectly paid claims.
- d. Enhancing its effort to educate providers about the Department's billing policies and processes for claims associated with dual-eligible clients.

## **Department of Health Care Policy and Financing Response:**

- a. Agree. Implementation date: December 2011.

The Department will update applicable billing manuals to require providers to submit a Medicare Explanation of Benefits (EOMB) for paper claims after Medicare makes a payment determination. An article will be published on this requirement in its provider bulletin by February 2010. Note that until system and process changes referenced below are completed, this requirement cannot be consistently enforced.

The Department will review the current MMIS system processes regarding EOMBs and implement system and process changes as necessary to ensure that EOMBs are submitted with paper claims for dual-eligible claims. Once implemented, claims will be denied if no EOMB is present. System and process changes will be done by December 2011.

In addition, the Department is working with our federal partner, the Centers for Medicare and Medicaid Services (CMS) on the Medicare Medicaid (Medi Medi) data matching project. By the first week of November 2009, data matches will be available for the Medi Medi Steering Committee to prioritize and assign primary investigative responsibilities to appropriate members. Medi Medi is going to generate referrals for the Department's Program Integrity Section, Medicaid Fraud Control Unit, U.S. Attorney's Office, and the U.S. Department of Health and Human Services-Office of the Inspector General investigative staff. Overpayments will be recovered and civil/criminal prosecutions may result from the partnering of CMS, United States Attorney, Colorado's Attorney General's Office and the Department.

The data matching work has already begun and will look at duplicate payments made by Medicare and Medicaid. In addition to duplicate payments, this project looks to see if Medicare was billed at all, when Medicare is the primary carrier. If Medicaid paid claims that should have been submitted to Medicare, then Medicare will refund money to Medicaid. In addition to this, any identified aberrant billing schemes identified in the Medicare program are likely being committed in the Medicaid program as well, so Medicaid data will be analyzed.

b., and c. Agree. Implementation date: Implemented.

The Department has revised part of this process with our outside contractor, Health Management Systems, Inc. (HMS). HMS does a quarterly data match with Medicare eligibility data and disallows all claims on all clients that Medicaid paid as primary when Medicare entitlement existed. As of October 2009 HMS will be recovering claims over \$50 each quarter. For Fiscal Year 2009, the Department recovered a total of \$2,652,053 for Medicare/Medicaid eligible clients from providers. This includes Medicare A, B, and D.

d. Agree. Implementation date: March 2010 and ongoing.

The Department will review and update its provider training material to ensure that its policies and processes for claims for dual-eligible clients are included and clearly communicated. The Department will periodically publish reminders of its policies and processes for claims for dual-eligible clients in its provider bulletin.

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## **Claims Paid in Excess of Maximum Allowable Rates**

State regulations [10 C.C.R. 2505-10, Sections 8.660.5 and 8.590.7] stipulate how durable medical equipment and supplies, laboratory, and radiology services are to be reimbursed for Medicaid clients. For laboratory and radiology services, the Department pays the lesser of the provider's submitted charges or the fee in the Department's fee schedule. Reimbursement for durable medical equipment and supplies is more complex. The payment methodology used is based upon whether the equipment is new or used and if the equipment and supplies are subject to a maximum allowable charge listed in the Department's fee schedule.

As part of the audit, we analyzed Medicaid claims data for durable medical equipment and supplies, laboratory, and radiology services provided between July 1, 2004 and June 30, 2007 to determine whether any claims were paid in excess of the maximum allowable rate schedule (rate schedule). We identified about 69,420 claims that appeared to have been paid an amount above the Department's rate schedule. From these claims, we judgmentally selected a non-statistical sample of 200 claims representing about \$35,440 in payments to providers. The sample was selected to include claim types with a broad range of services. We asked Department staff to review this sample and either verify that the claim was paid above the maximum allowable rate or provide documentation showing the claim was paid appropriately.

The Department completed its review and reported that 175 of the 200 claims in the sample were paid using other pricing methodologies that were not provided to us when we submitted our request. Since it was too late in the audit to review these pricing methodologies, these 175 claims were excluded from the sample.

We reviewed the Department's documentation for the remaining 25 claims in the sample. We questioned whether the Department appropriately paid all 25 claims because it appeared the Department did not apply the correct Medicare lower of pricing logic for these claims for dual-eligible clients. These claims included payments for oxygen and totaled about \$1,090 in Medicaid payments. The lower of pricing logic is used by states as a cost-containment mechanism to ensure the state does not pay more than its Medicaid-allowed amount less the Medicare payment for dual-eligible clients.

Department staff reported to us that these 25 claims were excluded from the lower of pricing requirements in the *Colorado MMIS System Documentation for Claims Pricing and Adjudication*. According to this policy, certain procedures are not subject to the lower of pricing logic requirements, including the two procedures—stationary gaseous oxygen systems and stationary liquid oxygen systems—listed on the 25 claims. Department staff informed us that they do not know the reasons why these procedures are excluded from the lower of pricing logic requirements. This is a concern because lower of pricing logic is intended to ensure that the Medicaid Program does not pay more than necessary for services provided to clients. The Department should assess whether it is appropriate to exclude procedures from the lower of pricing logic and justify in writing its reasons for any exclusions. Further, the Department should periodically reevaluate if these exclusions are still appropriate, with a particular focus on whether the exclusions are consistent with the Department's cost-control strategies for the Medicaid Program.

We also reviewed Colorado's State Medicaid Plan (State Plan) to determine whether the Department paid these 25 claims in accordance with the reimbursement methodologies described in the State Plan. Federal regulations [42 CFR, Section 447.201(b)] require states to describe in their state plans "the policy and the methods to be used in setting payment methods for each type of service included in the State's Medicaid program." According to CMS's *State Medicaid Manual*, the state plan must reflect the payment amount for claims for dual-eligible clients. In addition, CMS states that its reviews of state payment methodologies and supporting documentation are intended to ensure the state plan methodology "is comprehensively described and that payment rates are economic, efficient, and sufficient to attract willing and qualified providers." Further, states are required to submit a state plan amendment to CMS if they decide to change their reimbursement methods and standards for paying Medicaid providers.

Colorado's State Plan includes a description of the reimbursement methodology for dual-eligible clients, but it does not list exclusions to this methodology, such as those exclusions in the Department's policies related to lower of pricing logic requirements. Department staff were unable to provide evidence showing that the Department submitted an amendment to its State Plan for these exclusions. As a result, we determined that the 25 claims in our sample that were excluded from the lower of pricing logic requirements were not paid in accordance with the reimbursement methodology described in Colorado's State Plan, and we consider the \$1,090 paid for these claims to be questioned costs. The Department should work with CMS to determine whether an amendment is required for the lower of pricing logic exclusions in the Department's policy. Further, if the Department is required to submit an amendment to CMS, the Department should work with CMS to determine whether claims paid using these exclusions should be recovered.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster, Activities Allowed or Unallowed. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 75:**

The Department of Health Care Policy and Financing should review its policy that excludes certain procedures from the Medicare lower of pricing logic to assess the appropriateness of these exclusions, particularly related to cost-control strategies for the Medicaid Program. If the Department decides to continue excluding certain procedures from these pricing requirements, the Department should justify in writing the reasons for these exclusions and periodically reassess their appropriateness. Further, the Department should work with the federal Centers for Medicare and Medicaid Services (CMS) to determine whether an amendment to Colorado's State Plan should have been submitted related to these exclusions and whether any payments made for claims falling under these exclusions should be recovered.

### **Department of Health Care Policy and Financing Response:**

Agree. Implementation date: January 2011.

The Department agrees that the 25 claims were excluded from lower of pricing. However, the Department does not agree that Mercer Health Benefits, LLC (Mercer) did not have the necessary pricing methodologies to conduct a review of the judgmentally sampled claims as described in the text of this audit report. At the beginning of the audit, Mercer was

provided with the appropriate fee schedules and provider bulletins that describe the pricing methodologies. Therefore, Mercer had the necessary information to review the pricing methodologies for 168 out of the 175 claims.

The Department will review the list of procedures excluded from the Medicare lower of pricing logic to assess the appropriateness of the exclusion. If it is determined that exclusions are necessary, reasons for excluding procedures from the Medicare lower of pricing will be documented and the State Plan will be revised to reflect any category of procedure codes excluded from this pricing methodology. The Department will work with the Centers for Medicare and Medicaid Services to determine if a State Plan amendment should have been submitted and whether any payment made for claims excluded from the lower of Medicare pricing methodology should be recovered.

***Auditor's Addendum:***

***Extensive, repeated efforts were made to obtain complete pricing methodologies from the Department for reviewing the accuracy of fees paid for durable medical equipment and supplies, laboratory, and radiology claims. These efforts are well-documented in the audit workpapers. Complete pricing information was never provided by the Department.***

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## **Medicaid Claims Paid After Date of Death**

In Colorado, caseworkers in county departments of human/social services are the primary contacts for families or nursing facilities to report the death of a Medicaid client. Nursing facility representatives are required to report a date of death within five business days of the individual's death. When a client does not reside in a nursing facility, the Department relies on the family to report the date of death. Upon receipt of date of death information, it is entered into the CBMS, which maintains eligibility records for Medicaid clients. Date of death information may also be reported to the Department of Public Health and Environment (DPHE) by a funeral home representative.

To determine the extent of payments made for services occurring after the date of death, we obtained from the Department: (1) paid claims data for durable medical equipment and supplies, laboratory, and radiology services provided between July 1, 2004 and June 30, 2007, and (2) an eligibility file for this same time period. We compared approximately 3.5 million claims totaling about \$267 million in payments with death data from the DPHE. The Office of Vital Statistics at DPHE provided a death data file covering the same three-year period as the claims data

we received from the Department. This file included the following information on each decedent, if available: social security number, name, date of birth, date of death, gender, and a code that indicated the county where the death occurred.

We originally identified 1,239 claims totaling about \$148,340 in payments for service dates after the client's date of death. These claims were for 666 clients whose date of death was recorded by the Department, DPHE, or both agencies as occurring before the date of service. We provided these claims to the Department and asked staff to review a sample of claims to either verify that the claims were inappropriately paid for services occurring after the client's date of death or provide documentation showing the claims were paid appropriately. The Department selected 279 of these claims (23 percent) to review, which represented about \$23,900 in payments (16 percent).

From the information provided by the Department from its review of the 279 claims, we determined that 195 claims (70 percent) totaling about \$14,430 (60 percent) were not paid appropriately and are questioned costs. The Department should recover these payments from providers. For the remaining 84 claims in the sample (30 percent), the Department provided us with data showing that they were paid appropriately because the claims covered a monthly or regularly scheduled service, such as oxygen delivery or diapers, occurring in the month of the client's death, and no payments were made for these services in subsequent months. For example, if the client received oxygen on the first day of the month, died on the 10th day of the month, and the service was billed at the end of the month, it would be appropriate to pay the claim for that month. These claims totaled about \$9,470 in payments, or about 40 percent of the payments in the Department's sample.

The Department should also review the remaining 960 claims from the 1,239 claims with payments after the date of death to determine the appropriateness of the payments. These 960 claims totaled about \$124,440. The Department should recover any payments for claims determined to be inappropriately paid for services occurring after a client's death. Further, the Department should educate providers on the requirements pertaining to proper death notification and billing for services occurring in the month of a client's death.

In addition, we found that the death records maintained by the Department and DPHE did not always contain the same date of death for a client. In particular, we identified 704 claims from the 1,239 claims where the date of death did not match. These claims were for 288 clients and totaled about \$71,270 in Medicaid payments.

Payments for Medicaid claims with dates of service after a client's death has been an ongoing issue identified by the Office of the State Auditor in past audits. The November 2004 *Medicaid Claims Performance Audit* identified Medicaid claims

that were paid to providers for service dates after a client's date of death. At that time the Department stated that it would perform periodic data matches with the DPHE and/or the Social Security Administration (SSA). The *Statewide Single Audit – Fiscal Year Ended June 2008* also identified paid claims with service dates occurring after a client's date of death. However, the *Statewide Single Audit*, found that there still was not a regularly scheduled match or interface performed with SSA or DHPE for the Medicaid Program.

Department staff reported to us that they researched automated links between CBMS and other death record databases. Staff informed us that implementing these links is not feasible at this time. As an alternative, the Department developed a date-of-death matching process to identify and recoup payments made after a client's date of death. Beginning in January 2009, the Department engaged the services of Health Management Systems (HMS) to perform date-of-death matches against multiple sources of death records, such as the SSA and CDPHE's Office of Vital Statistics. Department staff informed us that the data match and recovery project is currently in the implementation stage and will be regularly evaluated to determine the best practices for identifying and recovering payments made after a client's death. Currently these matches and recoveries do not include oxygen and other rental supplies. We found that a majority of the claims we identified with dates of service after a client's death were for oxygen services and other rental supplies. As a result, the Department should work with HMS to expand the data matches and recoveries to include oxygen services and other rental supplies. Further, the Department should periodically evaluate its methods for identifying payments made for services provided after a client's death to determine whether these methods are adequately identifying inappropriate payments. The Department should implement changes to improve these processes, as necessary.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster, Activities Allowed or Unallowed. Classification of Finding: Control Deficiency.)

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## **Recommendation No. 76:**

The Department of Health Care Policy and Financing should improve controls to prevent Medicaid payments for services to deceased individuals by:

- a. Periodically evaluating the effectiveness of methods used to identify payments made for services provided after a client's death and implementing changes to these methods, as necessary.

- b. Working with its contractor, Health Management Systems, to expand data matches and recoveries for claims paid after a client's death to include oxygen services and other rental supplies.
- c. Continuing to investigate the claims identified by this audit that were paid for services provided after the date of death recorded in the Department of Public Health and Environment's or the Department's files for Medicaid clients. The Department should use the claims-specific data provided through this audit to identify and recover any inappropriate payments made for services provided after death.
- d. Enhancing its efforts in educating providers on claims payment issues surrounding clients' date of death, including proper death notification and billing for services provided during the month of death.

### **Department of Health Care Policy and Financing Response:**

- a. Agree. Implementation date: July 2010.

The Department's current Date of Death (DOD) process involves matching data to compare dates of death for Medicaid recipients against the Paid Claims Files of Health Management Systems (HMS), a vendor of the Department. Multiple sources for the dates of death are used, including data supplied monthly by the Colorado Office of Vital Statistics at the Department of Public Health and Environment to HMS. The Department feels this process is cost-effective because HMS' comprehensive death data information from multiple sources is matched with Medicaid's eligibility files. The Department is in the process of determining how often these reviews will take place and revisiting the policy around date of death recoveries.

In addition, the Department was recently awarded \$42 million over the next five years from the Health Resources and Services Administration (HRSA), State Health Access Program (SHAP) to fund a comprehensive set of initiatives that will lead to greater access to health care, increase positive health outcomes, and reduce cost-shifting. One of the initiatives involves eligibility modernization which includes creating interfaces to other state and federal systems to electronically verify information regarding a client's income, citizenship, and identity. This includes building interfaces with the State's Vital Statistics database for birth and death records.

- b. Agree. Implementation date: July 2011.

The Department will re-explore its policy with rental equipment and also explore with HMS the possibility of expanding data matches and recoveries for rental equipment claims paid after a client's death. This type of audit will be added to the scope of work for audits performed by HMS if a reasonable policy and procedure can be developed.

- c. Partially agree. Implementation date: July 2010.

The Department shall use the claim specific data to identify claims incorrectly paid after date-of-death. For claims improperly billed for services after date-of-death, the Department's Program Integrity Unit shall investigate and pursue the recovery of overpayments.

Medicaid providers, who provide rental medical supplies or oxygen equipment rental, will submit claims pursuant to the client's eligibility status. If a current client is eligible in the Medicaid eligibility system the provider of rental equipment must assume the client is still utilizing the provider's equipment. The provider continues to provide their service and not recover their equipment until the client eligibility has ended or they receive notice the equipment is no longer required. This is current Department policy and procedure and providers who follow this procedure will have their claims paid.

- d. Agree. Implementation date: June 2010 and ongoing.

The Department will enhance efforts to educate providers on claim payment issues surrounding clients' date of death including death notification and billing for services during the month of the death. Specific actions that will be taken to educate providers regarding payment issues surrounding clients' date of death will include updating the billing manuals to identify the Department's expectations and procedures to be followed regarding claims for services provided in the month of the death and releasing a provider bulletin article identifying the same expectations.

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## **Oversight of Durable Medical Equipment and Supplies Providers**

Colorado's Medicaid Program only provides durable medical equipment and supplies if they are determined to be medically necessary. According to state regulations [10 CCR 2505-10, Section 8.590.2A], the equipment, supplies, and prosthetic and orthotic devices are considered to be medically necessary if they:

- Are prescribed by a physician;
- Reasonably meet the client's medical need;
- Have an expected use in accordance with current medical standards/practices;
- Are cost effective;
- Provide for a safe environment;
- Are not experimental or investigational; and
- Do not have as their primary purpose the enhancement of a client's personal comfort or to provide convenience for the client or caretaker.

Colorado regulations and Department policies require prior authorization of certain durable medical equipment and supplies to ensure that these items (typically those that are higher cost) are medically necessary.

As part of the audit, we judgmentally selected a non-statistical sample of three durable medical equipment and supplies providers to visit. Our sample selection was based upon a number of factors, including overall claim volume between July 1, 2004 and June 30, 2007. These providers were three of the four largest providers of equipment and supplies to Medicaid clients in Colorado during this time period. We then judgmentally selected a non-statistical sample of 90 durable medical equipment and supplies claims (30 claims per provider in our sample) with dates of service during this three-year period to assess whether services paid for by Medicaid met defined medical necessity criteria and were appropriately authorized prior to provision and payment. Claims in the sample were selected to include a wide range of services and Medicaid aid categories as well as to address other topics reviewed as part of this audit (e.g., claims for clients with dates of death, with invalid procedure codes, and with no evidence that required prior authorizations were obtained prior to service delivery). The total dollar value of the 90 claims was about \$25,320.

We identified questioned costs for 12 claims in our sample (13 percent) related to noncompliance with medical necessity and prior authorization requirements. These questioned costs totaled about \$2,940 in payments to providers, or 12 percent of the dollars paid for the sampled claims. These 12 claims represented

15 different exceptions, with 3 claims having two exceptions each. Specifically, we found:

- **Physician Orders and Prescriptions:** For seven claims, we found no prescription or physician order in the provider's records that authorized the provision of durable medical equipment or supplies to the client. These orders are required by state regulations [10 CCR 2505-10, Section 8.590.4.D.1].
- **Prior Authorizations:** For three claims, the prior authorization document in the providers' files did not support the claim paid. In particular, we identified two claims where the prior authorization number in the file did not match the number on the claim. Further, we found another claim where the supply item billed (barrier cream) was not the item authorized (ostomy paste). State regulations [10 CCR 2505-10, Section 8.590.4.D.2] require that durable medical equipment and supplies providers maintain documentation related to approved prior authorization requests.
- **Required Documentation on Equipment Supplied to Client:** For three claims, providers' files did not contain all of the required information about the equipment billed for and paid by the Medicaid Program. In particular, state regulations [10 C.C.R. 2505-10, Section 8.590.4.D] require providers to maintain documentation showing that the client has been given manufacturer's instructions, warranty information, registration documents, the service manual, and operating guides for the equipment provided. Further, the provider must maintain the manufacturer's name and address, date the equipment was acquired, acquisition cost, model and serial numbers, and any accessories, attachments, or special features included as part of the equipment. We did not find some or all of this required information for these three claims. In addition, we could find no proof for any of these claims that the equipment or supply was delivered to the client.
- **Equipment Repairs:** For two claims, we found no documentation in the file showing that requested repairs to a client's wheelchair occurred. According to the Department's provider policies, providers must maintain records that "fully disclose the nature and extent of services provided."

## Improvements

The Department performs some oversight activities of durable medical equipment and supplies providers. For example, Department staff reported that its Program Integrity Unit uses a surveillance utilization system tool to identify providers whose billing patterns are unusual compared to their peers. The data analyzed by

this tool is then used by the Program Integrity Unit to target its reviews of providers. According to staff, this tool was recently used to identify a durable medical equipment and supplies provider who billed the Medicaid Program for 500 diapers per client each month. This case was referred to the Medicaid Fraud Control Unit, within the Attorney General's Office, and the provider was charged with multiple felony counts for submitting the fraudulent claims. Department staff also cited other examples of fraud cases involving durable medical equipment and supplies that were referred by its Program Integrity Unit to the Medicaid Fraud Control Unit.

As part of the audit, we identified additional improvements the Department could make with its oversight of durable medical equipment and supplies providers. In particular, we found that the Department does not perform periodic on-site clinical reviews of these providers. Such reviews are beneficial because they ensure that providers are: (1) properly billing the Department for only equipment and supplies that have been provided to Medicaid clients and (2) maintaining records to support the medical necessity of the equipment and supplies, compliance with prior authorizations procedures, and other required documentation. On-site visits can also provide valuable educational opportunities for providers, ensure that ongoing operational issues are addressed, provide an opportunity to suggest program improvements, and enhance working relationships and communication between Department representatives and its provider network. While current statutes require the Department to offer the option of a desk review or on-site inspection, the Department should work with providers to encourage on-site reviews whenever possible.

One option for performing on-site reviews is for the Department to adopt a risk-based approach to selecting a sample of providers to visit on an annual basis. As part of this option, the Department could review its provider data to identify high-volume or other high-risk providers for on-site visits to ensure that claims submitted to the Department accurately reflect the services provided, that the services are medically necessary, and that documentation complies with Department prior authorization, recordkeeping, and claims submission requirements. For providers not meeting the Department's compliance standards, the Department should require them to submit corrective action plans and perform follow-up reviews until compliance is achieved. Further, the Department should recover any payments determined to be unallowable.

In addition, we noted improvements the Department could make with its communication and guidance to durable medical equipment and supplies providers statewide. Currently Department staff give guidance and assistance to providers through the Department's provider manual and bulletins and participation on the Durable Medical Equipment Board—a coalition of durable medical equipment supplies providers in the Denver area. However, the three providers we visited indicated they did not know whom to call at the Department

with questions that could not be answered by the Department's prior authorization contractors. Further, we found that the Department's provider manual and supply bulletins do not describe the specific requirements related to the types of information providers must maintain in their medical records to document and support the provision of durable medical equipment and supplies. These requirements are clearly described in state regulations. However, the three providers we visited during the audit indicated that they were not familiar with the documentation requirements in state regulations and referred to Medicare guidelines when questions arose.

Potential ways to improve communication with the provider community may include performing the on-site reviews discussed earlier, conducting educational forums on compliance issues identified during on-site visits and on program policy and billing changes, and through ongoing and consistent participation in local provider boards or forums. Additionally, the Department could heighten providers' awareness of clinical documentation requirements through regular updates to its provider manual and bulletins.

Finally, the Department could strengthen requirements associated with used durable medical equipment and related-party transactions. According to state regulations [10 CCR 2505-10, Sections 8.590.7.G.2 and Section 8.590.7.A], durable medical equipment and supplies providers are not allowed to: (1) seek reimbursement for used equipment as if it is new (used equipment can only be reimbursed at 60 percent or less of the maximum allowable cost for new equipment) and (2) purchase equipment and supplies from a related party. As part of our site visits to the three providers in our sample, we requested and reviewed their policies and procedures pertaining to reimbursement of used equipment and related-party transactions. Two of the three providers did not maintain specific policies for use of new equipment, billing for used equipment, or interactions with related-party providers. All three providers reported to us that they do not purchase or receive referrals from related parties.

To heighten awareness of this requirement and better ensure providers' compliance, the Department should develop and implement policies and procedures for providers to use in seeking reimbursement for used equipment and related-party transactions. As part of its annual reviews, the Department should determine whether providers are complying with these requirements.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster, Activities Allowed or Unallowed. Classification of Finding: Control Deficiency.)

**Recommendation No. 77:**

The Department of Health Care Policy and Financing should improve its monitoring of and communication with Medicaid durable medical equipment and supplies providers by:

- a. Performing periodic clinical reviews of providers, preferably on-site, to assess whether claims paid by the Medicaid Program meet medical necessity, prior authorization, and other clinical requirements. The Department should use a risk-based approach to select a sample of providers to review each year. Additionally, the Department should report all deficiencies identified during the reviews to providers, ensure that providers correct deficiencies in a timely manner, and recover any unallowable claims payments identified.
- b. Developing uniform standards for providers to follow for the purchase and billing of new and used equipment and related-party purchases and referrals. The Department should ensure compliance with these requirements as part of its reviews of providers and new provider enrollment process.
- c. Regularly updating its provider manual and bulletins to include detailed information about providers' responsibilities for maintaining documentation in each client's medical record.
- d. Strengthening communication with providers and educating them about the Medicaid Program and technical assistance available to them from the Department and its contractors. This should include providing additional training and forums to providers statewide.

**Department of Health Care Policy and Financing  
Response:**

- a. Partially agree. Implementation date: Ongoing.

The Department does not currently have adequate numbers of Program staff to perform onsite clinical reviews of durable medical equipment providers. Clinical reviews as described in this recommendation will require program staff time and travel expenses that are not expectations for current resources at the Department. The Department will explore the feasibility of requesting the needed resources.

As an alternative to regular Program onsite reviews of Durable Medical Equipment providers, the Program Integrity Unit has recently implemented an enhanced utilization reporting tool that determines a statistically sound peer comparison of provider claims ranking providers in order of highest outlier claims, referred to as “excepting providers.” Identifying providers with the highest abnormal billing patterns allows the Department to assign available resources to focus on the excepting providers for further review. Post payment reviews can be performed by Program Integrity Unit staff on the highest ranking excepting providers. As resources permit, the Department will work with providers to encourage on-site reviews. Deficiencies found in these reviews are reported to the provider and recovery of unallowable payments is required.

- b. Agree. Implementation date: June 2010.

The Department will work collaboratively with stakeholders to develop uniform procedures for all durable medical equipment providers to follow based on requirements identified in 10 CCR 2505-10, Sections 8.590.7.G.2 & 8.590.7.A. Compliance to these procedures will be monitored through post payment reviews conducted by the Program Integrity Unit.

- c. Agree. Implementation date: March 2010.

Providers’ responsibility regarding the maintenance of client and services documentation is noted in the provider’s agreement and is included in current billing training for providers. The Department will update its provider application and training materials to include detail regarding the responsibility of providers to retain documentation. The Department will periodically and at least bi-annually publish a reminder in its provider bulletin of providers’ responsibility regarding records retention.

Update of the provider application – December 2009. Update of training materials – March, 2010. Reminders in provider bulletins – Beginning January, 2010 and ongoing.

- d. Agree. Implementation date: November 2009 and ongoing.

The Department has already taken steps to meet this recommendation. The Department updated its Durable Medical Equipment (DME) Prior Authorization Request (PAR) and claims training material in September 2009. Continued communications and training will occur via the monthly provider bulletins and at the Durable Medical

Equipment Advisory Committee meetings. Committee meetings will include a call-in line for providers and clients unable to be present. Updated DME information will be included in the statewide billing and prior authorization training conducted by the fiscal agent.

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## Oversight of Laboratory and Radiology Providers

According to state regulations [10 CCR 2505-10, Section 8.660.3.A], laboratory and radiology services are only a benefit of the Medicaid Program if the following six conditions are met:

- The services have been authorized by a licensed physician.
- The services are performed to diagnose conditions and illnesses with specific symptoms.
- The services are performed to prevent or treat conditions that are benefits under the Medicaid Program.
- The services are not routine diagnostic tests without apparent relationship to treatment or diagnosis for a specific illness, symptom, complaint, or injury.
- The laboratory services are performed by a certified laboratory in accordance with the federal Clinical Laboratory Improvement Amendments (CLIA) of 1988.
- The x-ray services are performed by a provider certified by the Colorado Department of Public Health and Environment and enrolled as a Medicaid provider.

We judgmentally selected a non-statistical sample of three laboratory and three radiology service providers to visit. Our sample selection was based on a number of factors, including overall claim volume during the review period. We then judgmentally selected a non-statistical sample of 90 laboratory and 90 radiology claims (30 claims per provider in our sample) with dates of service between July 1, 2004 and June 30, 2007 to assess whether the services paid for by Medicaid met the six criteria described above. Claims in the sample were selected to include a wide range of services and Medicaid aid categories as well as to address other topics reviewed as part of the audit (e.g., claims for clients with dates of death and with invalid procedure codes). The total dollar value of the claims was about \$19,370.

We conducted site visits to review provider documentation for the 180 claims in our sample. Of the 180 claims in our sample, we identified questioned costs for nine claims (5 percent) totaling about \$460 in payments that did not meet the required criteria for medical necessity. Specifically, we found:

- **Orders and Requisitions:** For five claims, the files did not include an authorizing order or requisition from a licensed physician, as required by state regulations [10 CCR 2505-10, Section 8.660.3.A.1]. This documentation is essential for ensuring that the tests and x-rays are medically necessary.
- **Prescriptions:** For two claims, the prescription on file was not signed by a specific physician or mid-level practitioner, as required by state regulations [10 CCR 2505-10, Section 8.660.3.A]. For another claim, the diagnosis on the prescription was different than the one listed on the claim.
- **Radiology Report:** For one claim, the radiologist did not sign the radiology report, as required by state regulations [10 CCR 2505-10, Section 8.660.3.A.6].

We also confirmed that all three laboratory providers we visited were CLIA-certified providers. The Department does not perform periodic on-site clinical reviews of laboratory and radiology providers. While current statutes require that the Department offer the option of a desk review or on-site inspection, the Department should work with providers to encourage on-site reviews whenever possible. Additionally, as with durable medical equipment and supplies providers, the Department could adopt a risk-based approach to select a sample of providers to visit on an annual basis.

The Department should also perform periodic matches of laboratory and radiology claims to ensure that it has not double paid for these services, primarily due the methods providers can use to bill for these services. Specifically, claims for radiology and laboratory services include: (1) a technical component, which covers the cost of the procedure and (2) a professional component, which covers the cost of clinical interpretation of the results. Claims can be submitted for payment either by including the technical and professional components on one claim, which is referred to as a “global bill,” or through split billing where two separate bills are generated for each component. Claims data provided by the Department primarily included radiology claims with only the professional component billed. As part of our on-site visits with providers, we learned that many hospitals and free standing radiology centers contract with independent radiology groups to perform the professional reads. When this occurs, it is possible that two claims could be submitted to the Department for the same client and the same service—one claim submitted as a global bill and another claim submitted for the professional component only. If the Department pays both claims, it has paid for the professional component twice. As a result, it is essential for the Department to periodically review laboratory and radiology claims to ensure it has not overpaid for these services.

Further, the Department should review its laboratory and radiology claims payment practices to determine if split billing results in higher payments than global billing rates and consider policy changes to eliminate this payment difference. Many managed care organizations and the federal CMS have implemented policies to only pay radiology claims on a global basis to eliminate additional costs. Currently the Department does not have similar policies in place.

We also found that the Department could enhance its use of financial trend data currently monitored by ACS and CFMC related to laboratory and radiology services. In particular, the Department should use these data to develop utilization and cost trend reports intended to identify drivers of program costs related to these services and monitor aberrant patterns in patient or provider utilization that could signify the need for medical chart review or provider discussions. The Department could use these data as part of its selection of providers to visit annually.

The Department did not have any prior authorization requirements in place for laboratory and radiology services during the time period reviewed for the audit. Prior authorization programs not only monitor health services utilization, including overuse, but also facilitate provider education about appropriate application of guidelines and improve clients' quality of care by avoiding delivery of unnecessary and potentially harmful services. We recommend that the Department consider implementing a prior authorization process for high-cost radiology procedures.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster, Activities Allowed or Unallowed. Classification of Finding: Control Deficiency.)

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## **Recommendation No 78:**

The Department of Health Care Policy and Financing should improve its oversight of Medicaid laboratory and radiology providers by:

- a. Performing periodic clinical reviews, preferably on-site, of laboratory and radiology providers to assess whether providers comply with the six criteria established in state regulations related to laboratory and radiology services. The Department should use a risk-based approach to select a sample of providers to review each year. Additionally, the Department should report all deficiencies identified during the reviews to providers, ensure that providers correct any deficiencies identified in a timely manner, and recover any unallowable claims payments identified.

- b. Periodically reviewing laboratory and radiology claims to ensure that it has not double paid for the technical and professional components of these services. The Department should also review claims for these services to determine if it pays higher rates through split billing rather than global billing and consider modifying its policies to control costs paid for these services (e.g., only paying claims on a global basis).
- c. Developing utilization and cost trend reports to: (1) identify drivers of program costs for laboratory and radiology services and (2) monitor aberrant patterns in patient or provider utilization that could signify the need for medical chart review or provider discussion. The Department could use this information as part of its risk-based approach for selecting laboratory and radiology providers for clinical reviews.
- d. Considering implementing a prior authorization process for high-cost procedures (e.g., MRIs and CAT scans).

### **Department of Health Care Policy and Financing Response:**

- a. Partially agree. Implementation date: Ongoing.

The Department does not currently have adequate numbers of Program staff to perform onsite clinical reviews of laboratory and radiology providers. Clinical reviews as described in this recommendation will require program staff time and travel expenses that are not expectations for current resources at the Department. The Department will explore the feasibility of requesting the needed resources.

As an alternative to regular Program onsite reviews of laboratory and radiology providers, the Program Integrity Unit has recently implemented an enhanced utilization reporting tool that determines a statistically sound peer comparison of provider claims ranking providers in order of highest outlier claims, referred to as “excepting providers.” Identifying providers with the highest abnormal billing patterns allows the Department to assign available resources to focus on the excepting providers for further review. Post payment reviews can be performed by Program Integrity Unit staff on the highest ranking excepting providers. As resources permit, the Department will work with providers to encourage on-site reviews. Deficiencies found in these reviews are reported to the provider and recovery of unallowable payments is required.

b. Agree. Implementation date: October 2009.

The Program Integrity Unit has recently implemented an enhanced utilization reporting tool, the Enterprise Surveillance Utilization Reporting System (ESURS), that determines a statistically sound peer comparison of provider claims ranking providers in order of highest outlier claims, referred to as “excepting providers.” Identifying providers with the highest abnormal billing patterns allows the Department to assign available resources to focus on the excepting providers for further review. The excepting providers become internal generated referrals that receive a preliminary investigation to determine if a full investigation is needed. If a full investigation is needed, records are requested and reviewed, clients can be interviewed, and an onsite inspection could be scheduled. The merits of each individual case will drive investigative steps.

This tool will allow the Department to monitor laboratory and radiology claims to ensure that Medicaid has not double paid for the technical and professional components of these services. In addition, we can review paid claims data for these same services to determine if there is unbundling (paying higher rates through split billing rather than global billing.)

ESURS queries are currently being designed. Report results will be available by October 31, 2009 with monthly surveillance cycles.

c. Agree. Implementation date: October 2009.

Program Integrity has recently implemented an enhanced utilization reporting tool, the Enterprise Surveillance Utilization Reporting System (ESURS), that determines a statistically sound peer comparison of provider claims ranking providers in order of highest outlier claims, referred to as “excepting providers”. Identifying providers with the highest abnormal billing patterns allows the Department to assign available resources to focus on the excepting providers for further review. The excepting providers become internal generated referrals that receive a preliminary investigation to determine if a full investigation is needed. If a full investigation is needed, records are requested and reviewed, clients can be interviewed, and an onsite inspection could be requested under Section 25.5-4-301(d3)(a)(IV), C.R.S. The merits of each individual case will drive investigative steps.

This tool will allow the Department to monitor laboratory and radiology claims and modify policies to ensure that Medicaid has not

double paid for the technical and professional components of these services. In addition, we can review paid claims data for these same services to determine if there is unbundling (paying higher rates through split billing rather than global billing).

- d. Agree. Implementation date: July 2011.

Effective August 1, 2009, the Department initiated a prior authorization review process for all non-emergent CAT scans and MRIs and all PET scans performed in free standing radiology centers. Requirements to perform prior authorization review for all non-emergent CAT scans and MRIs and all PET scans performed in outpatient hospital settings will be initiated once requested system changes are made to the Medicaid Management Information System (MMIS). The MMIS changes are expected to be completed by July 2011.

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## **Oversight of Prior Authorization Contractors**

As mentioned earlier, the Department contracts with ACS and CFMC to provide prior authorization services for durable medical equipment and supplies. CFMC reviews prior authorization requests for medical necessity for high-cost equipment, such as hospital beds, motorized lifts, respiratory devices, and certain prosthetic and orthotic equipment. ACS reviews prior authorization requests for other items, such as medical supplies, equipment repairs, and oxygen. Additionally, during the period of the audit, ACS was responsible for completing the data entry for all prior authorization requests, including those reviewed by CFMC, and sending notification of approval or denial of services to clients and providers.

As part of the audit, we interviewed staff from the Department and the two prior authorization contractors to gain an understanding of the requirements and processes used for prior authorizations of durable medical equipment and supplies and the Department's oversight of these activities. We also examined meeting minutes from the Acute Care Utilization Management Committee meetings, the Prior Authorization Reviews Processing group, and the Prior Authorization Review Improvement Team; annual reports submitted by CFMC and ACS; policies; and other documents related to these functions. We identified several concerns with contract provisions and oversight of prior authorization and medical necessity determination services performed by the Department's two contractors, which are described in greater detail below.

**Contract Provisions:** We noted improvements that could be made with provisions in the contracts. Specifically, provisions in the Department's contract with ACS related to operational responsibilities and timeliness are not as robust as those in the CFMC contract. For example, ACS's contract does not include specific requirements related to its prior authorization responsibilities and does not require ACS to:

- Prospectively review a specified number of prior authorization requests for quality control purposes.
- Process requests within a specific timeframe.
- Define the type of medical professional who should perform prior authorization functions. We will discuss this issue in greater detail later in this section.
- Implement a process for tracking and reviewing appeals.
- Provide reporting to the Department on a predetermined schedule and with pre-approved formats of prior authorization activity and timeliness.
- Participate in status meetings with the Department.

The request for proposal related to ACS's contract does include these requirements. However, by not including them in the final ACS contract, the Department lacks assurance that ACS will adhere to these requirements. In comparison, CFMC's contract cites numerous requirements related to its prior authorization responsibilities, including the number of prior authorization reviews to be conducted annually, the need for written policies and procedures, timeframes for conducting the reviews, the denial and appeal process, and reporting responsibilities.

Although CFMC staff perform prior authorization reviews of more medically complex equipment and supplies, the services provided by both contractors are similar and standardizing contract provisions would ensure consistency of service delivery, provide needed guidance to ACS regarding its responsibilities, and improve the quality of services provided to Medicaid clients and contracted physicians. The Department should review both contracts and identify ways to standardize them.

**Staff Qualifications:** We noted differences in the types of staff assigned by both contractors to perform prior authorization reviews. CFMC assigns only registered nurses (RNs) and physicians to conduct medical necessity decisions. RNs review all prior authorization requests and solicit input from physicians, as necessary. If an RN determines that a request should be denied, that request is forwarded to a physician with specialty expertise (if necessary) to make the final decision. In comparison, at the time of our audit, ACS assigned two licensed practical nurses (LPNs) and an emergency medical technician (EMT) to perform medical necessity reviews. ACS staff reported that prior to 2007, two RNs performed

these reviews, but due to ongoing nursing shortages, they were replaced with two LPNs and one EMT. In addition, there is no physician oversight of the prior authorization process at ACS, even when a denial of service is considered.

The Department's contracts do not clearly state the qualifications needed to approve and deny prior authorization requests. Additionally, the contracts are not standardized. For example, the CFMC contract states that prior authorization reviews "shall be performed by qualified clinical staff and conducted in accordance with applicable state and federal regulations utilizing nationally recognized, evidenced-based criteria." In comparison, the ACS contract states that the "Contractor shall screen all designated Contractor personnel to ensure that all individuals are fully qualified to work on this contract and, if required by law or ordinance, are validly licensed and/or have obtained all requisite permits." We found that neither contract defines "qualified clinical staff" or "individuals that are fully qualified."

To ensure high-quality and consistent prior authorization reviews from both contractors, the Department should develop standard qualifications for personnel making medical necessity decisions. Health care accreditation entities, such as the National Committee for Quality Assurance and the Utilization Review and Accreditation Commission, require that all medical necessity review programs include physician oversight and should be conducted by licensed health care professionals. Further, several national managed care organizations and state Medicaid programs require that registered nurses perform these reviews. The standards and recommendations of these organizations can serve as resources to the Department in developing applicable requirements.

**Processing of Prior Authorization Requests:** We noted inconsistencies with requirements related to prior authorization request submissions. At the time of our audit, providers submitted prior authorization requests to CFMC via fax or mail. Once a request was approved or denied, CFMC forwarded the paperwork to ACS via courier, and ACS staff input the necessary information into the MMIS. In comparison, providers submitted requests to ACS via a web-portal, and ACS staff made decisions electronically. For all requests, ACS notified the provider and client of the decision via mail. Providers and staff from the two prior authorization contractors informed us that these two different submission methods were often confusing to providers and sometimes led to adverse outcomes. For example, if a prior authorization request was sent to the wrong contractor, that contractor denied the request and issued the denial in writing to the provider. Once the provider received the denial, it had to forward the paperwork to the correct contractor and the process began again. This could result in delays in proper care being delivered to clients.

During our audit, the Department began implementing an electronic system, which it hopes will standardize and streamline the processing of prior

authorization requests. However, this system only allows the one-way transfer of information from CFMC to ACS. To truly streamline the prior authorization process, the Department should consider an electronic system that allows the transmission of information among providers, the two prior authorization contractors, and the Department.

**Contract Oversight:** We found that the Department does not specifically monitor the two contractors' activities related to prior authorizations and medical necessity determinations for durable medical equipment and supplies. Instead, Department staff primarily rely upon self-reported data from the contractors to monitor compliance. Currently Department staff do not perform on-site reviews of the contractors' records to verify the accuracy of self-reported data and measure compliance with contract provisions related to prior authorization and medical necessity functions for equipment and supplies. We also found that Department staff responsible for overseeing the durable medical equipment and supplies program and the two prior authorization contracts were not familiar with many of the operational details of the program and relied solely upon each contractor's request for proposal response for information on the contractors' processes and performance.

Periodic on-site reviews of the contractors would be valuable to ensure compliance with contractual requirements and Department policies and to determine the appropriateness of medical necessity determinations and prior authorization decisions. Further, the Department could use these performance reviews to assess the effectiveness of the processes used by the contractors and to identify improvements to the system, including ways to standardize processes and strengthen the Department's contracts related to these responsibilities. It is standard industry practice to monitor contractor performance, although the extent of this monitoring can vary from state to state and contractor to contractor based on the type of responsibilities the contractor has and the resources available within the state.

**Contractual Arrangement:** The Department has not recently evaluated the cost-benefit of contracting with two separate organizations to provide prior authorization services for durable medical equipment and supplies requested for Medicaid clients. Such an evaluation could help the Department determine whether its current contractual arrangements for these services are effective and efficient. As discussed earlier, we identified several inconsistencies and inefficiencies with the contracts' provisions for and services delivered by the two contractors. Consolidation of the two contracts into one could eliminate some of these problems. For example, consolidation may improve the timeliness of decision-making, ensure that qualified staff are making and overseeing medical necessity decisions, streamline the process for providers, and standardize reporting. Consolidation would also streamline contract monitoring by the Department and reduce costs associated with this monitoring.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster, Activities Allowed or Unallowed.  
Classification of Finding: Control Deficiency.)

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### **Recommendation No. 79:**

The Department of Health Care Policy and Financing should strengthen contract provisions and its monitoring of contractors responsible for performing prior authorization reviews of durable medical equipment and supplies requested for Medicaid clients by:

- a. Standardizing the requirements in its contracts related to prior authorization and medical necessity activities for durable medical equipment and supplies.
- b. Strengthening the contracts by defining the qualifications of staff performing prior authorization and medical necessity functions. At a minimum, the Department should ensure that physicians oversee these functions. Additionally, the Department should consider adopting best practices and require registered nurses to conduct prior authorization reviews.
- c. Implementing a formal oversight program for each of its prior authorization contractors, including on-site visits.
- d. Requiring its prior authorization contractors to standardize how providers submit prior authorization requests, including the use of electronic processing and interfaces.
- e. Assessing whether consolidating prior authorization functions under one contract would be cost-effective.

### **Department of Health Care Policy and Financing Response:**

- a. Agree. Implementation date: July 2010.

The Department agrees that there is an opportunity to strengthen the contract provisions and monitoring of contractors responsible for performing prior authorization review of durable medical equipment. Changes to contract provisions may include revised performance requirements, including activities, timeframes, reporting, staffing expectations, and interactions with the Department, among others.

The Department is currently reviewing requirements for Prior Authorization Request (PAR) reviews.

- b. Partially agree. Implementation date: July 2010.

The Department agrees that its contracts should reference qualifications of staff performing prior authorization and medical necessity functions. Qualifications must at a minimum conform to federal regulations such as those defined in 42 C.F.R., Section 476.98(a), which requires peer review by physician. However, it is not clear that all staff overseen by physician reviewers must be RNs. The Department will seek guidance from the accreditation agencies referenced in the audit report as it seeks to strengthen contract language around staff qualifications. The Department plans to include revised contract language regarding staff qualifications in the new contract scheduled to go into effect July 2010.

- c. Agree. Implementation date: July 2010.

Although the Department currently conducts site visits with prior authorization vendor ACS, the Department plans to formalize a system of oversight for both utilization review vendors (CFMC and ACS), taking advantage of existing contract provisions that allow for site visits, performance reviews, and corrective action requests largely at the discretion of the Department. The Department's focus with both prior authorization vendors in the near term will be on conformance with federal regulations and operational issues identified in the audit report. When a new durable medical equipment utilization review vendor contract is in place in July 2010, energy will be directed toward the monitoring of new processes – including automated authorization systems as well as medical reviewers – along with defined performance goals, which the Department anticipates will be a core element of the new contract.

- d. Agree. Implementation date: July 2010.

The Department agrees that each utilization review vendor has established separate processes by which providers submit prior authorization requests. Where possible, the use of web, fax, and telephonic systems, will be maximized for enhanced quality and service to the Departments clients and providers.

When a new durable medical equipment utilization review vendor contract is in place in July 2010, energy will be directed toward automated systems, including use of a Web portal for provider prior

authorization requests as well as algorithms to obviate human medical review where possible for faster response times.

- e. Agree. Implementation date: July 2010.

The Department agrees that there would be benefits from having all PAR responsibilities consolidated under one vendor. The Department will look into the feasibility of consolidating these activities with one vendor.

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## Data Management

As discussed throughout this section, there were several instances during the audit where the Department was unable to provide complete, accurate, and timely data from MMIS that is essential for managing its Medicaid Program. These data problems not only caused significant delays in our completion of this audit but also limited our ability to test the payment controls used by the Department for durable medical equipment and supplies, laboratory, and radiology claims paid by the Medicaid Program. These problems raise concerns about the Department's ability to manage data for program decision making and respond timely to federal oversight agencies, such as the Centers for Medicare and Medicaid Services. We describe the data problems we identified below.

**Data on Dual-Eligible Clients:** During the audit, the Department twice provided us with incomplete and inaccurate claims information. Additionally, early in the audit we discovered conflicting information in the eligibility files provided by the Department related to Medicaid clients' eligibility for Medicare. We notified the Department of the discrepancies, and the Department provided further instruction on how to use the appropriate fields within the existing data extract. Later in the audit, when we provided potential exceptions to the Department for review, the Department reported that the data files did not contain the fields necessary to complete our analysis. In particular, these missing fields were necessary to identify whether the provider submitted the claim to Medicare prior to billing Medicaid. Because of the delays in the audit as a result of these problems, it was too late to request another data extract; therefore, we were unable to test the appropriateness of claims for dual-eligible clients to the extent originally planned.

**Data on Third Party Liability Coverage:** We were unable to complete our review of claims involving third party payers. Specifically, Department staff reported to us late in the audit that the third party payer information in the data file provided to us was not validated for accuracy and could not be relied upon for our analysis.

Department staff also described to us some of the problems they have encountered with obtaining timely and accurate data on third party payers from MMIS. Staff explained that the Department maintains two different files related to third party payers, one file in Colorado Benefits Management System (CBMS, which is the State's eligibility system) and another in MMIS (the system used to pay claims). Third party payer information recorded in CBMS must be transferred on a weekly basis to MMIS. As a result, updated information is not available to Department staff and in MMIS for 36 hours after the transfer begins. Department staff reported that this delay can lead to inaccurate claims payments because the correct third party payer data are not available at the time claims are processed. In addition, Department staff reported that updating third party payer information is a time-intensive process. This is because any changes to this information must be manually entered into CBMS, which takes approximately 20 to 30 minutes per client. Staff report that they receive between 500 and 1,500 records per month requiring updates to this information. Further, Department staff must contact insurers and query the companies' Web sites to verify all information recorded in CBMS. The Department has assigned one FTE to input the data, and as a result, third party files are often not current.

Department staff reported that they have requested that the Customer Service Request Committee, which includes staff from ACS and the Department, make certain system enhancements intended to reduce manual data entry time, improve the reliability of the third party payer information in MMIS and CBMS, and ensure there are no improper claims payments. However, as of our audit, these system enhancements have not been developed, approved, or implemented.

**Pricing Data:** Department staff did not provide complete information about the different pricing methodologies used for durable medical equipment and supplies, laboratory, and radiology services until late in the audit. Our initial data request asked for all allowable reimbursement rates and fee schedules by procedure code for durable medical equipment and supplies, laboratory, and radiology services. The Department only provided us with one fee schedule. After our analysis was completed, Department staff informed us that it used six different pricing methodologies to determine the fees paid to providers. Due to this omission, we were unable to assess whether claims were appropriately paid using the additional pricing methodologies. We also identified other discrepancies with the pricing data provided by the Department. For example, the fee schedule we received from the Department contained conflicting fees for the same procedure codes and dates of service. Further, certain procedure codes contained no fee or a fee value of zero, although the fee schedule instructions listed a payment amount other than zero.

The Department's ability to access and use timely, accurate, and complete data is essential to the effective and efficient operations of its Medicaid Program, particularly related to functions such as budgeting and forecasting, medical

management, program planning and reporting, eligibility determinations, claims payments, and contractor oversight. Further, the Department's provision of timely, accurate, and complete data to auditors is important for ensuring the integrity of the audit process. The Department needs to reassess the policies, procedures, and systems in place for retrieving Medicaid data for its own uses as well as for audit requests from federal agencies and other oversight entities, such as the General Assembly. In particular, the Department should evaluate:

- Whether its current processes ensure that appropriate and knowledgeable staff are responding to questions and retrieving data about the Medicaid Program. We experienced a number of delays in completing this audit because Department staff could not address our data questions and, in many instances, provided erroneous data to us, as described in the examples listed above. Further, Department managers reviewing the data often did not identify errors. Currently the Department does not include the expectation that managers provide timely, accurate, and complete responses to audit and other information requests by oversight agencies in managers' performance plans. This is one way the Department could hold its managers accountable for providing timely, accurate, and complete responses.
- Whether accurate data essential for managing the program can be retrieved from its data systems. In particular, the Department should explore options for enhancing its data systems to provide accurate third party payer data in an efficient and timely manner.

The Department should use the results of this evaluation to improve its management of Medicaid data for its own uses and to respond to audit requests from oversight agencies, such as federal agencies and the General Assembly.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster, Activities Allowed or Unallowed. Classification of Finding: Control Deficiency.)

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## **Recommendation No. 80:**

The Department of Health Care Policy and Financing should hold its management staff accountable for the effectiveness of its data systems and for timely, accurate, and complete responses to audit and other information requests by oversight agencies. This expectation should be included in each applicable manager's annual performance plan, and managers should be evaluated on this factor annually. Additionally, the Department should evaluate options for enhancing its data systems to ensure staff are able to retrieve accurate, complete, and timely information from the systems.

## **Department of Health Care Policy and Financing Response:**

Partially agree. Implementation date: Implemented.

The Department agrees that it is responsible for timely, accurate, and complete audit responses, information, and data and has processes in place to accomplish this task. The Department conducts quality reviews on data and information given to the public and the General Assembly. However, the Department disagrees with some of the conclusions drawn in this audit report. The Department has responded timely and accurately to many federal and state audits and was recently complimented by the federal Centers for Medicare and Medicaid Services during a program integrity audit for being responsive and able to provide information and data quickly and accurately.

The Department communicated with the Office of the State Auditor (OSA) at the beginning of the audit that the Department did not have the resources for five external State audits along with several federal audits being conducted simultaneously. A decision was made between the Department and the OSA to delay the audit but pursue the data requests. Initially the Department stated that it would take six months to provide the data outlined in the 18 page data request from Mercer. However, in good faith the Department attempted to expedite the data request to work with the OSA in completing the audit.

The Department feels it already has adequate processes for retrieving accurate, complete, and timely information, however, translating the auditor's requested information from the normal structure used in the claims adjudication system required extensive time mapping the Department's native data from the existing structure into the table and file layouts requested for the audit. More importantly, the complexities of the data and claims adjudication process required that Mercer clearly understand how the data are used and the details of claims adjudication.

As an example, Mercer was provided with all the necessary information and data to accurately analyze and review the third party claims. However, Mercer did not consult with the Department while conducting the analysis and used an inappropriate field to assess these claims even though the correct field and data had been provided. Had Mercer discussed this with Department staff, they would have been able to use to the appropriate field in the first analysis and perhaps provide a more meaningful recommendation.

As part of the Department's continued effort toward improvement, the Department will continue to review its data systems and processes to find any opportunities to improve the data retrieval for audits. The Department will continue to hold its staff accountable for data and information during audits.

### ***Auditor's Addendum:***

***Extensive, repeated efforts were made to address the Department's data omissions, errors, and discrepancies and to work with staff to clarify the fields to be used for data analysis. The larger concern is the Department's ability to access accurate and timely data to support decision-making and to respond to oversight bodies.***

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During Fiscal Year 2009 the Office of the State Auditor conducted the *Access to Medicaid Home and Community-Based Long-Term Care Services Audit*, Report No. 1914, dated February 2009. The information and comments below were contained in that report.

## **Eligibility and Services**

### **Eligibility Determination**

Individuals seeking access to Colorado's Medicaid long-term care programs must meet three different eligibility criteria as follows:

- ***Functional***—Individuals must have functional deficits requiring the level of care provided in a nursing facility, as defined by State Medicaid Rules. For admission to a Home and Community-Based Services (HCBS) waiver program, individuals must also be part of the target population (e.g., elderly, blind, or disabled; brain injury; mental illness) and be at a 30-day risk of institutionalization if not for the provision of waiver services. The Single Entry Point (SEP) agencies are responsible for determining functional eligibility and need for long-term care services. SEP agency case managers perform initial screening and intake duties, conduct the functional assessment, and determine whether individuals' functioning with activities of daily living and/or need for supervision qualifies them for nursing facility level of care. SEP agencies cannot make a level-of-care determination until receiving documentation from the individual's medical provider certifying the individual's medical necessity for long-term care services. SEP agencies complete service plans and authorize services for eligible individuals enrolled in HCBS waivers.

- *Financial*—Individuals must meet established financial income and resource limits. Specifically, individuals cannot have income that exceeds three times the Supplemental Security Income limit (i.e., \$1,911 per month in 2008) and must have limited resources (i.e., \$2,000 for an individual in 2008). The county departments of human/social services are responsible for determining financial eligibility for Medicaid. County Medicaid technicians work with individuals to complete all required paperwork and obtain documentation establishing qualifying monthly income and resources. County technicians are responsible for ensuring that all information regarding functional eligibility, financial eligibility, and disability status are entered into the Colorado Benefits Management System (CBMS).
- *Disability*—Individuals under age 65 must meet disability criteria established by the U.S. Social Security Administration. Disability is defined as a medically determinable physical or mental impairment which results in the inability to engage in any substantial gainful activity, and which has lasted or can be expected to last for more than 12 months. The Department contracts with Consultative Examinations Ltd. (CEL) to make disability determinations for individuals under age 65 applying for Medicaid long-term care services. However, CEL does not review individuals who have already had a disability determination through the Department of Human Services' Disability Determination Service. This agency determines eligibility for Supplemental Security Income (SSI) or Social Security Disability Income (SSDI) benefits on behalf of the U.S. Social Security Administration.

Our audit examined two aspects of eligibility for Medicaid long-term care services: (1) the functional assessment and level-of-care determinations completed by the SEP agencies, and (2) the timeliness of the overall eligibility determination process. We discuss our findings in these two areas in more detail in the following sections.

## Level of Care

Functional eligibility is commonly referred to as the “level-of-care determination” and is not based on clinical diagnosis. Rather, the level-of-care determination is based on an assessment and scoring of the functional impairments underlying the individual’s need for long-term care, not the medical condition that may have contributed to the impairments. To qualify for nursing facility level of care, State Medicaid Rules [Section 8.401.15] require that an individual have functional deficits (i.e., a score of 2 or higher) in at least two of six activities of daily living—bathing, dressing, toileting, mobility, transferring, and eating—or require at least moderate supervision (i.e., a score of 2 or higher) due to behavioral or

cognitive deficits. As discussed previously, the individual's medical provider must also certify the medical necessity of long-term care services. Individuals who do not meet these scoring thresholds are denied eligibility for Medicaid long-term care services. However, if individuals still satisfy the financial eligibility criteria for categorically low-income individuals, they can receive other Medicaid services.

## **Case File Review**

The Department maintains an electronic information system known as the Benefits Utilization System (BUS) that serves as the official central repository of clients' case file information. SEP agencies are required to use the BUS to document and manage all information related to intake, functional assessment, service planning, and ongoing case management activities.

During our audit we conducted file reviews of electronic documentation maintained in the BUS for individuals whose eligibility for long-term care programs was assessed through their SEP agency in February 2008. Specifically, we reviewed intake records for a sample of 30 individuals. Additionally, we contracted with TMF Health Quality Institute to provide specialized expertise and review of functional assessments and, where applicable, service plans for a separate sample of 75 individuals. In both cases, we selected a judgmental, non-statistical sample of individuals to represent a cross-section of case types, such as individuals who were denied eligibility, admitted to a nursing facility, transferred from a nursing facility to the community, and enrolled directly into the HCBS Elderly, Blind, and Disabled (EBD) Waiver. Our samples also included representation of different types of SEP agencies (e.g., county department of human/social service, county nursing service, private nonprofit), SEP agencies serving single- and multi-county districts and different geographic locations, and SEP agencies with different-sized caseloads.

As we describe in the following sections, we identified problems related to SEP agencies' documentation of intake decisions, functional assessment scoring, and completion of the service plan. This raises questions about whether SEP agencies carry out these critical functions consistently, appropriately, or sufficiently.

## **Intake**

State Medicaid Rules [Section 8.486.22] give individuals seeking access to Medicaid long-term care services the right to undergo a functional assessment. However, this rule also requires SEP agencies to rely on information gathered from the individual or his or her family members during the intake process to determine whether referring the individual for a functional assessment is warranted. Unless the individual disagrees with the SEP agency case manager

and requests an assessment, case managers screen out individuals who do not appear to be functionally eligible and refer them to other community resources.

SEP agencies have a responsibility to ensure they screen potential clients appropriately during the intake process and document such decisions sufficiently. State Medicaid Rules [Section 8.486.22] state that the SEP agency “shall explain the reasons for the decision on the intake form.” We reviewed intake records maintained in the BUS for 30 sampled individuals to determine whether SEP agencies’ intake decisions appeared appropriate and were substantiated by the case file documentation. We found that the intake records did not substantiate the intake decision for 5 of the 30 sampled individuals (17 percent). Four of the five individuals were referred for an assessment, and one individual was not referred for an assessment. In each of these five cases, we found that the intake record did not clearly document why the case manager believed the individual was potentially functionally eligible or in need of services or, alternatively, why the individual was screened out and whether referrals were made to other community resources.

## **Assessments**

Federal regulations [42 C.F.R. 441.302] require states operating HCBS waivers to provide for initial and periodic reevaluations of individuals’ need for the level of care provided in a nursing facility. To conduct these evaluations, SEP agencies use a uniform assessment tool prescribed by the Department to assess functional capacity, evaluate needs, and make level-of-care determinations. Assessments are completed upon entry to the program, and reassessments, called “Continued Stay Reviews,” occur at least annually thereafter. The assessment involves a face-to-face interview with the individual; contact with appropriate family members, friends, and caregivers; and supporting diagnostic information from the individual’s medical provider. During the assessment, case managers use a 0-3 scale to score the individual’s level of functioning with six activities of daily living and the individual’s need for supervision due to either behavioral or cognitive deficits. State Medicaid Rules [Section 8.393.26] require SEP agency case managers to provide sufficient documentation substantiating all assessment decisions in the individual’s case file.

The assessment process is intended to provide a clear picture of the individual’s level of functioning and ensure an appropriate level-of-care determination. Therefore, it is incumbent upon SEP agency case managers to adhere to the scoring criteria and to provide sufficient documentation that enables another case manager or an outside reviewer to reasonably arrive at the same conclusion regarding the individual’s functional capacity. Our contractor reviewed case file documentation supporting the functional assessments for a sample of 75 individuals and found that SEP agencies are not adequately assessing and

documenting individuals' level of functioning with activities of daily living and need for supervision in accordance with the scoring criteria established in State Medicaid Rules. Overall, on the basis of its case file review, our contractor found that the case file documentation did not substantiate the SEP agency case manager's scoring on at least one out of eight factors for 25 of the 75 sampled individuals (33 percent). This is a significant error rate. Additionally, the scoring differences identified by our contractor affected the level-of-care determination for eight of these 25 individuals. According to the documentation, seven of the eight individuals were inappropriately deemed functionally eligible for services, and one individual was inappropriately denied eligibility for services. Scoring differences did not affect the level-of-care determination for the remaining 17 of these 25 individuals.

In accordance with the federal Office of Management and Budget *Circular A-133*, we identified questioned costs totaling approximately \$11,200 for the seven individuals who were inappropriately determined to be functionally eligible for EBD Waiver services. The questioned costs cover claims paid between the start of these individuals' certification periods in February 2008 and the conclusion of our audit field work in August 2008. The Department should follow up with the appropriate SEP agencies to reassess these seven individuals and initiate waiver termination for those who are not found to be functionally eligible upon reassessment. The individual who was inappropriately denied eligibility was reassessed in May 2008 and found to have met nursing facility level of care.

The following two examples are from the eight cases where the scoring difference identified by our contractor changed the individual's level-of-care determination. These examples illustrate how a lack of adherence to the scoring criteria and poor or incomplete case file documentation undermine the accuracy and consistency of the assessment process and call into question the individual's functional eligibility for Medicaid long-term care programs:

- One individual was found functionally eligible and enrolled in the EBD Waiver. The SEP agency case manager scored the individual a "2" on dressing, which according to State Medicaid Rules means that the individual needed significant verbal or physical assistance to complete dressing or undressing within a reasonable amount of time. However, the case file documentation showed the individual required little to no verbal or physical assistance with dressing and was otherwise independent in completing the activity safely. The SEP agency case manager also scored this individual a "2" on mobility, which according to State Medicaid Rules means that the individual needed regular cueing, stand-by assistance, or hands-on assistance for safety moving both inside and outside the home. However, the case file documentation showed that, although the individual needed assistance with mobility outside the home, the individual used a cane and was otherwise mobile inside the home with no need for stand-by

or hands-on assistance. Our contractor concluded that the case file documentation did not substantiate the higher score on either the dressing or mobility activities. As a result, this individual did not meet nursing facility level of care and should have been denied eligibility for waiver services.

- One individual was denied eligibility for the EBD Waiver. The SEP agency case manager scored this individual a “1” on behavior, which according to State Medicaid Rules means that the individual exhibited some inappropriate behaviors but none that resulted in injury to herself, others, or property. The SEP agency case manager also scored this individual a “1” on memory/cognition, which according to State Medicaid Rules means that the individual could make safe decisions in familiar or routine situations but needed some help with decision making when faced with new tasks. However, our contractor concluded there was sufficient case file documentation to warrant a higher score on both factors. Specifically, the case file documentation showed that the individual had diagnoses of dementia and depression and had a history of forgetting to take her medications. A mental health provider substantiated the individual’s medication mismanagement. As a result, our contractor determined that this individual met nursing facility level of care and should not have been denied eligibility for waiver services. The SEP agency reassessed this individual three months later in May 2008 and determined that the individual met nursing facility level of care.

We analyzed the distribution of scoring differences identified by our contractor for all 25 individuals across the eight individual scoring factors—bathing, dressing, toileting, mobility, transferring, eating, behavior, and memory/cognition. Our contractor identified at least one scoring difference with every type of scoring factor; however, scoring differences on mobility and transferring together accounted for 58 percent of all scoring differences identified through the file review. We determined that the higher percentage of scoring differences on mobility and transferring is the result of a lack of clarity and definition of the Department’s scoring criteria regarding whether use of an assistive device “counts” toward functional eligibility. For example, it is unclear whether an individual who uses a walker to move across the room without need for any additional assistance should receive the same mobility score as another individual who uses a walker to move across the room but who also needs stand-by assistance for safety. Both clients need a walker for mobility; however, one is clearly more independent and safe than the other in completing the activity.

Currently the Department’s scoring criteria for the mobility and transferring activities leave too much room for discretion and interpretation. We found that individuals’ use of assistive devices is more clearly addressed in long-term care assessment tools used by other states. For example, Wisconsin’s scoring criteria

and scale are similar to Colorado's; however, Wisconsin's assessment instrument includes additional check boxes to denote whether the individual uses assistive devices when completing the activities. Texas' assessment instrument for community-based programs has greater differentiation in the scoring criteria and scale to more accurately reflect use of assistive devices when determining an individual's need for services.

## Service Plans

Federal regulations require that HCBS waiver services be provided under a written plan of care [42 C.F.R. 441.301(b)(1)(i)]. SEP agencies develop a written service plan for eligible individuals who enroll in an HCBS waiver; SEP agencies are not responsible for developing service plans for nursing facility clients. One objective of the service planning process is to identify the type, scope, amount, duration, and frequency of services necessary to address the client's assessed functional capacity and needs while using the most cost-effective methods available. The service plan provides the basis for authorizing services for waiver clients.

Overall, our contractor found that SEP agencies are not developing service plans and authorizing services that sufficiently address waiver clients' assessed needs while minimizing the potential for duplication of services and supplanting existing family, community, and other supports. Of the 75 sampled individuals, our contractor reviewed case file documentation and service plans for the 41 individuals enrolled in the EBD Waiver. The remaining 34 individuals either were denied eligibility or entered a nursing facility; therefore, the SEP agency was not required to develop a service plan for these clients. Our contractor identified at least one problem with the service plan for 20 of the 41 clients (49 percent) reviewed. Again, this is a significant error rate. Our contractor identified three general areas of concern, and some service plans had concerns in more than one area:

- **Unmet service needs.** The service plan should establish a plan of care that addresses the client's assessed functional capacity and needs. However, our contractor identified 11 clients whose service plans were incomplete and did not fully address the clients' needs. For example, one client's functional assessment substantiated that the client had difficulty bathing and identified a need to install grab bars in the bathroom. The service plan documentation showed that the case manager did not address this need either by authorizing waiver services (e.g., home modifications) or through referral to other resources. In another case, the client's unsafe living situation should have been referred to Adult Protective Services. The client had a need for supervision due to behavioral and cognitive deficits; however, the client was managing his wife's medication. The

case file documentation stated that the client provided his own prescription pain killers to his wife when her medication ran out, and that family members expressed concern the client was overmedicating his wife. Our contractor's assessment was that this was an unsafe situation not recognized and sufficiently addressed by the case manager.

- **Unnecessary services.** State Medicaid Rules [Section 8.393.23(D)] require case managers to be prudent purchasers of HCBS waiver services, which means that services should not (1) be authorized for a client unless there is a demonstrated functional need; (2) duplicate services provided by other public or privately funded programs (e.g., home health services); or (3) supplant self-care, family care, and other informal community-based resources currently available to the client, provided that these resources adequately meet the client's needs. Our contractor identified nine cases where the authorized HCBS waiver service appeared to be unnecessary or potentially duplicated or supplanted other services already being used by the client. For example, in two cases, personal care provided by an external provider and personal care provided by a relative were both authorized to assist the client with the same activity. The file documentation did not explain how these two services differed from one another. In a third case, the client's family purchased an electronic monitoring unit, but the service plan indicated that the ongoing monthly costs to operate the unit would be paid through the HCBS waiver. The case file documentation did not explain whether the client's family was unable or unwilling to cover these ongoing monthly costs; therefore, we were unable to conclusively determine whether an existing resource available to the client was supplanted with a Medicaid-covered service.
- **Planned versus authorized services.** Service plans are required for all clients accessing HCBS waiver services, and all authorized services should appear on the client's service plan. Our contractor identified one client who had waiver services authorized; however, there was no corresponding service plan. Our contractor identified an additional four clients where the authorized waiver services and service plan did not match. For example, in one case, the client's service plan included both personal care and electronic monitoring services, but neither service was authorized. For this same client, homemaker services were authorized, but this service did not appear on the client's service plan.

## Improvements Are Needed

Most of the problems identified through our case file review were rooted in inconsistent application of standards and incomplete case file documentation by SEP agencies. The Department needs to take steps to ensure that SEP agencies'

intake, functional assessment, and service planning efforts are done consistently and appropriately. First, the Department should provide complete written guidance to direct SEP agencies on all aspects of the intake, functional assessment, and service planning processes, including how case managers should document information in the BUS. State Medicaid Rules and the Department's functional assessment instrument should be modified to more clearly define how to score functioning when the individual uses an assistive device. During our audit, SEP agencies routinely expressed a need for the Department to specify its expectations in writing, such as in a policy and procedures manual. Written guidance should clearly articulate the proper interpretation and application of scoring criteria outlined in State Medicaid Rules. It also should emphasize case managers' responsibility when completing the service plan to identify all resources—both Medicaid and non-Medicaid—that the client relies on to remain in the community.

Second, along with written guidance, the Department should strengthen its training program for SEP agencies. State Medicaid Rules [Section 8.393.45(B)] leave SEP agencies largely responsible for their own in-service and staff development training. However, SEP agency staff are required to attend training sessions as directed or provided by the Department. State-sponsored or state-approved training helps to emphasize standards and requirements, promote consistency, and communicate changes in requirements. Even for experienced case managers, training ensures that a knowledge base and skills are maintained and that consistent practices are followed. Until July 2003 case managers were required to complete up to 16 hours of state-approved training. The Department should make available and once again require case managers to complete state-sponsored or state-approved training in core areas on a routine basis. The Department could establish different training requirements for different levels of case manager experience and responsibility. Case managers who fail to complete the required training should be prohibited from completing functional assessments and service plans and authorizing services for clients. The Department should explore opportunities for online training courses or self-study modules as a way to control costs and make training more widely available and on demand by SEP agencies.

Finally, the Department should set minimum standards for SEP agencies' quality assurance and case file review practices, including steps for measuring inter-rater reliability of functional assessment scoring. Inter-rater reliability is the extent to which two or more individuals (e.g., raters) are consistent in their scoring of common cases. Training, education, and monitoring can enhance inter-rater reliability. State Medicaid Rules [Section 8.393.41(B)] specify that SEP agencies' administrative and supervisory functions must include quality assurance and case record reviews on at least a sample basis. However, during our audit we identified weaknesses in case file review practices at three of the six SEP agencies we visited. For example, one SEP agency did not have written policies and

procedures specifying who was to complete the reviews, the frequency of the reviews, or the number of cases to be reviewed; two SEP agencies did not require use of a standard form for completing the case file review; two SEP agencies did not specify how the results of case file reviews would be used (e.g., case manager performance evaluations); and three SEP agencies did not systematically compile and report on the results of their case file reviews. None of the SEP agencies' file review practices included steps to measure inter-rater reliability. The Department should take steps to ensure more consistency and completeness in SEP agencies' case file review practices, because these reviews are the primary means of identifying and correcting problems with assessments and service plans, evaluating case manager performance, identifying additional training needs, and improving service delivery for clients.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Eligibility. Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 81:**

The Department of Health Care Policy and Financing should ensure a comprehensive and uniform assessment process for determining functional eligibility and the services necessary to address the needs of individuals seeking long-term care services by:

- a. Improving written guidance to direct Single Entry Point (SEP) agencies on all aspects of the intake, functional assessment, and service planning processes, including how case managers should document information in the Benefits Utilization System.
- b. Modifying State Medicaid Rules to more clearly define how to score functioning when the individual uses an assistive device, and making appropriate corresponding changes to the Department's functional assessment instrument.
- c. Strengthening its state-sponsored training by making standard core training courses available to all SEP agencies. Case managers should be required to complete state-sponsored or state-approved training in core areas commensurate with their level of experience and responsibility on a routine basis. Case managers who fail to complete the required training should be prohibited from conducting functional assessments and developing service plans for clients.
- d. Setting minimum standards for SEP agencies' quality assurance and case file review practices. Standards should include steps for measuring inter-

rater reliability of functional assessment scoring and for systematically compiling, reporting, and addressing the results of the case file reviews.

## **Department of Health Care Policy and Financing Response:**

Agree. Implementation date: October 2009.

- a. During its own State Fiscal Year 2007-2008 annual program review of Single Entry Point (SEP) agency performance, the Department identified the need to improve written guidance to all Case Management Agencies (CMAs)—SEP agencies, Community Centered Boards, and private case management agencies. On October 15, 2008, the Department issued Dear Administrator Letter (DAL) 09-04-CB providing specific guidance to CMAs on the intake and referral processes. This guidance included time frames and documentation requirements. The Department is drafting similar DALs to address the assessment and service planning processes. The Department is also developing rule revisions that will support necessary changes to the intake, functional assessment, and service planning processes. The Department will continue to develop written guidance to CMAs as deemed necessary to ensure key processes are adequately applied and appropriate documentation is entered in the Benefits Utilization System.
- b. Currently the Department is in the process of revamping the functional assessment tool (ULTC 100.2) and will be issuing detailed instructions to the Single Entry Point (SEP) agencies, Community Centered Boards (CCBs) and private Case Management Agencies (CMAs) on completion of the form. On-line instructions are being programmed into the Benefits Utilization System, and written instructions will be conveyed to the SEP agencies, CCBs, and CMAs through the Dear Administrator Letter process. In addition, training will be provided to the SEP agencies, CCBs, and CMAs in the Spring of 2009 regarding the proper completion of the assessment tool. Modifications to the State Medicaid Rules to reflect the changes are in the drafting stage with a target date of July 2009 and an effective date of October 2009.
- c. The Department has provided, and will continue to provide, trainings on specific programs, waivers, and issues. Due to resource limitations, trainings to date have been modeled on a Train-the-Trainer approach and offered to agency supervisors and trainers on an annual basis at a statewide training. The Department will be revising this approach and will provide multiple regional trainings to case managers over the next

several months. These trainings will target the important processes relevant to waiver access, service plan development, and utilization review. The Department will continue to explore case management training and credentialing programs as resources permit.

- d. The Department will expand its existing Single Entry Point (SEP) agency monitoring efforts to include case file development and inter-rater reliability on functional assessment scoring. These efforts will include the establishment of minimum standards for SEP agency quality assurance and case file review practices. The Department is developing specific performance measures addressing a number of assurances in its waiver applications with the federal Centers for Medicare and Medicaid Services. Systemic processes are being reviewed and changed when appropriate to allow the Department to compile, report, and address the results of all case file reviews.

The Department will review this recommendation in the context of existing Department resources. Plans for implementation will be prioritized based on the availability of resources and the relative importance of the issue. In the event that it is determined that additional staff, outside contractors, or other resources are needed to carry out the recommendations, the Department will request funding through the normal budget process. Given the current economic climate and the fact that the Department is currently understaffed, the Department anticipates it may not be able to request all of the funding it needs to implement all of its prioritized items during the current or next fiscal year.

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## **Timeliness of Eligibility Determination**

Federal regulations, State Medicaid Rules, and Department policies establish required time frames for assessing an individual's functional needs, processing an individual's financial eligibility for Medicaid, and determining an individual's disability status, if applicable. Before and after these eligibility determination processes take place, SEP agencies complete additional steps related to intake and service authorization, respectively.

Eligibility processes are intended to run in coordinated fashion, including some that run concurrently, to facilitate individuals' access to services. However, we found the Department lacks a mechanism to effectively and efficiently monitor the timeliness of all parts of the eligibility determination process in an integrated manner. The Department is unable to determine how long it takes applicants for long-term care services to complete all phases of the eligibility determination

process. Further, the Department has not set an overall time frame for how long it should take individuals to get access to services from the time they enter the system. Consequently, the Department lacks assurance that eligible individuals are getting timely access to Medicaid long-term care services. This is a concern because applicants for long-term care generally have impaired functioning, and untimely access to services could adversely affect their health and safety. For those individuals seeking care in the home or community, a delay in receiving services could increase the risk of institutionalization. Moreover, because of impairments to functional and/or cognitive abilities, individuals most in need of services are perhaps the least able to successfully navigate the eligibility determination bureaucracy.

For the 25 community referrals in our sample who were enrolled in the EBD Waiver, we found that it took between 8 and 72 working days (about 1½ weeks to 3½ months), with an average of 32 working days (about 1½ months), from the time the individual was referred to the SEP agency to the time the individual was authorized to receive waiver services. However, these statistics represent a best-case scenario. To properly evaluate SEP agency assessment and service planning activities, we sampled individuals who were assessed in February 2008 and who had services authorized by April 2008 at the time we drew our sample.

We are concerned that there are a number of individuals in need of long-term care who wait significantly longer to receive care. We encountered difficulties during our audit that we believe illustrate why the Department is unable to effectively and efficiently assess the overall timeliness of eligibility determination processes in an integrated manner. For example, there are numerous rules and regulations that define processing order and time frames for different types of cases. Additionally, some of these regulations do not reflect current practice at SEP agencies and county departments of human/social services. Certain time frames are based on calendar days; others are based on working days. Data are maintained across different state systems (i.e., the BUS and CBMS) plus a private contractor (i.e., CEL). Data fields are not populated or treated consistently, which affects the completeness and reliability of any analysis performed. Finally, different Department units and staff are responsible for monitoring and overseeing the different eligibility processes.

In addition to a lack of integrated monitoring, we also found the Department does not ensure that individual components of the eligibility determination process occur in compliance with established time frames. Specifically:

- **Functional Eligibility.** State Medicaid Rules [Section 8.393.22(A)] require SEP agencies to assess individuals being discharged from a hospital or nursing facility within two or five working days, respectively, after receiving notification from the discharging agency. SEP agencies must assess individuals who are community referrals (i.e., not a hospital or

nursing facility discharge) within 10 working days after receiving notification from the county that the individual has applied for Medicaid. We reviewed case file documentation in the BUS for a sample of 75 individuals who were assessed for long-term care through their SEP agency in February 2008 to determine how long the SEP agency took to complete the functional assessment. We identified 16 out of 68 cases (24 percent) where the SEP agency exceeded the maximum allowable time frame. These individuals waited between 4 and 40 working days beyond the maximum allowable time frame for the SEP agency to complete the functional assessment. We could not complete this test for the remaining seven cases in our sample due to a lack of sufficient information in the case file to anchor the start of the assessment period. The Department has also found problems with the timeliness of functional assessments. For example, in Fiscal Year 2008 the Department cited 15 out of the 23 SEP agencies (65 percent) for late assessments.

- **Financial Eligibility.** Federal regulations [42 C.F.R. 435.911] and State Medicaid Rules [Section 8.100.27] specify that Medicaid applications must be processed within 90 calendar days from the date of application for individuals applying for Medicaid on the basis of disability (i.e., applications requiring a disability determination through CEL) and within 45 calendar days for all other applications. We analyzed weekly reports available in CBMS that list, by county, all Medicaid long-term care applications awaiting a final determination of financial eligibility. As of May 24, 2008, a total of 2,323 applications were pending statewide. Our analysis showed that 412 applications (18 percent) were pending for more than 90 calendar days and therefore exceeded the required processing time frames. Another 625 applications (27 percent) were pending for between 45 and 90 calendar days, and unless all of these applications required a disability determination, some also exceeded allowable processing time frames. The CBMS report of pending applications that we used for our analysis does not contain information on whether the application required a disability determination. Therefore, we were unable to determine how many of these 625 pending applications should have been processed within 45 calendar days. The Department has other detailed reports available in CBMS listing cases that exceed processing guidelines; however, we were unable to reconcile the information in these reports with the data on pending applications.

This audit focused specifically on the timely processing of Medicaid long-term care applications; however, our Statewide Single Audits for Fiscal Years 2006 and 2007 identified problems with the timely processing of Medicaid applications generally. Moreover, a July 2007 review of CBMS by the federal Centers for Medicare and Medicaid Services (CMS) noted that “the significant proportion of applications exceeding the regulatory

time frames for processing do not reflect the effective and efficient administration of the Medicaid program, [and]...this delay in processing time can delay access to medical care considerably.”

- **Disability Determinations.** Individuals applying for Medicaid long-term care services who are under age 65 and who have not had a disability determination must complete a disability application with the county department of human/social services at the same time they apply for Medicaid. The county Medicaid technician forwards the disability application to the Department’s disability determination contractor, Consultative Examinations, Ltd. (CEL). CEL is required by contract to complete the disability determination within 70 calendar days of receiving the application from the county. We reviewed data provided by CEL for the 164 disability determinations it completed in May 2008 and found that 32 (20 percent) exceeded the contracted 70-calendar-day time frame. Disability determinations on these 32 applications took an additional 1 to 108 calendar days to complete. According to CEL, there are multiple reasons why disability determinations exceeded contracted time frames, including: delays in receiving evidence, such as medical examination or documentation, substantiating the condition upon which disability is being claimed (28 of the 32 applications); the applicant’s failure to provide information and/or documentation to CEL in a timely manner (18 of the 32 applications); and other deficiencies such as an incomplete application (13 of the 32 applications). We also found that county delays in transmitting the disability application to CEL contributed to an overall delay in completing the disability determination. Specifically, for the 164 disability determinations completed in May 2008, we found counties took an average of 62 calendar days from the application date to transmit the disability application to CEL. This delay does not count against CEL’s contracted time frame, but does delay services to eligible applicants.

Finally, certain tasks must occur in proper sequence to ensure that eligibility processes at the SEP agency and at the county department of human/social services move forward at the same time. For example, in the case of community referrals, State Medicaid Rules [Section 8.393.22(A)] require the SEP agency to verify with the county department of human/social services that the client has applied for Medicaid before proceeding with the functional assessment. In part, this is intended to ensure that the State does not pay SEP agencies to conduct unnecessary assessments. We identified two community referral cases in our sample where the SEP agency completed the functional assessment prior to verifying the individual’s Medicaid application with the county. Further, Department staff reported that SEP agencies are allowed to assume that individuals referred by the county have already applied for Medicaid. However, we identified four cases in our sample where the individual submitted a Medicaid application to the county *after* the county referred the individual to the SEP

agency. In Fiscal Year 2008 the Department cited 10 out of 23 SEP agencies (43 percent) for deficiencies in documenting communications with the county regarding individuals' Medicaid applications and eligibility status.

## **Integrated Approach**

As we have noted throughout this section, different agencies are responsible for determining individuals' functional capacity, financial eligibility, and disability status. We found these processes are not coordinated. The Department needs to take steps to improve the integration and timeliness of eligibility processes. First, the Department should provide clear and consistent written guidance regarding how the timeliness of the functional assessment and other SEP agency processes (e.g., intake) will be measured, and improve the BUS to ensure that all data points necessary to evaluate timeliness are captured and accessible for aggregate reporting. Currently there is not a consistent understanding among Department staff or SEP agencies regarding where information should be recorded, what different date fields mean, or how date fields are used. Additionally, SEP agencies track a significant amount of information on case processing in log notes which cannot be quickly queried and summarized for analysis. The Department should develop fields in the BUS enabling it to track and report on the timeliness of functional assessments for the entire client population by SEP agency and systemwide.

Second, the Department should provide clear guidance to county departments of human/social services to ensure that county Medicaid technicians accurately and consistently record the start of the processing time frame for Medicaid financial eligibility determinations in CBMS. Federal regulations and State Medicaid Rules require processing time frames to be measured from the application date; however, Department staff reported that counties enter varying dates into the "Application Date" field, such as the date the county received all application materials, the date the individual signed the application, or the date the individual delivered the application to the county. Without valid and reliable data, the Department's CBMS reports are ineffective tools for monitoring the timeliness of application processing and compliance with federal and state requirements.

Third, the Department should ensure that weekly CBMS reports on pending Medicaid long-term care applications correctly identify all applications that were not processed within required time frames, including those applications that were not processed within the 45-calendar-day requirement. To help with troubleshooting, the Department should explore ways to systematically capture reasons why applications are processed late or remain pending beyond established deadlines and work with county departments of human/social services to address problems. Further, the Department should compile and track summary statistics, such as average and median processing times, the percentage of applications

processed timely and late, and an aging analysis of pending applications, on both a county and statewide basis. The Department also should work with its disability determination contractor and the county departments of human/social services to investigate and address the underlying factors contributing to delays in transmitting disability applications.

Finally, the Department should capture and analyze data to evaluate how long it takes individuals to get access to Medicaid long-term care services from the time they first enter the system. The analysis should include the establishment of an overall goal or time frame for determining whether access is timely. Inefficiencies and delays at any phase of processing long-term care applications can lead to delays in individuals' receipt of services. The Department has a responsibility to analyze and understand how all parts of the eligibility determination process interact and to take action to ensure eligible individuals have timely access to services. Integrated information and monitoring are critical for the Department to effectively identify problems and delays in the process and make necessary and lasting changes.

*During our Fiscal Year 2009 financial audit, we reviewed the parts of this recommendation that the Department had reported were implemented or were in the process of being implemented. We found that the Department had defined "Application Date" and clarified the application processing timelines for all Medical eligibility sites within the Department rules. The Department is also currently working on the recommended changes for the Colorado Benefits Management System and anticipates completing these changes during 2010 at the earliest. The Department has established a requirement for the county and MA sites to develop and implement a procedure for reviewing the processing of applications, implement corrective action plans for thresholds identified by the Department, and report this information quarterly to the Department through the Medical Eligibility Site Quality Improvement Plans (Annual Plans). Additionally, the Department is in the process of hiring a new disability determination contractor that will investigate and review the underlying factors contributing to the delays in transmitting disability applications.*

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Eligibility. Classification of Finding: Significant Deficiency.)

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## **Recommendation No. 82:**

The Department of Health Care Policy and Financing should ensure eligible individuals have timely access to Medicaid long-term care services by developing an integrated approach to monitor the timeliness of all components of the

eligibility determination process, identify problems, and make improvements. At a minimum, the Department should:

- a. Provide clear and consistent written guidance to Single Entry Point (SEP) agencies regarding how the timeliness of the functional assessment and other processes will be measured. Guidance should specify defined dates that anchor the start and end of the time frames being measured.
- b. Make improvements to the Benefits Utilization System to capture all dates necessary to evaluate the timeliness of SEP agencies' intake and functional assessment processes. This should include moving relevant information currently maintained in case log notes into defined date fields. Timeliness statistics should be tracked and reported for the entire client population by SEP agency and systemwide on a routine basis. System improvements should be accompanied by written guidance to ensure that all date fields are populated and treated consistently by users.
- c. Provide written guidance to ensure county Medicaid technicians consistently and accurately capture the start of the Medicaid application processing timeframe in the Colorado Benefits Management System (CBMS).
- d. Make changes to weekly reports in CBMS to identify all pending Medicaid long-term care applications that exceed required processing time frames and compile summary statistics on the timely processing of Medicaid applications by county and statewide. The Department should continue to work with county departments of human/social services to identify reasons why Medicaid applications are processed late or remain pending beyond established deadlines and address problems.
- e. Work with the disability determination contractor and county departments of human/social services to investigate and address the underlying factors contributing to delays in transmitting disability applications.
- f. Capture and analyze data on an ongoing basis to monitor and evaluate how long it takes eligible individuals to gain access to Medicaid long-term care services from the time they first enter the system.
- g. Establish an overall goal or timeframe for determining whether access to long-term care services is timely.

## **Department of Health Care Policy and Financing Response:**

- a. Agree. Implementation date: October 2009.

The Department issued Dear Administrator Letter 09-04-CB on October 15, 2008, providing guidance on the intake and referral process for assessment, including time frames and documentation requirements. Additional written direction under development will target other aspects of assessment and service planning. Recently approved waiver applications to the federal Centers for Medicare and Medicaid Services ensure the important time frames identified in this audit will be addressed and monitored.

- b. Agree. Implementation date: December 2009.

Improvements to the Benefits Utilization System (BUS) to capture timeliness is in process and ongoing. The BUS reporting capabilities are being enhanced to provide timeliness statistics on each agency, for the entire system, and by waiver program. Dear Administrator Letter 09-04-CB published and distributed on October 15, 2008, provided written guidance on the use of various date fields related to the intake and referral for assessment section of the BUS. Additional written guidance on a variety of core case management concerns will be provided as those areas are completed. The Department will also continue to make necessary improvements to the BUS as resources permit.

- c. Agree. Implementation date: Spring 2009.

The Department is in the process of rewriting the Medicaid eligibility rules, which will provide clarity of the start of the application processing time frames. The rules are anticipated to become effective in Spring 2009.

- d. Agree. Implementation date: Contingent upon available funding and joint prioritization.

Contingent upon available funding for system changes and upon the joint prioritization process with the Department of Human Services, the Department will work toward modifying the Colorado Benefits Management System reports to accurately capture the 90-day time frames for long-term care applications subject to a disability

determination and the 45-day time frames for long-term care applications that are not subject to a disability determination.

The Department has created a Medical Eligibility Quality Improvement Committee which includes our eligibility site partners. The Committee has created a Medical Eligibility Quality Improvement Plan. One goal of the Plan is to improve the timely processing of applications. Work toward meeting this goal will continue in 2009.

- e. Agree. Implementation date: Starting in June 2009.

The Department is preparing the Request for Proposals (RFP) and contract for the July 1, 2009 disability determination vendor procurement. The RFP and contract are anticipated to require the vendor to propose and implement solutions to address the delay in transmitting disability applications.

The Department has created a Medical Eligibility Quality Improvement Committee which includes our eligibility site partners. The Committee has created a Medical Eligibility Quality Improvement Plan. One goal of the Plan is to improve the controls over timely processing of medical applications, which includes long-term care. As monitoring quality is a continuous effort, work toward meeting this goal will continue throughout 2009.

- f. Agree. Implementation date: October 2010.

The Department will determine a methodology to capture and analyze data to evaluate how long it takes eligible individuals to gain access to Medicaid long-term care services.

- g. Agree. Implementation date: Ongoing.

The Department's goal is to meet federal regulations pertaining to eligibility determination of 45 to 90 days depending upon the need for disability determination. The Single Entry Point agencies will be required to initiate long-term care services within five business days of notice of the eligibility determination.

The Department has created a Medical Eligibility Quality Improvement Committee which includes our eligibility site partners. The Committee has created a Medical Eligibility Quality Improvement Plan. One goal of the Plan is to improve the time frame for eligibility determination. Work toward meeting this goal will continue in 2009.

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## Federal Reporting

States administering HCBS waivers are required to report certain programmatic and financial data to the federal government. In particular, states must submit a CMS-372 report on an annual basis for each HCBS waiver to report on the waiver's cost-effectiveness. This report does not affect the drawdown of federal funds. Accurate reporting of data is critical for effective monitoring and oversight of federal programs. During our audit we identified a significant understatement of home health expenditures on a more detailed State working version of the Fiscal Year 2007 CMS-372 report submitted to CMS for the EBD Waiver. Specifically, the more detailed report showed total home health expenditures for waiver clients of approximately \$1.8 million. However, our analysis of Fiscal Year 2007 claims data showed that total home health expenditures for waiver clients were significantly higher. As of the end of our audit, we determined that the more detailed State working version of the CMS-372 report understated home health expenditures for EBD Waiver clients by approximately \$49.4 million. We are concerned this understatement skewed the figures on the CMS-372 report that the Department submitted to CMS. An understatement of home health expenditures for waiver clients would cause the EBD Waiver to appear more cost-effective than it actually was. We examined the Department's CMS-372 reports for the EBD Waiver for Fiscal Years 2003 through 2006 and did not identify any evidence that similar understatements occurred in prior years.

Although it appears to have been an isolated event, the understatement was sizeable and constitutes a deficiency in internal controls over reporting for the HCBS waivers. The Department needs to develop additional procedures to review and verify the accuracy of CMS-372 reports and the underlying data prior to submitting the reports to CMS. Upon being notified of the understatement, the Department began researching the issue. As of the end of our audit, the Department was still determining whether corrections to the Fiscal Year 2007 CMS-372 report for the EBD Waiver are necessary. If changes are found to be necessary, the Department should submit a corrected report to CMS.

*During our Fiscal Year 2009 financial audit, we found that the requirement to report has been extended from six months to eighteen months after the waiver fiscal year end, which allows the Department to conduct a thorough review of the report prior to submitting it to CMS. The Department staff reported they have not developed procedures as they believe existing procedures are adequate. Additionally, the Department asked its fiscal agent to review the 2007 report, and the Department reported that no changes were necessary. Therefore, the Department did not submit a corrected 2007 report. However, the Department could not provide documentation of this review.*

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Reporting. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 83:**

The Department of Health Care Policy and Financing should ensure that reports submitted to the federal government regarding the Home and Community-Based Service (HCBS) waivers are accurate and complete by:

- a. Developing procedures to review the accuracy of CMS-372 reports and the underlying data prior to submitting the reports to the federal Centers for Medicare and Medicaid Services (CMS).
- b. Completing its research on the discrepancy identified during the audit regarding the Fiscal Year 2007 CMS-372 report for the Elderly, Blind, and Disabled Waiver and submitting a corrected report to the federal CMS as necessary.

### **Department of Health Care Policy and Financing Response:**

Agree. Implementation date: June 2009.

- a. The Department verifies the CMS-372 data against the Decision Support System. Because of this check, errors were found for the Fiscal Year 2006-2007 reports, which were corrected before being submitted to the federal Centers for Medicare and Medicaid Services (CMS). However, acute care expenditures for clients while they were in the waiver were not verified. The Department will add a reasonableness check for acute care services for waiver clients, check the home health care expenditures on the internal version of the report, and expand our review of its accuracy. New procedures instituted by CMS will allow for more time to verify the expenditures. In particular, the requirement to report has been extended from six months after the waiver fiscal year end to eighteen months after the waiver fiscal year end.
- b. The Department continues to research the issues raised in this section of the audit. If a problem is found to exist, the report will be corrected and resubmitted to the federal Centers for Medicare and Medicaid Services (CMS). If research proves that the additional home health

services were not included in the acute care services calculation correctly, documentation will be submitted to CMS.

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During Fiscal Year 2009 the Office of the State Auditor conducted the *Controls Over Payments Medicaid Community-Based Services for People with Developmental Disabilities Performance Audit*, Report No. 1832, dated June 2009. The performance audit contains findings and recommendations addressed jointly to the Department of Health Care Policy and Financing and the Department of Human Services. These findings and recommendations and the responses of the agencies are included at the end of the Department of Human Services chapter within the III. Federal Award Findings section of this report. There was one finding addressed solely to the Department of Health Care Policy and Financing that can be seen below.

## **Oversight by HCPF**

As the Single State Medicaid Agency, HCPF is charged with maintaining oversight of the Home and Community-Based Services for the Developmentally Disabled HCBS-DD waiver program. According to federal regulations [42 CFR Section 431.10], the Single State Medicaid Agency cannot delegate authority for the administration or supervision of the State's Medicaid programs, or for issuing policies, rules, and regulations on program matters. Regulations further indicate that if other state or local agencies or offices perform services for the Single State Medicaid Agency, these agencies must not have the authority to change or disapprove any administrative decision of the Medicaid agency, or otherwise substitute their judgment for that of the Medicaid agency with respect to the application of policies, rules, and regulations issued by the Medicaid agency. Further, state regulations [10 CCR 2505-10] affirm that the HCBS-DD waiver is administered by the Division under the oversight of HCPF.

We reviewed HCPF practices for providing oversight of the HCBS-DD waiver and found that HCPF has not adequately monitored the Division's fiscal administration of the waiver program. While HCPF staff report that they meet regularly with Division staff, we found that HCPF was unaware of the problems we identified with the Division's system of payment controls. For example, HCPF staff reported to us that the Division was conducting post-payment review of claims; we found that the Division was not performing this function. Additionally, HCPF was not aware of weaknesses in the Division's utilization review policies for service requests or that the utilization review process had not been standardized and was not performed by qualified staff. Further, HCPF did not ensure that the Division's service request review and approval process was effective at identifying high-risk services or ensuring the necessity of the services approved. Finally, HCPF has not required the Division to develop a

comprehensive set of written fiscal and administrative procedures governing the HCBS-DD program, instead allowing the Division to issue Directive Memorandums to communicate updates and changes in policies and procedures to CCBs.

Due to HCPF's lack of sufficient monitoring and oversight of the Division's fiscal policies and procedures, we question whether HCPF has effectively performed its responsibilities as the Single State Medicaid Agency. Failure to meet federally required assurances puts future funding for the program at risk and could leave people with developmental disabilities vulnerable to loss of services.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster, Subrecipient Monitoring. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 84:**

The Department of Health Care Policy and Financing should improve monitoring and oversight of its interagency agreement with the Division to ensure compliance with agreement provisions, as well as with federal requirements. The Department should make monitoring improvements to ensure the Division:

- a. Develops clear, written fiscal and administrative procedures for the Home and Community-Based Services for the Developmentally Disabled (HCBS-DD) waiver program.
- b. Provides timely training and technical assistance to the CCBs.
- c. Monitors service provision, quality, and financial accountability.

In the event that HCPF finds the Division is not carrying out its responsibilities, HCPF should work with the Division to develop a plan to address deficiencies or identify other appropriate options for overseeing and administering the HCBS-DD waiver program.

### **Department of Health Care Policy and Financing Response:**

Agree. Implementation date: June 2010.

Through the interagency agreement for Fiscal Year 2010, HCPF has included specific language, accountability requirements, and timelines to support oversight and monitoring of the developmental disability waivers. HCPF will meet with the Department of Human Services on a monthly

basis, and more often as necessary, to report on the administration of the developmental disability waivers. Specifically, the Department of Human Services will comply with the following schedule for each of the aforementioned recommendations:

- a. The Department of Human Services will begin developing clear, written fiscal and administrative procedures for the HCBS-DD waiver program by July 1, 2009 and the procedures will be fully implemented by June 30, 2010.
- b. The Department of Human Services will provide quarterly reports on training and technical assistance to the CCBs.
- c. The Department of Human Services will submit monthly and quarterly reports on service provision, quality, and financial accountability.

HCPF will communicate deficiencies to the Department of Human Services when there is non-compliance and will require specific plans for remediation.

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**Department of Health Care Policy and Financing****Prior Recommendations  
Material Weakness or Significant Deficiency  
Not Remediated by the Department  
As of June 30, 2009**

The following recommendations relating to internal control deficiencies classified as material weaknesses or significant deficiencies were communicated to the Department in previous years and have not yet been remediated as of June 30, 2009. These recommendations can be found in the original report and the IV. Prior Recommendations Section of this Report.

<b>Current Rec. No.</b>	<b>Prior Report and Rec. No.</b>	<b>Recommendation/ Classification</b>	<b>Implementation Date Provided by Department</b>
2009 Single Audit Rec. No. 85	2008 Single Audit Rec. No. 64	Provider Eligibility <i>Material Weakness</i>	a. [1] b. December 2010 c. [1]

<sup>[1]</sup> This part of the recommendation has been implemented, partially implemented, or is not applicable. See IV. Prior Recommendations Section of this Report.

# Department of Higher Education

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## Introduction

The Department of Higher Education was established under Section 24-1-114, C.R.S., and includes all public higher education institutions in the State. It also includes the Auraria Higher Education Center, the Colorado Commission on Higher Education, the Colorado Student Loan Program dba College Assist, CollegeInvest, the State Historical Society, and the Division of Private Occupational Schools. Please refer to the introduction section in the Department of Higher Education chapter within the II. Financial Statement Findings section for additional background information.

## University of Colorado

### Organization and Administration

The University of Colorado (the University) was established on November 7, 1861, by Act of the Territorial Government. Upon the admission of Colorado into the Union in 1876, the University was declared an institution of the State of Colorado (the State) and the Board of Regents was established under the State Constitution as its governing authority.

The University consists of the system office and the following three campuses:

- University of Colorado at Boulder (CU–Boulder)
- University of Colorado of Denver (UC–Denver)
- University of Colorado at Colorado Springs (CU–Colorado Springs)

The three campuses comprise 28 schools and colleges, which offer more than 144 fields of study at the undergraduate level and 163 fields at the graduate level. Approximately 250 bachelor and master's degrees, along with 75 doctorates, are offered.

The Board of Regents is charged constitutionally with the general supervision of the University and the exclusive control and direction of all funds of and appropriations to the University, unless otherwise provided by law. The Board of Regents consists of nine members serving staggered six-year terms, one elected from each of the State's seven congressional districts and two elected from the State at large.

The following comment was prepared by the public accounting firm of KPMG LLP, which performed the Fiscal Year 2009 audit work at the University of Colorado.

### **Return of Title IV Funds**

The Code of Federal Regulation (CFR), Title 34, Sections 668.22(a)(1) through (a)(3) requires that when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV aid earned by the student as of the student's withdrawal date, with any unearned amounts being returned to the program.

During Fiscal Year 2009, the University of Colorado Denver (UCD) distributed \$146 million in Title IV funds, and returned \$549 thousand of such funds upon the withdrawal of students from UCD. When a recipient of Title IV assistance withdraws from UCD, financial aid staff manually calculate any amounts that are to be returned under the program's regulations. The calculation as of the withdrawal date is based on a formula and is not reviewed by a supervisor or someone other than the preparer. The lack of a review by someone other than the preparer increases the risk that amounts are incorrectly calculated.

We selected 30 students who received Title IV funds and withdrew from UCD during Fiscal Year 2009. We found that the withdrawal amounts for nine of those students were calculated incorrectly. Specifically, the exceptions pertained to the entering of the incorrect number of days for institutional breaks and mathematical errors. In total, we noted the return amount was overstated by approximately \$2,000. While the net amount of the errors in our sample did not represent any questioned costs and is considered insignificant overall, the lack of a secondary review over the calculations increases the risk that future withdrawal calculations may be incorrect.

(CFDA Nos. 84.032, 84.063; Federal Family Education Loans, Federal Pell Grant Program; Special Tests and Provisions. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 86:**

The University of Colorado should implement review procedures at the University of Colorado of Denver over the Return of Title IV calculations. The review, which can be performed on a sample basis, should be performed by someone other than the preparer of the calculation, be evidenced by the

reviewer's signature and date the review was performed, and consider the inputs and the mathematical accuracy of the calculations.

### **University of Colorado Response:**

Agree. Implementation date: August 2009.

The University will strengthen its current controls over the calculation of Return of Title IV program funds by adding a secondary review and approval of the calculation. The University will ensure the secondary review is appropriately documented.

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## **Colorado State University**

### **Organization and Administration**

The institutions that compose the Colorado State University System (the System) are established in Title 23, C.R.S. The Board of Governors (the Board) has control and supervision of three distinct institutions: Colorado State University (a land-grant university), Colorado State University–Pueblo (a regional, comprehensive university) and Colorado State University–Global Campus (an on-line educational program).

The 13-member Board consists of:

- Nine voting members appointed by the Governor and confirmed by the Senate for four-year terms.
- Four advisory members representing the student bodies and the faculty councils for each of the two (Colorado State University and Colorado State University–Pueblo) institutions, elected for one-year terms.

The Board administers the State Board of Agriculture Fund located in the State Treasury. The Board is authorized to set tuition, pay expenses, and hire officials. The chief academic and administrative officers are the Chancellor of the Colorado State University System and the President of each institution.

In 1870, the Territorial Council and House of Representatives of the Territory of Colorado created the Agricultural College of Colorado (the College). When the Territory became a state in 1876, the College was placed under the governance of the State Board of Agriculture.

The College began admitting its first students in 1879. It was also designated that year as Colorado's land-grant college and recipient of federal endowment support under the Morrill Act of 1862. Subsequent federal legislation led to the establishment of the Agricultural Experiment Station and the Extension Service of the College.

State legislation also made the College responsible for the Colorado State Forest Service. Following several name changes, the College became Colorado State University in 1957. In this report, the terms Colorado State University and CSU refer to Colorado State University–Fort Collins.

## **Colorado State University–Pueblo**

Colorado State University–Pueblo was incorporated in 1935 as Southern Colorado Junior College. One year later, local citizens decided to support the institution with county taxes. They organized the Pueblo Junior College District and the school was renamed Pueblo Junior College. In 1951, Pueblo Junior College became the first accredited junior college in Colorado.

In 1963, Colorado's General Assembly enacted legislation changing Pueblo Junior College to a four-year institution—Southern Colorado State College—to be governed by the board of trustees of state colleges. By then, four new buildings had been erected on the new campus north of Pueblo's Belmont residential district. On July 1, 1975, the State Legislature granted the institution university status. Three years later, the Colorado State Board of Agriculture assumed governance of the University of Southern Colorado. In July 2003, the university was renamed to Colorado State University – Pueblo.

Colorado State University–Pueblo (CSU-P) is accredited at the bachelor's and master's levels. CSU-P is a regional, comprehensive university, with moderately selective admissions standards displaying excellence in teaching and learning. CSU-P emphasizes professional, career-oriented, and applied programs at the undergraduate and graduate levels while maintaining strong programs in the liberal arts and sciences. CSU-P has received the federal government's designation as a Hispanic Serving Institution granted to universities with at least 25 percent of the student population of Hispanic descent.

The following comments were prepared by the public accounting firm of BKD, LLP, which performed the Fiscal Year 2009 audit work at Colorado State University.

## Return of Title IV Funds (Student Financial Aid Cluster)

When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance (not including Federal Work Study or the non-federal share of FSEOG awards if an institution meets its FSEOG matching share by the individual recipient method or the aggregate method) that the student earned (amount earned) as of the student's withdrawal date. Any unearned funds must be returned to the U.S. Department of Education. Per CFR Title 34, Subtitle B, Chapter VI, Part 668, subpart b, 668.22(f)(2)(i), in determining the percentage of payment period or period of enrollment completed for purposes of calculating the amount earned, "the total number of calendar days in a payment period or period of enrollment includes all days within the period, except that **scheduled breaks of at least five consecutive days are excluded** (*emphasis added*) from the total number of calendar days in a payment period or period of enrollment and the number of calendar days completed in that period." Per CFR Title 34, Subtitle B, Chapter VI, Part 668, subpart b, 668.22(j)(1) "The institution must return the amount of title IV funds for which it is responsible...no later than 45 days after the date of the institution's determination that the student withdrew." CSU-P distributed approximately \$8,000,000 in Title IV funds during the Fiscal Year 2009.

Out of the 17 student files sampled, CSU-P did not exclude semester breaks of five days or more from its return of Title IV funds calculations in all 17 instances. As a result, the total dollar amount of funds returned for the 17 sampled students exceeded the required amount by \$2,560.

The University personnel performing the calculations are not aware of the provisions for the exclusion of institutionally scheduled breaks from the amount earned calculation. Also, no other person reviewed the appropriateness of the calculations.

Additionally, in four of 17 student files sampled, CSU-P did not return funds within the required 45 day timeframe. The funds were returned 82 days after the student withdrew from the University. This was an oversight by the financial aid department.

By not excluding from its amount earned calculations institutionally scheduled breaks that meet the definition provided for in the regulations cited above, the University could potentially refund an incorrect amount of Title IV grant or loan assistance for students who withdraw from the University. Additionally, by not returning funds within a timely manner, the University is in violation of the Department of Education requirements.

(CFDA Nos. 84.007, 84.032, 84.038, 84.063, 84.375, 84.376; Federal Supplemental Educational Opportunity Grants, Federal Family Education Loans, Federal Perkins Loans, Federal Pell Grant Program, Academic Competitiveness Grant, National Science and Mathematics Access to Retain Talent Grant; Special Tests and Provisions. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 87:**

Colorado State University–Pueblo should develop policies and procedures to help assure that institutionally scheduled breaks are excluded from its calculation of amount earned for the return of Title IV funds for students who have withdrawn and have been recipients of Title IV grant or loan assistance. In addition, a detailed review of the return of Title IV funds calculations should be performed by someone other than the preparer to help assure that calculations are performed accurately and in accordance with existing federal regulations.

### **Colorado State University–Pueblo Response:**

Agree. Implementation date: September 2009.

The Financial Aid Counseling Manager now calculates the number of days for each semester as soon as the academic calendar is established and provides a schedule of those dates to the financial aid counselors. One counselor is responsible for calculating returns and a second counselor is responsible for reviewing all return of Title IV funds calculations prior to actual transaction execution.

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### **Fiscal Operations Report and Application to Participate (FISAP) (Student Financial Aid Cluster): Colorado State University–Pueblo**

The University is required to submit the Fiscal Operations Report and Application to Participate (FISAP) annually by October 1 following the end of the award year in order to obtain campus based program funds. Campus based programs consist of the Federal Perkins Loans, the Federal Supplemental Educational Opportunity Grants and Federal Work-Study Program. The FISAP reports the institution's campus based program expenditures in the previous award year and applies for campus based program funds for the following year. CFR Title 34, Section 668.24 outlines requirements for establishing and maintaining records that support Title IV transactions.

During our testing of the FISAP submitted for the award year July 1, 2007, to June 30, 2008, the most recent report available for testing, we noted discrepancies between the amounts reported in the FISAP when compared to the financial reporting systems. These discrepancies were noted in Part III, sections A and C for the Federal Perkins Loans (FPL discrepancies) and Part V, sections G and H for the Federal Work-Study Program (FWS discrepancies). The FWS discrepancies resulted from incorrect data that were extracted from the financial aid and financial reporting systems. According to CSU-P personnel, a data entry error caused the discrepancy in Part III, Section C for Federal Perkins Loans. Additionally, the general ledger does not agree to amounts reported in Part III, Section A for Federal Perkins Loans. According to CSU-P personnel, the data utilized for Part III, section A, resulting in the FPL discrepancies have not reconciled to the general ledger since conversion to the current financial reporting system in 1997.

The errors noted resulted principally from a lack of sufficient independent review of the FISAP prior to submission of the report.

Failure to properly review the information on the FISAP prior to submission could result in an inaccurate reporting of required information.

(CFDA Nos. 84.007, 84.033, 84.038; Federal Supplemental Educational Opportunity Grants, Federal Work-Study Program, Federal Perkins Loans; Reporting. Classification of Finding: Control Deficiency.)

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## **Recommendation No. 88:**

Colorado State University–Pueblo (CSU-P) should implement a review process to assure the amounts reported on the Fiscal Operations Report and Application to Participate (FISAP) are reconciled to both the financial aid and financial reporting systems prior to the October 1 submission of the FISAP report. Differences noted on such reconciliations should be investigated and documented on a timely basis. Additionally, CSU-P should also contact the FISAP administrator at the Campus-Based Call Center to determine if corrections should be submitted for FISAP reports filed in previous years.

## **Colorado State University–Pueblo Response:**

Agree. Implementation date: October 2010. Will implement for the next FISAP report.

The Grant Accounting Coordinator will work closely with the Director of Financial Aid and the Systems Manager to assure that the FISAP has been

reconciled to both the financial aid and financial reporting systems prior to its October 1 submission. If any differences are found, steps will be taken to investigate, document, and reconcile them on a timely basis. The Grant Accounting Coordinator will provide the FISAP and the balancing report to the University Controller for review prior to the October 1 submission deadline. The FISAP will not be submitted until approved by the University Controller.

The Grant Accounting Coordinator will contact the FISAP administrator at the federal Campus-Based Call Center to determine if corrections should be submitted for FISAP reports filed in previous years.

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## **Reporting (Research and Development Grant Cluster): Colorado State University**

OMB *Circular A-133* (OMB A-133) sets forth standards for consistency and uniformity among federal agencies for the audit of non-federal entities expending federal awards. According to OMB A-133, the University is responsible, among other requirements, for identifying all federal programs for which the University had expenditures during the year. Federal award and program identification should include, as applicable, the Catalog of Federal Domestic Assistance (CFDA) title and number, award number and year, name of the federal agency, and name of the pass through entity, if applicable. The University provides this information on the Exhibit K and submits the information to the Office of the State Controller who then prepares the Schedule of Expenditures of Federal Awards (SEFA) for the State of Colorado.

Colorado State University (CSU) receives funding from the Department of Health and Human Service's National Institute of Health. The University receives notices of awards for each budget period, which includes the funding source by CFDA number. During Fiscal Year 2009, CSU received approximately \$10 million for Allergy, Immunology and Transplantation Research under CFDA No. 93.855.

We found during our Fiscal Year 2009 audit that CSU's reporting of Allergy, Immunology and Transplantation Research expenditures on its preliminary Exhibit K was inconsistent with the CSU's award document from the Department of Health and Human Services. Specifically, CSU reported expenditures under CFDA 93.856, which is for Microbiology and Infectious Diseases Research. During the course of the grant, the CFDA number for the award was originally CFDA number 93.856 and was changed to CFDA number 93.855 as stated in the notice of award for budget period four (May 1, 2008 to April 30, 2009). The

University did not contact the federal grant awarding agency to determine the reason for and appropriateness of the change in CFDA number until the end of Fiscal Year 2009 when we brought the discrepancy to its attention. Upon discussion with the federal grant awarding agency, it was noted that the CFDA number did change to 93.855. Further, because the University did not contact the grantor in a timely manner, it did not communicate the change of the CFDA number to its subrecipients.

The incorrect reporting on the preliminary Exhibit K resulted from not investigating the CFDA grant number discrepancy in a timely manner.

By reporting incorrect information on the Exhibit K, the State of Colorado might include inaccurate information on its statewide SEFA.

(CFDA No. 93.855; Allergy, Immunology and Transplantation Research; Reporting. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 89:**

Colorado State University (CSU) should ensure that discrepancies in federal grant information are investigated and addressed on a timely basis. Furthermore, any required changes should also be communicated timely to subrecipients. Differences in the Catalog of Federal Domestic Assistance (CFDA) number should be discussed by CSU and the awarding agency to resolve the discrepancy in a timely manner.

### **Colorado State University System Response:**

Agree. Implementation date: September 2009.

At the time of the initial award the CFDA noted in the Notice of Grant Award (NGA) was 93.856. In 2006 the National Institute of Allergies and Infectious Disease (NIAID) combined the two numbers—93.856 and 93.855—and began using 93.855 exclusively. When the incremental NGA was awarded the CFDA number changed to 93.855 but was not referenced as a change in the NGA. Unfortunately, since changes in CFDA numbers do not often occur in the middle of a project cycle, the change was not caught and noted in the CSU system. The change has been noted in the most recent project and is being reported correctly on the final Exhibit K. It should be noted that the expenditures were reported to the awarding institute and that the SEFA was not materially misstated.

A procedure will be developed and communicated to Sponsored Programs staff regarding the importance of checking each Notice of Grant Award, not just the initial ones, to assure the correct CFDA number is being used.

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## **Trustees of the University of Northern Colorado**

The Board of Trustees is the governing body of the University and is composed of seven members appointed by the Governor, with consent of the Senate, for four-year terms (effective for terms beginning July 1, 1987); one faculty member elected by the faculty; and one student member elected by the student body.

The University of Northern Colorado seeks to provide all students with a broad general education as well as preparation for selected professions within the fields of business, education, health services, music and related areas; and pre-professions such as pre-law, pre-medicine, and others. Historically, the principal emphasis has been preparing students for careers in education.

The following comment was prepared by the public accounting firm of Anderson & Whitney, P.C., which performed the Fiscal Year 2009 audit work at the University of Northern Colorado.

### **Improve the Return of Funds Processes**

Total Federal Student Assistance paid to students at the University in Fiscal Year 2009 was approximately \$56 million, including loans. The University had approximately 180 student financial aid recipients withdraw from the University during the year. When a financial aid recipient withdraws in the first 60 percent of a semester, there is a calculation required to determine if the financial aid recipient or the University needs to return funds to the U.S. Department of Education Title IV programs (Federal Pell Grants, CFDA No. 84.063, Federal Supplemental Educational Opportunity Grants, CFDA No. 84.007, and Federal Family Education Loans, CFDA No. 84.032). Three issues were noted in the return of funds process:

- We found an error in the calculation used by the University to calculate the amount of financial aid returned to the program or lender. The number of days the University used in its calculation for the spring semester was 112 days. The correct number of days in the spring semester is 108 days. This error in this calculation of four days is due to the weekends before and after spring break. Based on federal regulations, both weekends and the five weekday break would be excluded from the number of days calculation when classes end on a Friday and do not resume until Monday following a one-week break. This error in the calculation results in the

financial aid recipients not returning as much financial aid as they should have to the programs or lenders. Although the differences are typically less than \$100, we recommend the return of funds process be revised to comply with federal Title IV requirements.

- According to federal requirements, if a student withdraws during a scheduled break of five days or more, the withdrawal date of the student is calculated as the last day of scheduled classes before the break started. In one case, a student withdrew from the University on Tuesday of spring break, however the Friday before break should have been used as the official withdrawal date for the return of funds calculation. This resulted in a four-day error, leading to a shortage of \$83 to be returned to Pell. We recommend the return of funds process also be revised to include this federal Title IV requirement.
- After the financial aid is returned by the University, the student account is adjusted to reflect any changes to the financial aid the student received. In one instance, the student account was not adjusted to reflect the revised amount of loan and grant funds the student earned after withdrawal during the semester. As this could have affected the student's eligibility for the upcoming semester, the amounts were ultimately corrected by increasing the institutional funds awarded to the student by \$1,250. We recommend that a review process be established to ensure proper posting and review of any needed student account adjustments after return of funds.

(CFDA No. 84.032, Federal Family Education Loans, Special Tests and Provisions. Classification of Finding: Control Deficiency.)

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## **Recommendation No. 90:**

The University of Northern Colorado should ensure that federal requirements for return of funds under federal Title IV are met by improving the process for calculating the number of days per semester by ensuring proper withdrawal dates are used in calculations, and implementing a review process for adjustments to student accounts.

### **University of Northern Colorado Response:**

Agree. Implementation date: Implemented July 1, 2009.

The University will ensure that federal requirements are met by improving processes and implementing a review process for adjustments to student accounts:

- The Return of Title IV calculation software has been updated to reflect the correct number of days in the return calculation.
- For students who withdraw during spring semester (scheduled break of five or more days), the previous Friday will be used as the withdrawal date for the return of funds calculation.
- An additional step has been added to the withdrawal checklist. The final step will include checking the award and billing screens to insure that all necessary adjustments have been made to the student's account.

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## Trustees of the Colorado School of Mines

### Colorado School of Mines

The Colorado School of Mines (the School) was founded on February 9, 1874. The School came under state control with statehood in 1876. The first diploma was granted in 1882. The authority under which the School operates is Article 41 of Title 23, C.R.S.

The Board of Trustees is the governing body of the School and is composed of seven members appointed by the Governor, with consent of the Senate, for four-year terms and one nonvoting student member elected by the student body.

The following comments were prepared by the public accounting firm of BKD, LLP, which performed the Fiscal Year 2009 audit work at the Colorado School of Mines.

### Special Tests and Provisions - Return of Title IV Funds (Student Financial Assistance Cluster)

When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date. This process performed by the School is the Title IV amount earned calculation. According to federal guidelines, when determining the percentage of the payment period or the period of enrollment completed by the recipient, the calculation for determining the amount earned is defined as follows: "the total number of calendar days in a payment period or period of enrollment includes all days within the period, except that **scheduled breaks of at least five consecutive days are excluded** (*emphasis added*) from the total number of calendar days in a payment

period or period of enrollment and the number of calendar days completed in that period.”

For the year ended June 30, 2009, a total of twelve students who were receiving Title IV grant or loan assistance withdrew from the School. The School conducted Title IV amount earned calculations on seven fall withdrawals and five spring withdrawals. We noted during our testing of Title IV amount earned the School failed to exclude the week of spring break from the spring term amount earned calculation. The week of spring break is an institutionally scheduled break and should be excluded from the total number of calendar days in the calculation of the amount earned by the student. For the exception noted, the School had not yet disbursed any Title IV grant or loan assistance to the student at the time of his withdrawal from the School, thus no over-refund occurred. Through our discussions with School personnel, the amount earned calculations for all spring withdrawals failed to exclude the institutionally scheduled break.

The School employee responsible for the calculation was not aware of the provisions for the exclusion of institutionally scheduled breaks from the amount earned calculation. Additionally, the calculation lacked documentation of a supervisory review.

By the School not excluding from its amount earned calculations the institutionally scheduled breaks that meet the definition provided for in the regulations cited above, the School could potentially refund an incorrect amount of Title IV grant or loan assistance for students who withdraw from the School.

(CFDA Nos. 84.007, 84.032, 84.038, 84.063, 84.375, 84.376; Federal Supplemental Educational Opportunity Grants, Federal Family Education Loans, Federal Perkins Loans, Federal Pell Grant Program, Academic Competitiveness Grant, National Science and Mathematics Access to Retain Talent Grant; Special Tests and Provisions. Classification of Finding: Control Deficiency.)

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## **Recommendation No. 91:**

The Colorado School of Mines should develop policies and procedures to assure that the calculation of amounts earned for withdrawn students who are receiving Title IV loan or grant assistance excludes institutionally scheduled breaks. A detailed review of Title IV amount earned calculations should be performed by an individual other than the preparer to help assure that calculations are performed accurately and in accordance with existing federal regulations.

## **Colorado School of Mines Response:**

Agree. Implementation date: September 24, 2009.

Colorado School of Mines Financial Aid Office has established a detailed procedural policy that ensures the scheduled break days are populated in the Banner System accurately. This policy is in coordination with the Registrar Office and includes Thanksgiving and Spring break. The new policy ensures that calculated Title IV amount earned are reviewed by an individual other than the preparer.

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## **Reporting–Fiscal Operations Report and Application to Participate (FISAP) (Student Financial Assistance Cluster)**

Per federal regulations the School is required to annually submit a U.S. Department of Education “Fiscal Operations Report and Application to Participate (FISAP)” (OMB No. 1845-0030) to receive funds for the following campus-based programs: Federal Perkins Loans, Federal Supplemental Educational Opportunity Grant and Federal Work Study Program.

We noted exceptions during our testing of the FISAP relating to the Federal Work Study Program (FWS) that resulted in reporting errors but not questioned costs for the program. Specifically, exceptions were noted relating to information about community service activities and family literacy activities line items. The School reported 28 students in community service employment, however the actual number was 26 students. The result was an inaccurate reporting of the federal (reported \$21,755, actual \$21,131) and non-federal (reported \$7,252, actual \$7,044) share of community service earned compensation. Additionally, information was reported for family literacy activities when no such program existed. Specifically, one student was reported as employed in family literacy activities along with compensation of \$1,444, of which \$1,083 was reported as the federal share. The exceptions noted above have not caused any reductions in federal funding to the school.

The errors noted resulted principally from a lack of sufficient independent review of the FISAP prior to submission of the report.

Submission of inaccurate information on the FISAP could result in a reduction of future federal funding.

(CFDA Nos. 84.007, 84.033, 84.038; Federal Supplemental Educational Opportunity Grants, Federal Work-Study Program, Federal Perkins Loans; Reporting. Classification of Finding: Control Deficiency.)

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## **Recommendation No. 92:**

The Colorado School of Mines should implement a review process that includes a detailed review prior to the submission of the Fiscal Operations Report and Application to Participate (FISAP) and approval by an individual other than the person preparing the report. The review should be formally documented by the reviewing individual.

### **Colorado School of Mines Response:**

Agree. Implementation date: September 24, 2009.

Colorado School of Mines has established a new review process that is coordinated by the Director of Financial Aid. The Director of Financial Aid will prepare the FISAP for review by the Bursar, Controller, and the Senior Vice President for Finance and Administration. All parties will formally document their review.

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## **Procurement and Suspension and Debarment (Research and Development Grant Cluster)**

Federal suspension and debarment rules, as outlined in OMB *Circular A-133 Compliance Supplement*, state that non-federal entities are prohibited from contracting with or making subawards under covered transactions (procurement contracts for goods and services equal to or in excess of \$25,000) to parties that are suspended or debarred or whose principals are suspended or debarred by the Federal government. Suspensions are temporary actions that may last up to one year and may be based on indictments, information or adequate evidence involving environmental crimes, contract fraud, embezzlement, theft, forgery, bribery, poor performance, non-performance, or false statements. Debarments result in the imposition of a set period of time on a case-by-case basis and may be based on convictions, civil judgments or fact-based cases involving environmental crimes, contract fraud, embezzlement, theft, forgery, bribery, poor performance, non-performance or false statements as well as other causes. Suspension and debarment actions protect the government from doing business with individuals/companies/recipients who pose a business risk to the government. When a non-federal entity enters into a covered transaction in excess of \$25,000

with an entity, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the *Excluded Parties List System (EPLS)* maintained by the General Services Administration, collecting a certification from the entity or adding a clause or condition to the covered transaction with the entity.

The School was not performing suspension and debarment verification procedures required for covered transactions to determine that contracting entities were not suspended or debarred. This was also a finding in the audit for the year ended June 30, 2008. The auditors recommended that the School verify and document that entities are not suspended or debarred from contracting work involving federal funds. The School agreed with the recommendation and indicated that its subaward and subcontracts would include a certification clause that requires the subrecipients to certify that they are not on the debarred or suspended list prior to execution of a subaward or subcontract.

During the Fiscal Year 2009 audit we found the School has not consistently used the proper subcontract agreement template to certify that subrecipients are not suspended or debarred. We noted during our testing of suspension and debarment that for three out of the six subcontract agreements reviewed, the School failed to certify that the subrecipients had not been suspended or debarred. Two of the exceptions related to subcontract agreements that were entered into prior to the certification clause being added to the standard federal subcontract agreement template used by the School, and one error related to the use of a non-federal subcontract agreement template. Upon further review, the School determined that during Fiscal Year 2009, a total of eight subcontract agreements with expenditures of \$711,600 did not include a certification clause by the School that subrecipients had not been suspended or debarred.

Failure to perform required suspension and debarment certification procedures might result in the School procuring goods or services from an entity that has been suspended or debarred, thereby exposing it to increased business risk and potential federal disallowances.

(See Appendix A, Colorado School of Mines, for listing of applicable CFDA Nos.; Research and Development Cluster; Procurement, Suspension and Debarment. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 93:**

The Colorado School of Mines (School) should use the *Excluded Parties List System (EPLS)* to verify subrecipients (subcontracts and vendors) have not been suspended or debarred and obtain amendments to all subcontract agreements

entered into prior to the addition of the certification clause in the standard federal subcontract agreement template. Furthermore, the School should implement policies and procedures to ensure the proper subcontract agreement template is being used going forward.

### **Colorado School of Mines Response:**

Agree. Implementation date: July 1, 2009.

The School reviewed the *EPLS* system for the eight subcontracts in question and determined that none of the subrecipients were debarred or suspended. In addition, the School obtained amendments for the addition of the certification clause to all subcontract agreements in effect during Fiscal Year 2009. The School has implemented the use of the Federal Demonstration Partnership (FDP) subaward form for subawards under federal grants that include the certification clause. The School's template for contract funded subcontracts contains the certification clause. In addition, the School has added the certification clause to its non-federal and interagency agreement templates. Furthermore, the School will document its review of the *EPLS* system for all subcontracts regardless of the source of funds.

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### **Reporting and Matching, Level of Effort and Earmarking–Supervisory Review (Research and Development Cluster)**

We noted during our testing of grant setups (i.e. project summary sheets) used to review matching requirements and testing of financial reports that one out of seven project summary sheets and eight out of 40 financial reports lacked evidence of a secondary review. The eight financial report exceptions were comprised of two Financial Status Reports and six Federal Cash Transactions Reports.

To strengthen internal control procedures over the administration of grants, the School should include a secondary review of financial documents, specifically financial reports which are required to be submitted under the terms of the grant and internally maintained project summary sheets used to assure proper set-up of matching requirements. Each review should be performed and documented by an individual who is independent of the preparer, possesses sufficient knowledge of reporting and matching requirements and has access to the documentation used to prepare the documents.

The exceptions noted above resulted from lack of documentation indicating reviews had been performed; however School personnel represented that reviews had been conducted.

Failure to review project summary sheets for proper matching requirements and financial reports for accuracy could result in grant terms not being met and inaccurate reporting information to awarding agencies. Documentation of review and approval is important to provide evidence that the approval control function is operating as designed.

(See Appendix A, Colorado School of Mines, for listing of applicable CFDA Nos.; Research and Development Cluster; Matching, Level of Effort, Earmarking, Reporting. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 94:**

The Colorado School of Mines should assure that its existing review policies are strictly adhered to for documenting supervisory review of project summary sheets and financial reports for federally funded projects.

### **Colorado School of Mines Response:**

Agree. Implementation date: July 1, 2009.

The Director reviews and documents his review on all new project summary sheets. The project summary sheet noted was reviewed, however that review was not documented. The Director will ensure that his review is documented.

Financial Status and Federal Cash Transaction reports are prepared by the fiscal manager and reviewed by the billing specialist. The billing specialist will ensure documentation of her review by reviewing the reports on a monthly basis.

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## **Special Tests and Provisions-Student Status Changes (Student Financial Assistance Cluster) Federal Family Education Loans CFDA No. 84.032**

Under the Federal Family Education Loans (FFEL) and Direct Loans programs, and per 34 CFR 682.610(c), a school must report within 60 days through use of

Student Status Confirmation Reports (SSCR), which updates the National Student Loan Data System (NSLDS), or directly to a guaranty agency, a change in enrollment status, including: (a) withdrawal; (b) graduation; (c) student who has ceased to be enrolled on at least a half-time basis; or (d) student who has been accepted for enrollment but never attended.

The School's current policy is to submit student status confirmation reports monthly to the National Student Clearinghouse. The National Student Clearinghouse is responsible for reporting the status changes to NSLDS. We noted during our testing of 30 students with FFEL under Student Financial Assistance Programs who either graduated, withdrew, dropped out, or enrolled but never attended during the year, that the School failed to notify either the NSLDS or the guaranty agency of the change in enrollment status for two students who withdrew during the school year.

For the School to assure that it is meeting the requirements to notify the NSLDS of changes in student status in a timely and accurate manner, it must have policies and procedures in place to assure information is timely reported for all changes in student status, and a review process to sample information for accuracy in reporting.

If the School fails to meet student status change reporting requirements that determine the borrower's schedule for loan repayment, borrowers' repayment responsibilities might be reported incorrectly resulting in a lack of timely repayments by the borrowers.

(CFDA No. 84.032, Federal Family Education Loans, Special Tests and Provisions. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 95:**

The Colorado School of Mines (School) should implement policies and procedures to increase the frequency of reporting to the National Student Clearinghouse from once a month to twice a month, as well as to establish internal policies and procedures to assure all changes in student status are dealt with in the 60-day reporting requirement. The School should also implement policies and procedures to perform spot checks to assure information is being reported correctly and that any discrepancies are reported timely.

## **Colorado School of Mines Response:**

Agree. Implementation date: November 1, 2009.

In order to rectify this procedural problem, as of October 1, 2009, we have begun reporting on a bi-monthly basis on the first and fifteenth of each month to the National Student Clearinghouse. Additionally, internal reports have been created and shared among offices as of November 2009 to log all of the withdrawal forms being processed. This new process was jointly created between Academic Affairs and Student Affairs. The report is run by Financial Aid on their data and checked against all incoming forms in the Registrar's Office to verify that all forms have been processed by the Registrar.

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## **State Board for Colorado Community Colleges and Occupational Education**

The State Board for Community Colleges and Occupational Education (SBCCOE or the Board) was established by the Community College and Occupational Education Act of 1967, Title 23, Article 60 of the Colorado Revised Statutes. The Board functions as a separate entity and, as such, may hold money, land, or other property for any educational institution under its jurisdiction. The statute assigns responsibility and authority to the Board for three major functions:

- The Board is the governing board of the state system of community and technical colleges.
- The Board administers the occupational education programs of the state at both secondary and postsecondary levels.
- The Board administers the state's program of appropriations to Local District Colleges (LDCs) and Area Vocational Schools (AVSs).

The Board consists of nine members appointed by the governor to four-year staggered terms of service. The statute requires that board members be selected so as to represent certain economic, political, and geographical constituencies.

Colorado Community College System's (CCCS') operations and activities are funded primarily through tuition and fees, federal, state, and local grants, tuition revenue, the College Opportunity Fund stipends, and a fee-for-service contract. In addition, the SBCCOE receives and distributes state appropriations for LDCs, AVSs, and school districts offering vocational programs.

The 13 colleges in the community college system are as follows:

<b>College</b>	<b>Main Campus Location</b>
Arapahoe Community College (ACC)	Littleton
Community College of Aurora (CCA)	Aurora
Community College of Denver (CCD)	Denver
Colorado Northwestern Community College (CNCC)	Rangely
Front Range Community College (FRCC)	Westminster
Lamar Community College (LCC)	Lamar
Morgan Community College (MCC)	Fort Morgan
Northeastern Junior College (NJC)	Sterling
Otero Junior College (OJC)	La Junta
Pikes Peak Community College (PPCC)	Colorado Springs
Pueblo Community College (PCC)	Pueblo
Red Rocks Community College (RRCC)	Lakewood
Trinidad State Junior College (TSJC)	Trinidad

The following comments were prepared by the public accounting firm of KPMG LLP, which performed the Fiscal Year 2009 audit work at the Colorado Community College System.

## **Segregation of Duties over Drawdown of Federal Student Financial Aid**

Segregation of duties is a primary internal control intended to prevent or detect errors, irregularities, or potential wrongdoing, and to ensure corrective action is taken for any errors, irregularities, or wrongdoing discovered. This is achieved by ensuring no single individual has control over two or more phases of a transaction or operation.

Northeastern Junior College (NJC) draws funds, including federal student financial aid, via the U.S. Department of Education's G5 System creating a payment request through the Internet. During Fiscal Year 2009, NJC received \$4.3 million in federal student financial aid support, including loan programs.

During our audit, we noted that NJC did not properly segregate duties between activities related to the drawdown of student financial aid funds. Specifically, the calculation of amounts to request, submission of the request to the Department of Education and preparation of the associated journal entry, and authorization of the related journal entry are all performed by one individual without sufficient review by someone other than the preparer to detect or prevent errors or noncompliance with federal cash management requirements.

(CFDA Nos. 84.032, 84.063; Federal Family Education Loans, Federal Pell Grant Program; Cash Management. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 96:**

The Colorado Community College System should work with Northeastern Junior College (NJC) to strengthen controls over the cash management process and establish segregation of duties so that no one person has the ability to calculate the amount to request for reimbursement, and submit for reimbursement, and approve the request and associated journal entry.

### **Colorado Community College System Response:**

NJC: Agree. Implementation date: September 2009.

NJC implemented a new procedure for federal financial student aid draws. The Financial Aid Office now approves all draws via e-mail before the Finance Office initiates the draw. There will now also be reconciliation between the financial statement records and the financial aid student records before draws are initiated.

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## **Trustees of Western State College**

### **Western State College**

Founded in 1911 as Colorado State Normal School, Western State College of Colorado (the College) is Colorado's oldest college west of the Continental Divide. Originally planned as a preparatory college for teachers, the College remained a Normal School until 1923 when it was renamed Western State College. The College is an undergraduate college of liberal arts and sciences. Section 23-56-101, C.R.S., provides that the College be a general baccalaureate institution with moderately selective admission standards. The College is to

provide a limited number of professional, educational, and traditional arts and sciences programs. The College cannot offer any two-year programs.

Through June 30, 2003, the College was a member of the State Colleges in Colorado and, as such, was governed by the Board of Trustees of the Office of State Colleges. Effective July 1, 2003, the State Colleges in Colorado were dissolved in accordance with House Bill 03-1093 and each member became an independent entity. As a result of the dissolution of the State Colleges in Colorado, the College has a separate Board of Trustees comprised of nine members appointed by the Governor, with consent of the Senate, for four-year terms, one faculty member elected by the faculty and one student member elected by the student body.

The following comment was prepared by the public accounting firm of Chadwick, Steinkirchner, Davis & Co., P.C, which performed the Fiscal Year 2009 audit work at Western State College.

## **Bank Accounts**

Western State College (College) has two bank accounts where funds are deposited by another entity and must be transferred to another account for use by the College. The federal student aid money is deposited into one account and credit card receipts for the College are deposited into the other account. These two accounts had disbursements totaling about \$2.9 million and \$6.7 million, respectively.

During our Fiscal Year 2009 audit, we found the College does not have the proper segregation of duties for these accounts. We tested subsequent receipts for proper cut-off of revenues at June 30, 2009 and found a manual check written from the account for the federal student aid money for \$750,000 to the College that was written and signed by the Controller. We requested all of the bank statements for this account and noted that there were 10 checks written from that account during the year that totaled about \$2.9 million. All of these were manual checks written by the Controller to the College. Per discussion with the College, the Controller writes a manual check to transfer the funds out of this account to another bank account. The Controller is the only one with access to the checks and they are kept in his desk.

We also identified another account with this same issue. Upon further inquiry, we noted the Controller also has a second checkbook for the credit card receipt account from which he also writes manual checks to transfer funds from this account to the College's operating account. We examined copies of the checks written from this account and noted they were all written to the College and

signed by the Controller. In total, 14 checks were written from this account during Fiscal Year 2009, totaling about \$6.7 million.

The College needs to improve their policies and procedures related to the custody of assets to ensure proper segregation of duties involving these bank accounts and the disbursements made from these accounts. In addition, the College should establish electronic funds transfers that would segregate the responsibilities of who requests the transfer, who approves the transfer and where the funds can be transferred. We found there is another individual who reconciles the bank statements for both of these accounts. We reviewed copies of all checks and noted they were written to the College and there were no missing checks and each check agreed to disbursements from the account. Since the Controller is the only individual with access to the checks and is the signer and approver on these checks, the College is at risk of funds not being properly disbursed.

(CFDA Nos. 84.007, 84.032, 84.033, 84.038, 84.063; Federal Supplemental Educational Opportunity Grants, Federal Family Education Loans, Federal Work-Study Program, Federal Perkins Loans, Federal Pell Grant Program; Cash Management. Classification of Finding: Material Weakness.)

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### **Recommendation No. 97:**

Western State College should improve the internal controls over bank accounts by:

- a. Modifying and implementing policies and procedures that ensure the proper segregation of duties for all bank accounts.
- b. Establishing electronic funds transfers for these accounts with appropriate segregation of duties.

### **Western State College Response:**

Agree. Implementation date: June 2010.

Western State College will implement policies and procedures that ensure proper segregation of duties for bank accounts and will establish electronic funds transfers for these accounts by June 30, 2010.

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## **Colorado Student Loan Program dba College Assist**

Colorado Student Loan Program dba College Assist (the Enterprise or the guaranty agency), was created by an act of the Colorado Legislature in July 1979.

The Enterprise is a self-supporting enterprise of the State of Colorado and does not receive any State appropriations to fund operations. The primary mission of the Enterprise is to assist Colorado residents with planning for college and supporting lenders and Colorado institutions of higher education by administering the Federal Family Education Loan program (FFEL) for the U.S. Department of Education (DE).

### **Federal Family Education Loans—Guaranty Agency; CFDA No. 84.302 (Special Tests-Default Aversion Fee Revenues and Rebates)**

College Assist receives requests from lenders to engage in default aversion activities designed to prevent the default of a loan. Consistent with the federal requirements set forth in 34 CFR 682.404(k), these requests are to be received no earlier than after 60 days of delinquency and no later than 120 days of delinquency. These default aversion activities provide collection assistance to the lender on a delinquent loan prior to the loan being legally in default status. In consideration of such efforts, the guaranty agency receives a default aversion fee, calculated based on 1 percent of the total unpaid principal and accrued interest owed on loans where the lender has requested default aversion assistance. On a monthly basis, College Assist transfers the default aversion fee from the restricted Federal Fund to its unrestricted Operating fund. Subsequently, if a loan on which College Assist has received a default aversion fee defaults, the default aversion fee must be rebated back to the restricted Federal Fund.

We noted during our testing of 25 defaulted loans that one of the loans selected had resulted in a default aversion fee billing in October of 2006, and College Assist recorded as default aversion revenue of \$11.28. The loan defaulted in January of 2009, however, College Assist failed to rebate the default aversion fee to the Federal Fund. Out of the 25 defaulted loans selected for testing, all, except the one reflected that the Default Aversion Fee (DAF) was rebated.

Nelnet Guarantor Solutions (NGS) researched the exception and discovered that the exception was a result of an error which occurred during the loan database system conversion that occurred on November 1, 2008. During the system conversion there were 472 loans that were not recognized as having been paid a

default aversion fee within the new system, GuaranteePro (Gpro). The default aversion fee revenue required to be rebated on the 472 loans totaled \$27,571. A report listing the loans that were not converted correctly was provided to College Assist for further review. College Assist selected 20 loans from the listing and noted that the default aversion fee rebate information from the report was not properly reflected within the loan database. NGS scheduled system updates to the Gpro system to correct the problem. After the scheduled changes, College Assist reviewed the loan information for the 20 selected loans within Gpro and noted the current default aversion fee rebate information had been properly updated. The corresponding transfer was made to the Federal Fund on November 11, 2009.

NGS and College Assist have determined the exception to be caused by an error in the system conversion. College Assist considers the likelihood of the issue repeating itself as remote due to the fact a system conversion is a rare occurrence. However, under federal requirements, if a guaranty agency fails to repay the Federal Fund, the agency possibly may not receive any other federal funds until it becomes current.

(CFDA No. 84.032, Federal Family Education Loans, Special Tests and Provisions. Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 98:**

Colorado Student Loan Program dba College Assist (the Enterprise) should establish procedures to periodically test the accuracy and completeness of the default aversion rebate reports from Nelnet Guarantor Solutions (NGS) to ensure the proper functioning of the new system. Such periodic reviews should include testing a sample of defaulted loans to ensure the default aversion fees have been properly rebated and the system controls are functioning as designed.

### **Colorado Student Loan Program dba College Assist Response:**

Agree. Implementation date: January 2010.

The Enterprise concurs that a conversion is a rare occurrence and highly unlikely to be repeated. Nevertheless, the Enterprise will establish procedures to review the default aversion reports and perform testing on randomly selected records on a monthly basis to ensure reasonableness, accuracy and completeness. Additionally, NGS will conduct testing of the default aversion reports annually or upon a relevant system logic modification, whichever comes first, to ensure controls are in place and

functioning as intended. Procedures will be developed and implemented accordingly.

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During Fiscal Year 2008 the Office of the State Auditor contracted with Clifton Gunderson, LLP to conduct the *CollegeInvest, Student Loan Program Funds, Reports on Compliance and Internal Control over Compliance with Requirements for Loans Billed for Special Allowance Payment at the 9.5 Percent Minimum Return Rate Financial Audit*, Report No. 2045, dated August 2009. The information and comments below were contained in that report.

The Colorado General Assembly, pursuant to Section 23-3.1-2 01, et seq., and 23-3.1-3 01, et seq., C.R.S., established a student obligation bond program. The program assists students in meeting the expenses incurred in availing themselves of higher education opportunities. Primary operations of the student obligation bond program commenced in 1981. In meeting its legislative mandate, CollegeInvest issues tax-exempt and taxable financings to finance the purchase and origination of student loans. As a part of administering its student loans, CollegeInvest participates in the Federal Family Education Loan (FFEL) Program, and maintains loans eligible for special allowance payments (SAP) at a 9.5 percent minimum return rate to be received by CollegeInvest from the U.S. Department of Education.

## **Student Loan Program Funds**

### **Monitoring Third Party Service Providers**

The U.S. Department of Education (Department) in its Dear Colleague Letter (DCL) FP-07-01, dated January 23, 2007, requires lenders such as CollegeInvest to certify that they have internal controls in place to monitor and ensure the accuracy of the claim to the Department for a subsidy on eligible student loans, known as special allowance payments (SAP), at the 9.5 percent minimum rate. The Department also requires lenders to certify that they have reviewed the billing request, and that the request for special allowance at the 9.5 percent minimum return rate is only on loans that are eligible to receive 9.5 percent SAP. CollegeInvest has contracted the servicing of these loans and the extraction of the 9.5 percent SAP-eligible loan data, and the preparation and transmittal of the loan data to the Department to a third party service provider, thus, relying on the service provider's internal controls. CollegeInvest's service provider, Nelnet, reports these loans to the Department in a prescribed electronic form which is the *Lender's Interest and Special Allowance Request and Report (LaRS/799)*.

During 2007, the Department required an examination of CollegeInvest's 9.5 percent SAP-eligible loan population by an independent audit firm, Kearney and Company, to certify all loans included in the population were in fact eligible. The

Department does not allow for the purchase or origination of any new 9.5 percent SAP-eligible loans. CollegeInvest has the following procedures in place to ensure all loans submitted to the Department are eligible: CollegeInvest compares the loan listing details received from Nelnet that support the LaRS/799 filings to the population certified by the independent audit firm in 2007 and to the loan data maintained by Nelnet. Additionally, CollegeInvest reconciles its trial balance amounts of the principal amount outstanding for 9.5 percent SAP-eligible loans to the loan data maintained by Nelnet. However, CollegeInvest does not adequately monitor its third party service provider to insure that the LaRS/799 filings for 9.5 percent SAP are prepared accurately, as follows:

- During our examination, we noted that CollegeInvest has not properly documented its controls over tracking the eligible loan balances as required by the Department. Without proper documentation of internal control duties, employees may be unable to carry out their responsibilities effectively which could result in errors in billings to the Department.
- During our examination, we noted that CollegeInvest does not retain evidence that it compares loan detail information provided by Nelnet that supports the LaRS/799 reports to the list of eligible loans certified by Kearney and Company. Without retaining the source documents that are necessary to perform internal controls, not only is there no record of the internal controls being performed, there is also no detail record that would assist CollegeInvest management or the auditors in assessing the quality of internal control performance over time.
- During our examination, we noted that CollegeInvest does not reconcile the actual LaRS/799 filings from Nelnet to the loan detail information that supports the filings prior to Nelnet filing the reports with the Department. Additionally, during the 2<sup>nd</sup> quarter of 2008, CollegeInvest did not re-perform Nelnet's extraction of the eligible loan data. CollegeInvest also did not compare the loan listing detail that supports the LaRS/799 filing to the original loan population certified by the independent audit firm as eligible. Without reconciling the LaRS/799 reports to the underlying source data, CollegeInvest cannot be certain that the reports filed by Nelnet are correct, which could result in either an under or over billing.

(CFDA No. 84.032, Federal Family Education Loans, Special Tests and Provisions. Classification of Finding: Material Weakness.)

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**Recommendation No. 99:**

CollegeInvest should strengthen its processes for monitoring its third party service provider with respect to the 9.5 percent SAP-eligible loans. Specifically:

- a. CollegeInvest should properly document its internal controls over tracking 9.5 percent SAP-eligible loan balances in order to comply with the requirements of the United States Department of Education (Department).
- b. CollegeInvest should retain all source documents related to its comparison of data provided by Nelnet to the actual LaRS/799 reports submitted to the Department.
- c. CollegeInvest should reconcile the LaRS/799 filings with the population certified by the independent audit firm and re-perform the extraction of eligible loan data to ensure correct filings with the Department.

**CollegeInvest Response:**

- a. Disagree. Implementation date: Not applicable.

CollegeInvest believes it has properly documented its internal controls over the tracking and billing of 9.5 percent SAP-eligible loan balances in compliance with the Department's requirements. All loan balances, including 9.5 percent SAP-eligible loans, are reconciled monthly between CollegeInvest's records and the servicer and the procedures are documented.

**Auditor's Addendum:**

*The internal control documents that CollegeInvest provided the auditors failed to address controls over reconciling loan balances between Nelnet's loan tracking system and CollegeInvest's trial balance. Further, they also did not address internal controls over initiating transfers between bonds, which is a transaction that can render eligible 9.5 percent loans ineligible for 9.5 percent special allowance payments. This type of transaction is only initiated by CollegeInvest, outside of Nelnet's loan tracking system. Therefore, since transactions are routinely initiated by both CollegeInvest and Nelnet, it is important that a reconciliation process between the two systems is present. While these reconciliations have been performed by CollegeInvest, no documentation of the reconciliation process and controls previously existed. The auditor assisted CollegeInvest with documenting these processes and controls.*

b. Agree. Implementation date: Ongoing.

CollegeInvest's policy is to obtain and maintain source documentation, which includes original loan files and schedules. CollegeInvest will ensure that going forward there will be comprehensive documentation that evidences the retention of all source documents related to its comparison of data provided by Nelnet to the actual LaRS/799 reports submitted to the Department.

c. Partially agree. Implementation date: October 2009.

CollegeInvest agrees that reconciling the LaRS/799 reports to the underlying data is a positive additional control that will improve the reconciliation process, and we intend to have implemented by October 2009. However, we disagree that CollegeInvest did not re-perform Nelnet's extraction of the eligible loan data. CollegeInvest manually compared and confirmed the June 30, 2008 loan population that was used to generate the LaRS/799 filing. CollegeInvest will continue to compare and confirm the 9.5 percent eligible loan data provided by Nelnet in the future. While we agree the reconciliation of our records to the LaRS/799 will enhance our overall control environment, we do not believe this and the other items noted are a material weakness.

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# Department of Human Services

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## Introduction

The Department of Human Services (Department or DHS) is solely responsible, by statute, for managing and overseeing the delivery of the State's public assistance and welfare programs throughout Colorado. Most of these programs are administered through local county or district departments of human/social services. The Department also manages and directly administers programs in the areas of developmental disabilities, mental health, nursing homes, and youth corrections. Please refer to the introduction in the Department of Human Services chapter within the II. Financial Statement Findings section for additional background information.

## Colorado Benefits Management System (CBMS)

On September 1, 2004, the Department of Human Services and the Department of Health Care Policy and Financing (HCPF) jointly implemented the Colorado Benefits Management System (CBMS). CBMS was designed to improve the accuracy and timeliness of eligibility determinations for programs including Temporary Assistance for Needy Families (TANF)/Colorado Works, Supplemental Nutrition Assistance Program (SNAP)/Food Assistance, and Medicaid.

## Eligibility Determinations for SNAP/Food Assistance and TANF/Colorado Works

In Colorado, the responsibility for determining recipient eligibility for public assistance benefits is shared between the State and the counties. Counties are responsible for administering the benefit application process, entering the required data for eligibility determination, and approving eligibility determinations. For the SNAP/Food Assistance and TANF/Colorado Works programs, individuals and families apply for benefits at their local county departments of human/social services. The State is responsible for supervising the counties' administration of public assistance programs, including SNAP/Food Assistance and TANF/Colorado Works.

During our Fiscal Year 2009 audit of the Department, we performed testing to determine the Department's compliance with federal grant requirements (for

example, eligibility and allowable activities) for the TANF/Colorado Works and SNAP/Food Assistance programs. We also performed follow-up testing to determine the Department's progress in implementing numerous recommendations from our Fiscal Year 2008 audit.

Based on our Fiscal Year 2009 audit, we determined that the Department has made improvements in internal controls over compliance with eligibility determinations for the TANF/Colorado Works program. However, we found that the Department's SNAP/Food Assistance program continues to have a significant eligibility error rate, and therefore still is classified as having a material weaknesses in internal controls over compliance with eligibility determinations. According to the federal Single Audit Act and federal Office of Management and Budget (OMB) *Circular A-133*, a material weakness is the most serious internal control deficiency and occurs when there is a more than remote likelihood that the Department's internal controls will not prevent or detect material noncompliance in a federal program such as SNAP/Food Assistance. This is the fifth consecutive year in which we have concluded that the Department has a material weakness in internal controls over eligibility determinations for the SNAP/Food Assistance program. For both programs, we continue to identify issues the Department should address to ensure compliance with federal and state regulations.

In the case of both programs, the error rates noted indicate a substantial risk of the State's making improper payments under the SNAP/Food Assistance and TANF/Colorado Works programs. From a state perspective, the risk is also significant because, given the high level of federal and state expenditures for SNAP/Food Assistance and TANF/Colorado Works programs, federal recoveries of disallowed costs could be substantial.

The specific results of our tests of the TANF/Colorado Works and SNAP/Food Assistance programs are discussed below.

## **Other Federal Programs**

In addition to the TANF/Colorado Works and SNAP/Food Assistance programs, the Department is responsible for supervising the administration of other public assistance programs. As part of our Fiscal Year 2009 audit, we tested the Department's compliance with federal grant requirements for the following additional programs: (1) Child Support Enforcement, (2) Low-Income Energy Assistance Program (LEAP), (3) Title XX Social Services Block Grant, (4) Foster Care Title IV-E, (5) Substance Abuse Prevention and Treatment Block Grant, (6) Child Care and Development Program Cluster, and (7) Adoption Assistance Title IV-E.

The results of our Fiscal Year 2009 audit identified errors resulting in recommendations for Child Support Enforcement, Title XX Social Services Block Grant, Foster Care Title IV-E, Child Care and Development Program Cluster, and Adoption Assistance. The errors identified and audit recommendations for these programs are described in the following sections of this chapter. Our testing of the Substance Abuse Prevention and Treatment Block Grant did not identify any audit findings, and therefore no recommendations are made in this area.

## **SNAP/Food Assistance Program Overview**

The SNAP/Food Assistance program was designed to help low-income households buy food. Eligible families are provided with Electronic Benefit Transfer (EBT) cards that can be used to purchase food at participating grocery stores. Colorado contracts with a vendor, currently JP Morgan Chase, for its EBT payment processing. At the federal level, the Food Stamps program, administered by the U.S. Department of Agriculture, was renamed the Supplemental Nutrition Assistance Program (SNAP) in October 2008. Colorado has opted to refer to the program as the Food Assistance program and to payments made to recipients of the program as Food Assistance benefits.

In Fiscal Year 2009, the Department provided eligible households with nearly \$443 million in SNAP/Food Assistance benefits, which are paid for entirely with federal funds, and spent a total of approximately \$86 million in state and federal funds, which included \$287,400 in American Recovery and Reinvestment Act funds, for the administration of the program (CFDA Nos. 10.551 and 10.561). In Fiscal Year 2009, the Department had an average monthly caseload of 128,200 SNAP/Food Assistance beneficiaries.

As the primary grantee for SNAP/Food Assistance in the State, the Department of Human Services is responsible for ensuring that all expenditures under SNAP/Food Assistance are appropriate and that the State complies with federal and state requirements. Colorado's SNAP/Food Assistance program is overseen by the Department's Food and Nutrition Division, within the Office of Self-Sufficiency, but is administered locally, by the county departments of human/social services. Operationally, the counties and the Department share the responsibility for determining recipients' eligibility for SNAP/Food Assistance benefits. Individuals and families apply for SNAP/Food Assistance benefits at their local county department of human/social services. Counties are responsible for administering the benefit application process, entering the required data for eligibility determination into the benefits system, approving eligibility determinations, and maintaining the case files. The Department is responsible for monitoring the counties to ensure that their eligibility determinations comply with federal and state requirements.

Compliance with SNAP/Food Assistance is tested annually as part of the financial and compliance audit of the State. The table below summarizes the error rates identified during the five-year period from Fiscal Year 2005 through 2009, along with our assessment of the level of internal controls weaknesses related to eligibility determinations for the SNAP/Food Assistance program.

<b>Department of Human Services, SNAP/Food Assistance Program</b> <b>Assessed Levels<sup>1</sup> of Internal Control Weakness and Associated Error Rates</b> <b>Fiscal Years 2005 through 2009</b>		
<b>Fiscal Year</b>	<b>Internal Control Weakness<sup>2</sup> Level</b>	<b>Error Rate</b>
2005	Material Weakness	72 percent
2006	Material Weakness	18 percent
2007	Material Weakness	57 percent
2008	Material Weakness	38 percent
2009	Material Weakness	40 percent
<b>Source:</b> State of Colorado Statewide Single Audit Reports <sup>1</sup> Assessments determined and reported by the Office of the State Auditor as part of the audit of the SNAP/Food Assistance program. <sup>2</sup> Severity of the level of control weakness is (1) control deficiency: least severe, (2) significant deficiency: more severe, (3) material weakness: most severe.		

Overall for our Fiscal Year 2009 audit, of the 60 cases in our sample, 24 (40 percent) contained at least one error. For these 24 cases, we identified questioned costs inside our sample totaling \$2,034 (13 percent of the total sampled costs of \$15,330). Further, while reviewing the cases in our sample, we identified additional questioned costs of \$8,368; these payments were not included in our original sample of 60 payments but were paid to the recipients whose case files we reviewed as part of our sample. This resulted in total questioned costs of \$10,402. In eight instances, one error persisted for multiple benefit months. Specifically, we found missing case file documentation, data entry errors, and a lack of case follow-up by county caseworkers. Based on our findings during the Fiscal Year 2009 audit, we determined that the Department continues to have a material weakness in its internal controls over compliance with eligibility determinations for the SNAP/Food Assistance program.

We noted that in Fiscal Year 2009 the Department took several steps during the year to improve its internal controls; however, more needs to be done. The Department's SNAP/Food Assistance Management Evaluation unit reviewed nine of the large counties in Fiscal Year 2009 and provided training to county workers and county auditors. The Department also issued several agency letters to the counties to clarify program eligibility requirements. Our Fiscal Year 2009 audit identified the need for the Department to continue to improve its internal controls.

## SNAP/Food Assistance Sample Testing Results

During our Fiscal Year 2009 audit, we sampled 60 SNAP/Food Assistance benefit payments issued between July 1, 2008, and June 30, 2009. We reviewed the case files related to these payments to determine whether the payments were made only to eligible beneficiaries and in accordance with state and federal program guidelines; whether benefits were correctly calculated on the basis of the information entered into the CBMS; and whether authorized payments were supported by documentation in the case file. We noted the following issues regarding case documentation, data entry, and caseworker follow-up on reported income information.

**Case File Documentation:** Both state and federal regulations require counties to maintain adequate case files that include facts essential to the determination of program beneficiaries' initial and continuing eligibility. Case files should assist caseworkers in reaching valid decisions, ensure that assistance is based on factual information, and provide for continuity when a caseworker is absent or when a case is transferred. Case files should include the initial application or recertification packet, as well as documents that verify beneficiaries' income and expenses. Of the 60 case files we reviewed, five were missing one or more of the required documents, resulting in questioned costs of \$426 inside our sample and \$1,224 outside the sample. Another case file did not contain any documents related to the benefit period for the selected payment, resulting in questioned costs of \$588 inside our sample and \$2,900 outside our sample.

**Data Entry:** As part of the eligibility determination process, county caseworkers enter applicant-provided data into CBMS. Federal and state rules outline the proper input of data for the SNAP/Food Assistance program. These data directly affect the payment of SNAP/Food Assistance benefits to recipients. Accordingly, controls over data input are critical to ensuring the accuracy of eligibility determinations and benefit payments. In seven of the 60 case files reviewed, caseworkers incorrectly entered income or other information, resulting in questioned costs of \$1,020 inside the sample and \$3,661 outside the sample and underpayments of \$39 inside the sample and \$117 outside the sample.

**Income, Eligibility, and Verification System (IEVS):** As required by federal regulations, the Department has system controls that assist caseworkers in monitoring eligibility criteria. Through CBMS, for example, caseworkers receive alerts from the IEVS about apparent income discrepancies, such as income that may have been received but may not have been reported by a program beneficiary. Because unreported income can result in the issuance of excess benefits, caseworkers are required to investigate income discrepancies reported by IEVS within 45 days. In five of the 60 case files reviewed, IEVS discrepancies

were not investigated by the caseworker. These five cases did not affect the program recipients' eligibility, however.

The 40 percent error rate noted in our Fiscal Year 2009 audit indicates that the Department needs to continue strengthening its controls to ensure that counties are maintaining the required case file documentation, accurately entering data into CBMS, and following up on IEVS income discrepancies. Specifically, the Department should continue to conduct case files reviews, provide training, and clarify eligibility requirements as needed.

Monitoring is the Department's best mechanism for ensuring the counties' proper administration of the SNAP/Food Assistance program. Although the Department has an established county review process, we have noted since Fiscal Year 2005 that the Department has had difficulties in providing final monitoring reports to the counties and obtaining corrective action plans in a timely manner. The Department has set a goal to issue final reports to counties within 60 days of completing the review and to obtain a corrective action plan from the county within 30 days of the final report. In Fiscal Year 2009, the Department was unable to issue final monitoring reports within the 60 days after completing the review for three out of the five counties that were reviewed between December 2008 and June 2009. The Department also failed to obtain a corrective action plan from these three counties within 30 days of the report. This indicates that the Department needs to continue strengthening its county monitoring procedures to ensure the counties are addressing problems identified by the Department's reviews.

(CFDA Nos. 10.551, 10.561; Supplemental Nutrition Assistance Program Cluster; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Subrecipient Monitoring. Classification of Finding: Material Weakness.)

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### **Recommendation No. 100:**

The Department of Human Services should continue to work with the county departments of human/social services to ensure the accuracy of SNAP/Food Assistance program eligibility determinations and benefits by:

- a. Monitoring the counties' maintenance of case file documentation, data entry, and follow-up on Income, Eligibility, and Verification System (IEVS) discrepancies.
- b. Ensuring that county review reports are provided to the counties within 60 days of completing the review and that corrective action plans are obtained from the counties within 30 days of the report.

## Department of Human Services Response:

Agree. Implementation date: Implemented and ongoing.

- a. The Department will continue to monitor the work of the counties to ensure adequate case file documentation, data entry and follow-up on IEVS discrepancies. Colorado's federal payment error rate remained well below the national average at the end of federal fiscal year 2008. The State completed the year with a 3.14 percent payment error rate, compared with the national average payment error rate of 4.75 percent, and was ranked as the fifth most improved state.

In federal fiscal year 2009, which ended September 2009, Colorado continued to show improvement over 2008. For the most current Quality Assurance statistics available through August 2009, the State is posting a 2.89 percent payment error rate, an 8 percent improvement over the prior year and still well below the national average of 4.26 percent.

- b. The State is committed to completing the management evaluation review reports within the prescribed time frames, as well as following through to ensure the corrective action plans are received from the counties timely. At the time of the state hiring freeze, the Food Assistance Program had seven program vacancies, which contributed to the delay in meeting the goal in 2008. Currently, all but one vacancy is filled.

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## Timely Processing of Applications

Federal and state regulations require that benefit applications for the SNAP/Food Assistance program be processed in a timely manner. SNAP/Food Assistance applications are to be processed by the counties within 30 days of their receipt, and expedited applications are to be processed within seven calendar days of their receipt. The U.S. Department of Agriculture's (USDA's) Food and Nutrition Service (FNS) expects 95 percent of applications to be processed within the required timeframe.

The Department has not been in compliance with federal processing requirements since federal Fiscal Year 2003. The following table shows the percent of applications the counties processed on time during federal Fiscal Years 2003 through 2009:

<b>Colorado Department of Human Services Timely Processing Rates Federal Fiscal Years 2003-2009</b>	
<b>Federal Fiscal Year<sup>1</sup></b>	<b>Colorado's Timely Processing Rate</b>
2003	67.28%
2004	77.23%
2005	63.39%
2006	65.57%
2007	70.67%
2008	74.16%
2009 (through June 2009)	77.10%
<b>Source:</b> Colorado Department of Human Services, Quality Assurance Unit <sup>1</sup> Federal fiscal year is October 1–September 30.	

During our Fiscal Year 2009 audit, we found that the Department improved its processing rate. Due to the poor economy, the Department has faced a significant increase in SNAP/Food Assistance applications over the past year. Between June 2008 and June 2009, the number of new applications entered into CBMS each month increased by approximately 49 percent. Nonetheless, the Department improved its timely processing rate by approximately 3 percent for the same time period through increased training and communication with the counties.

Although the Department has improved its timely processing rate for SNAP/Food Assistance applications, it remains out of compliance with federal processing requirements and continues to fall below the 95 percent timely processing expectation. Not only do processing delays subject the Department to potential fiscal sanctions from the federal government, they also delay program applicants' receipt of needed financial assistance. Therefore, the Department should continue to work with the counties to ensure that processing requirements are met.

(CFDA Nos. 10.551, 10.561; Supplemental Nutrition Assistance Program Cluster; Eligibility, Subrecipient Monitoring. Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 101:**

The Department of Human Services should continue to work with the counties to ensure that applications for SNAP/Food Assistance benefits are processed within federal and state requirements.

## **Department of Human Services Response:**

Agree. Implementation date: Implemented and ongoing.

The State will continue the work with the counties in improving timely processing and meeting federal and state compliance. Despite a continued increase in caseload size of a minimum of 2 percent each month over the prior month due to the current economic conditions, the State continued to show steady improvement in timely processing. Through August 2009 (the most current Quality Assurance statistics available), the State posted its highest timely processing rate to date of 80.36 percent. In addition, per USDA FNS statistics, for the last six months of federal fiscal year 2009 (April–September 2009), the State processed 82.37 percent of applications timely.

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## **TANF/Colorado Works Program Overview**

The federal Temporary Assistance for Needy Families (TANF) program was created in 1996 by the federal Personal Responsibility and Work Opportunity Reconciliation Act (CFDA No. 93.558). In July 1997, TANF was implemented in Colorado by the Department as the “Colorado Works” program. The program has four purposes: (1) to provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; (2) to end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; (3) to prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and (4) to encourage the formation and maintenance of two-parent families.

During Fiscal Year 2009, the counties spent approximately \$161 million in local and federal funds for the TANF/Colorado Works program. Of these expenditures, nearly \$53 million was for cash assistance and support benefits for an average monthly caseload in Fiscal Year 2009 of 10,471 eligible recipients. The remainder was for community grants for supports and services, case management, training, and administration of the program.

As the primary grantee for TANF in the State, the Department is responsible for ensuring that all expenditures under TANF/Colorado Works are appropriate and that the State complies with federal and state requirements. Operationally, Colorado counties and the Department share the responsibility for ensuring that only eligible recipients receive public assistance benefits under TANF/Colorado Works. Individuals and families apply for TANF/Colorado Works benefits at their local county department of human/social services and must meet the

eligibility requirements set forth in federal and state regulations. The counties are responsible for administering the benefit application process, entering the data required for eligibility determination into the benefits system, approving eligibility determinations, and maintaining case files. The Department is responsible for supervising the counties' administration of TANF/Colorado Works. In doing so, the Department monitors the counties and provides training and guidance.

Compliance with TANF/Colorado Works is tested annually as part of the financial and compliance audit of the State. The table below summarizes the error rates identified during the five-year period from Fiscal Year 2005 through 2009, along with our assessment of the level of internal control weaknesses related to eligibility determination for the TANF/Colorado Works program.

<b>Department of Human Services, TANF/Colorado Works Program</b> <b>Assessed Levels<sup>1</sup> of Internal Control Weakness and Associated Error Rates</b> <b>Fiscal Years 2005 Through 2009</b>		
<b>Fiscal Year</b>	<b>Internal Control Weakness<sup>2</sup> Level</b>	<b>Error Rate</b>
2005	Material Weakness	25 percent
2006	Material Weakness	38 percent
2007	Significant Deficiency	22 percent
2008	Material Weakness	28 percent
2009	Control Deficiency	8 percent
<b>Source:</b> State of Colorado Statewide Single Audit Reports. <sup>1</sup> Assessments determined and reported by the Office of the State Auditor as part of the audit of the TANF/Colorado Works program. <sup>2</sup> Severity of the level of control weakness is (1) control deficiency: least severe, (2) significant deficiency: more severe, (3) material weakness: most severe.		

As shown in the table, the error rate for Fiscal Year 2009 was lower than in prior years. Overall, for Fiscal Year 2009, of the 60 payments in our sample, five (8 percent) contained one or more errors, which is substantially lower than the 28 percent error rate identified in Fiscal Year 2008. For the five cases with errors in Fiscal Year 2009, we identified questioned costs of \$987 (7 percent of the total sampled costs of \$13,906). Further, while reviewing the payments in our sample, we identified an additional 14 payments in the reviewed cases that represented additional TANF/Colorado Works overpayments of \$4,914; these overpayments were not included in our original sample of 60 payments but were paid to the recipients whose case files we reviewed as part of our sample. In some instances, payment errors persisted for months. Altogether, total questioned costs were \$5,901. The types of errors we found included missing case file documentation and data entry errors by county caseworkers. Based on our findings during the Fiscal Year 2009 audit, we determined that the Department's internal control weakness level is at control deficiency over compliance with eligibility

determinations for the TANF/Colorado Works program. This is an improvement over the more severe material weakness identified the prior year.

We noted that in Fiscal Year 2009 the Department had improved its internal controls over the TANF/Colorado Works program. For example, the Department reorganized the TANF/Colorado Works program to include a quality control function. The TANF/Colorado Works quality control unit updated the county review process and provided additional training to the counties in Fiscal Year 2009. The Department also issued several agency letters to the counties to clarify eligibility requirements. The results of our Fiscal Year 2009 audit, discussed below, indicate the need for the Department to continue improving its internal controls over the TANF/Colorado Works program.

## Overall TANF/Colorado Works Sample Results

During our Fiscal Year 2009 audit, we sampled 60 TANF/Colorado Works benefit payments issued between July 1, 2008, and June 30, 2009. We reviewed the case files related to these payments to determine whether the payments were made only to eligible beneficiaries and in accordance with state and federal program guidelines; whether benefits were correctly calculated on the basis of the information entered into CBMS; and whether authorized payments were supported by documentation in the case file.

### Case File Documentation

State and federal regulations require counties to maintain adequate case files that include facts essential to the determination of applicants' initial and continuing eligibility for the TANF/Colorado Works program. Case files should assist caseworkers in reaching valid decisions, ensure that assistance is based on factual information, and provide for continuity when a caseworker is absent or when a case is transferred.

- ***Application and Citizenship Documentation.*** One case file we reviewed did not contain the initial TANF/Colorado Works application and proof of citizenship required under federal regulations. The missing eligibility documents in this case resulted in questioned costs of \$98 inside our sample and \$2,055 outside our sample.
- ***Immunization Records.*** Two case files did not contain the required proof of immunization documents. Under state law, TANF/Colorado Works recipients must provide proof of immunization for children in the household prior to the first redetermination of eligibility. The missing eligibility documents in these two cases resulted in questioned costs of \$1,593 outside our sample.

## Data Entry

As part of the eligibility determination process for TANF/Colorado Works, county caseworkers enter applicant-provided data for eligibility determination into CBMS. Federal and state rules outline the proper entry of data for the TANF/Colorado Works program, as these data directly affect the payment of benefits to TANF/Colorado Works recipients. Controls over data entry are critical to ensuring that eligibility determinations and benefit payments are accurate for all program applicants.

- ***Errors in Payment*** – In two cases we reviewed, the caseworkers had entered incorrect eligibility dates, resulting in payments being issued to ineligible individuals. In one case, the individual had previously received a lump-sum payment and therefore was not eligible for the additional payments we identified. In the other case, the individual had previously been convicted of welfare fraud and was no longer eligible to receive benefits. In these two cases, the incorrect data entry resulted in questioned costs of \$889 inside our sample and \$1,216 outside our sample.

Although the steps taken by the Department have resulted in significant improvements in the administration of the TANF/Colorado Works program, the 8 percent error rate noted in our Fiscal Year 2009 audit indicates a need for continued improvement. Specifically, the Department should continue monitoring the counties' administration of the program through case files reviews, training, and guidance. Such monitoring is the Department's best mechanism for ensuring the effective administration of the TANF/Colorado Works program.

(CFDA No. 93.558; Temporary Assistance for Needy Families; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Subrecipient Monitoring. Classification of Finding: Control Deficiency.)

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## Recommendation No. 102:

The Department of Human Services should continue to work with the county departments of human/social services to ensure the accuracy of eligibility determinations and benefit payments for the Temporary Assistance for Needy Families (TANF)/Colorado Works program by monitoring and reviewing counties' case file documentation and data entry.

## **Department of Human Services Response:**

Agree. Implementation date: Ongoing.

The Department will continue to provide oversight and monitoring to county departments of human/social services by continuing to conduct monthly case file reviews and by requiring monthly supervisory reviews by counties of a 5 percent sample of the entire statewide caseload. The Department will also continue to include this information in initial and ongoing program training it provides to county staff.

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## **Child Support Enforcement Program**

The Child Support Enforcement (CSE) program was enacted under Title IV-D of the federal Social Security Act. The overall objectives of the program are to enforce the support obligations owed by non-custodial parents to their children, locate non-custodial parents, establish paternity, obtain child support, and assure that assistance in obtaining support will be available to all children for whom such assistance is requested.

In Colorado the program is supervised by the Department through its Office of Self-Sufficiency but is administered locally by county departments of human/social services. The Department supervises the county departments through rule-making, training, an annual self-evaluation review, and periodic and on-demand communications. The Department shares the cost of the program with the federal government: the federal share is 66 percent; the state and county share is 34 percent. During Fiscal Year 2009, the Department spent approximately \$51.4 million in federal funds, which included nearly \$2.6 million in American Recovery and Reinvestment Act funds, on CSE program services (CFDA No. 93.563).

CSE provides services to families that are referred by another public assistance program, such as the TANF program, and to families that directly apply for services. Support payments from non-custodial parents are either disbursed directly to the custodial parent and/or retained by the State. The State retains payments (or a portion of payments) if the custodial parent has assigned his or her rights to child support to the State as reimbursement for public assistance provided through the TANF or Foster Care programs. As of September 30, 2009, the Colorado CSE program served more than 141,000 families.

As part of our Fiscal Year 2009 audit, we reviewed a sample of 40 CSE case files to assess the Department's compliance with federal and state regulations.

Overall, 13 (33 percent) of the files contained deficiencies. Specifically, we found problems in three main areas, as described below.

## Errors in Case Documentation

**Lack of medical coverage documentation.** Federal regulations require the Department to obtain and forward to the state Medicaid agency information about medical coverage through the non-custodial parent. These regulations apply to cases in which child support payments are assigned to the State. Of the 40 case files we reviewed, three (8 percent) contained no record that the Department had inquired of the non-custodial parent about medical coverage, even though the regulations applied to the case.

Similarly, under state regulations, the Department is to obtain information regarding the health insurance available through the custodial and/or non-custodial parent for the benefit of the children for all CSE cases. This information is to be recorded in the Automated Child Support Enforcement System (ACSES). The record of inquiry about medical coverage was missing or incomplete in an additional five out of the 40 cases (13 percent).

Errors in documentation about medical coverage were also identified in the Department's 2008 program self-evaluation review and in a federal data reliability review.

**Lack of case closure documentation.** Each case file, according to federal regulations, is to contain all information and documents pertaining to the case, including all relevant facts, dates, actions taken, contacts made, and results achieved. One (3 percent) of the case files reviewed did not contain sufficient documentation to determine if the case had been closed for a legitimate reason.

## Errors in the Provision of Services

**Required "locate" services not provided.** Under federal regulations, attempts to locate a non-custodial parent are to be repeated each quarter. The Department relies heavily on automated locate processes to comply with this requirement. The ACSES system is programmed to initiate quarterly data matches with the Department of Labor and Employment and several other government agencies. In three (8 percent) of the cases reviewed, location attempts had not been repeated each quarter. The Department's 2008 self-evaluation review also identified this problem and attributed it to a programming error within ACSES. Department staff stated that this programming error was corrected in January 2009. However, one of the three errors cited above occurred in the second quarter of 2009, indicating that the programming error was not completely corrected during Fiscal Year 2009.

**Required medical support enforcement services not provided.** According to federal regulations, the Department is to notify a non-custodial parent's employer, where appropriate, that the parent is responsible for providing health care coverage for his or her children. To notify the employer, the Department is to use the National Medical Support Notice. In one (3 percent) of the 40 cases, the Department had not sent this notice, even though the non-custodial parent had been ordered to provide medical support and the employer was known to the Department. There was no information in the case record that indicated that using the National Medical Support Notice was not appropriate in this case.

**Required interstate case referral services not provided timely.** When a state locates a non-custodial parent in another state, the initiating state is to send an interstate case referral to the other state within 20 days of locating the individual. The interstate case referral is a formal request to the other state to carry out appropriate establishment and/or enforcement actions for a case. Following federal guidance, we assessed the timeliness of referrals for cases that did not have a successful outcome during our review period. In two (5 percent) of the 40 cases, referrals to other states following the location of the non-custodial parent did not occur within the 20-day requirement. In these two cases, the referrals exceeded the requirement by 15 and 31 days, respectively.

## **Lack of Guidelines on Service of Process**

During Fiscal Year 2009, the Department did not have guidelines that define what constitutes "diligent effort" when attempting service of process. Service of process is the procedure used to give legal notice to a non-custodial parent of a court or administrative body's exercise of its jurisdiction over him or her. This enables the non-custodial parent to respond to the proceeding before the court or administrative body. Notice is furnished by delivering a set of legal documents to the non-custodial parent. According to federal regulations, service of process to notify non-custodial parents of actions to establish paternity or child support obligations must be completed within certain time frames. If service of process is unsuccessful, "diligent effort" to attempt service of process must be demonstrated. Further, according to federal regulations, states are to establish guidelines that define "diligent effort." In October 2009, the Department indicated that it had drafted guidelines that define "diligent effort" and that it planned to submit the guidelines to the State Board of Human Services in November 2009.

Noncompliance with federal and state regulations regarding CSE services can have several negative results. For example, failure to provide required services in a timely manner can lead to non-collection or delayed collection of child support payments due the custodial parent or the State. Inadequate guidelines and case documentation make it difficult to determine if required services were provided. For the cases containing medical coverage documentation errors, we could neither

determine if the children were covered by medical insurance in accordance with the medical support obligation, nor if coverage was at all available through their parents. As a result of these omissions, children may be uninsured, or covered by Medicaid, when they should instead be covered primarily by medical insurance available through their parents.

(CFDA No. 93.563; Child Support Enforcement; Special Tests and Provisions.  
Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 103:**

The Department of Human Services should improve controls over the Child Support Enforcement program by:

- a. Ensuring that counties document all relevant information, including medical coverage information, according to federal and state regulations.
- b. Correcting the programming error in the Automated Child Support Enforcement System (ACSES) to ensure timely attempts to locate non-custodial parents.
- c. Ensuring that counties enforce medical support obligations by using the National Medical Support Notice, where appropriate.
- d. Ensuring that counties conduct interstate referrals within federally required time frames.
- e. Finalizing and implementing guidelines that define “diligent effort” for service of process.

### **Department of Human Services Response:**

- a. Agree. Implementation date: July 2010.

A questionnaire similar to the Questionnaire Concerning Medical Support, which is currently only sent to custodial parties, will be revised to be sent to non-custodial parents to gather information regarding health insurance coverage for the children on the case. This will be implemented by July 2010.

Training will be provided to counties to remind staff to update case chronology when health insurance information is not available, and why, or when it is not appropriate to issue a National Medical Support

Notice. Training will also be provided to counties on what type of documentation must be maintained in the case file. This will be implemented by March 2010.

The Medical Support Ad Hoc Report was revised to ensure it is providing the appropriate list of cases and the necessary information to identify cases needing the issuance of a National Medical Support Notice, or needing an inquiry to the non-custodial parent or custodial party for an update on the status of medical coverage. This has been implemented.

- b. Agree. Implementation date: Implemented.

The programming error in the ACSES has been fixed. Randomly selected cases have been reviewed over the past couple months, and no issues have been identified.

- c. Agree. Implementation date: Implemented.

The Medical Support Ad Hoc Report was revised to ensure it is providing the appropriate list of cases and the necessary information to identify cases needing the issuance of a National Medical Support Notice when appropriate.

- d. Agree. Implementation date: September 2010.

Training will be provided to county staff on how to work the Potential Interstate Actions Report. This report identifies cases where the non-custodial parent's address or employment has been verified in another state and an action is needed and implemented by March 2010. 45 CFR 303.7 (b) (2) requires that Title IV-D cases be referred to the responding state's interstate central registry for action within 20 calendar days of determining that the non-custodial parent is in that state. Automated support is being considered to assist county staff in identifying and tracking cases where the non-custodial parent's address or employment has been verified in another state and an action is needed. An electronic notification would be sent to the technician of record when the non-custodial parent was verified in another state, with follow-up notifications to the Title IV-D administrator if an appropriate action is not taken within the time frame allowed. There will be an expectation that both county CSE management as well as State CSE staff will monitor these notifications to ensure they are worked and appropriate actions taken within the required federal time frames. This will be implemented by September 2010.

- e. Agree. Implementation date: March 1, 2010.

A definition for ‘diligent effort’ is being added to Volume 6 of the Code of Colorado Regulations (CCR). The rule is in the process of being approved and will be effective March 1, 2010.

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## Social Services Block Grant Overview

The Social Services Block Grant (SSBG) (CFDA No. 93.667), established by Title XX of the federal Social Security Act, was created to enable each state to provide social services best suited to meet the needs of the individuals within the state. Accordingly, federal guidelines for using SSBG funds provide the states with considerable flexibility in use of the funds. For example, each state determines which specific programs will receive SSBG funds. The state must spend the funds on programs that support one or more of five broad service goals. Specifically, the programs must provide services that (1) prevent, reduce, or eliminate dependency; (2) achieve or maintain self sufficiency; (3) prevent neglect, abuse, or exploitation of children or adults; (4) prevent or reduce inappropriate institutional care; or (5) secure admission to appropriate institutional care.

In Fiscal Year 2009, the State of Colorado was awarded approximately \$55.7 million and expended \$42 million under the federal SSBG grant. In Colorado, the Department is responsible for distributing SSBG funds to programs that support the service goals identified in the grant’s provisions.

## Federal Reporting Compliance

To demonstrate its compliance with the provisions of the SSBG, the Department is required to submit three reports to the federal government annually. During our Fiscal Year 2009 audit, we reviewed the required reports and identified issues in the controls over the compilation of two of the three reports, as explained below.

- **Fiscal Year 2009 “Pre-Expenditure Report.”** This report provides estimates of SSBG expenditures during the next 12 months and the estimated number of individuals to be served. We specifically found the following errors:
  - The Department made a mathematical error that resulted in a \$25.8 million overstatement of the total SSBG allocation to the State.
  - The Department made additional mathematical errors that resulted in a \$150,000 overstatement of the total estimated expenditures.

- The Department submitted the report to the federal reporting agency in October 2008—four months past the June deadline.
- **Fiscal Year 2008 “Post-Expenditure Report.”** By December 31 of each year the Department is required to submit a “Post-Expenditure Report.” This report provides the State’s actual expenditures during the preceding state fiscal year, as supported in the State’s accounting system, COFRS, along with the actual number of individuals served. The errors identified for this report are as follows:
  - Instead of reporting actual expenditures, the Department added 10 percent to the expenditures reported in the 2007 report.
  - The Department used an incorrect form and an incorrect reporting period. Additionally, the Department underreported by 4,200 the number of individuals served through the “Protective Services Adults” program area.

These reporting errors resulted from weak departmental controls over report preparation. Specifically, the Department staff who prepared the Post-Expenditure Report was not familiar with the SSBG reporting requirements and had not prepared this report in prior years. Additionally, none of the reports were reviewed by a supervisor before being submitted, which was evident by the types of errors we found. We further noted the Department was unaware of the errors contained within the “Pre-Expenditure Report” until we brought these errors to their attention. As of May 2009, the Department has not corrected and resubmitted the 2008 Post-Expenditure Report.

Supervisory review prior to report submission and adequate staff training are important controls to ensure that reports are correct and are submitted on time. Further, accurate and timely reporting to the federal government is important because the Department risks sanctions from the federal government when it does not comply with federal requirements.

(CFDA No. 93.667; Social Services Block Grant; Reporting. Classification of Finding: Significant Deficiency.)

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## **Recommendation No. 104:**

The Department of Human Services should strengthen controls over the reporting process for the federal Social Services Block Grant by:

- a. Ensuring staff preparing reports are adequately trained on the reporting requirements.

- b. Ensuring that reports are reviewed by a supervisor prior to being submitted.
- c. Correcting and resubmitting the 2008 Post-Expenditure Report to the federal awarding agency.

### **Department of Human Services Response:**

Agree. Implementation date: June 2009.

The Department fully agrees with the findings. As of August 5, 2009, all reports have been corrected and submitted in the proper format.

We have corporately learned what is necessary to complete these reporting requirements. Presently, the people with knowledge of the various areas of the report are responsible to collect the information necessary to complete their portion of the report. Each of those individuals will then supply their information to a central coordinator who will complete and file the reports. The reports will be filed only after the program accounting supervisor has reviewed the reports to verify their accuracy and completeness and will work with the coordinator to cure any deficiencies.

As a result of this past year's experience, the coordinator has now been trained to send reminders and follow-up correspondence to those individuals that are responsible for securing and forwarding the information required for the reports. The coordinator already possesses the organizational skills needed to solicit, collect, and retain the needed information and now has received the basic training needed to compile the reports once all the information is available. The coordinator's performance will be further evaluated during the next reporting cycle and any deficiencies noted at that time will be addressed with additional, focused training.

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## **Federal Earmarking Compliance**

The SSBG is primarily funded by a direct award from the federal government. Federal law also permits the Department to transfer funds previously awarded to the TANF program to the SSBG. This transfer can be spent in the same manner as other SSBG funds, but the law requires that any transferred TANF funds be earmarked and spent on services for families whose income falls below 200 percent of the annual federal poverty guideline. In Fiscal Year 2009, the State of Colorado was awarded approximately \$55.7 million from the federal government

under the SSBG and transferred an additional \$14.9 million of TANF monies to the SSBG program.

During our Fiscal Year 2009 audit, we requested verification that the TANF transfer had been spent on families below the 200 percent threshold in Fiscal Year 2008, the most recent year for which complete financial records were available. Initially, Department personnel reported that they were unaware of the federal requirement and requested confirming documentation, which was provided to them.

We requested that the Department provide evidence to indicate whether it was in compliance with the requirement to spend TANF transfers on specific clients. Although staff stated that the Department was in compliance, staff was unable to provide supporting documentation to demonstrate this because no reporting mechanism has been established that allows the Department to track and monitor the relevant information. After several weeks, the Department was able to generate specialized reports that matched the SSBG expenditures to the targeted clients.

As the primary recipient of federal funds, the Department is responsible for being aware of the specific compliance requirements of all federal programs it administers, having controls in place to monitor compliance, and taking action if problems are identified. As a result of the problems we encountered in determining the Department's compliance in this area, we determined the Department does not have effective internal controls in place to ensure compliance with federal requirements for the SSBG.

The Department risks sanctions if it does not comply with program specific federal requirements. Knowledge of requirements and periodic and routine monitoring are important to ensure that requirements are met.

(CFDA No. 93.667; Social Services Block Grant; Matching, Level of Effort, Earmarking. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 105:**

The Department of Human Services should ensure that staff are aware of all federal requirements that must be met for funds transferred from the Temporary Assistance for Needy Families (TANF) program to the Social Services Block Grant (SSBG) program. The Department should develop reporting mechanisms to track compliance with all requirements, such as expenditures by family and related income level, routinely monitor these reports, and take corrective action as necessary.

## **Department of Human Services Response:**

Agree. Implementation date: January 2011.

The Department will ensure that Child Welfare staff are aware of all federal requirements that must be met for funds transferred from the TANF program to the SSBG program. The Department will develop Trails reports to monitor expenditures for the target population by income related eligibility by child determined by household income; routinely monitor these reports; and take corrective action as appropriate.

Our estimate for implementation is both realistic and conservative in that this report will need to be put into production and it will be complicated requiring data from both Trails and the County Financial Management System (CFMS). The Trails team has seen a reduction in the staff that would be expected to create such a report. Requests for new reports are now prioritized and put into a queue. There is currently a lengthy list of projects and reports with various levels of priority. It can take from six months to 18 months to get a new report or procedure built in Trails with adequate testing to make sure the report is accurate and accomplishing its purpose.

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## **Adoption Assistance Case File Documentation**

The Adoption Assistance program (CFDA No. 93.659) is authorized by Title IV-E of the Social Security Act and administered at the federal level by the Department of Health and Human Services' Administration for Children and Families division. In Colorado, the program is administered by the Department. During Fiscal Year 2009, the program expended \$22.2 million, which included approximately \$1.7 million in American Recovery and Reinvestment Act funds. The average monthly number of children receiving IV-E Adoption Assistance monies in Fiscal Year 2009 was approximately 7,150.

The program provides funds to states to enter into adoption assistance agreements with parents who adopt eligible children. For their health and safety, these children have been removed from their parents' care and have special needs or circumstances that would otherwise make them difficult to place in a traditional adoption. Examples of qualifying special needs include medical conditions; physical, mental, or emotional handicaps; or specific factors such as ethnic background or age. Under federal regulations children served under the Adoption Assistance program are categorically eligible to receive Medicaid benefits (CFDA Nos. 93.777 and 93.778). Eligibility for Title IV-E adoption subsidies is determined at the county level, and the program is overseen by the Department.

Under federal requirements, in order for a child to be eligible for assistance under this program the following requirements must be met: (1) The parental rights to the child have been severed voluntarily or through judicial proceedings; (2) the child was determined by the state to be a child with special needs; (3) reasonable efforts have been made to place the child for adoption without a subsidy; and (4) the agreement for subsidy was signed and in effect prior to the final decree of adoption and contains the nature of services, the amount and duration of the subsidy, and the child's eligibility for Medicaid. The case files should contain documentation sufficient to support the eligibility determination, such as evidence that the child has a special need, removal from the birth parents was necessary to preserve the welfare of the child, and evidence of a signed agreement indicating the negotiated, recurring dollar amount paid on the child's behalf. The State has established requirements related to documenting eligibility and conducting background checks, among other things.

During our Fiscal Year 2009 audit, we reviewed 40 active IV-E Adoption Assistance case files in order to verify the eligibility for these cases. We found that three out of the 40 case files in our sample (7.5 percent) were lacking at least one of the documents required to support the child's eligibility. For these three case files, we identified questioned costs of \$9,180 out of the total related case file costs of \$167,772 (6 percent of costs).

Our case file review noted the following problems:

- One case file was missing the state-prepared form SS-11, which county caseworkers are required to complete to determine a child's eligibility for Title IV-E Adoption Assistance, resulting in questioned costs of \$4,500.
- One case file lacked documentation that a background check was performed on one of the residents in the home, resulting in questioned costs of \$4,680. Colorado statutes require that a background check be performed on every person over 18 who will be residing in the prospective adoptive household.
- One case file was missing the state-prepared form CWSA-4, which must be completed every three years to document that the Adoption Assistance agreement has been reviewed and agreed upon by all parties.

During our case file review, we further noted that documentation demonstrating that individuals in our sample had been redetermined as eligible for Medicaid had not been completed in a timely manner. This issue is addressed in Recommendation No. 53 of this report.

The Department needs to strengthen its current monitoring, written policies, and training programs at the county level to ensure that the counties include all documents supporting eligibility in the case files. While the Department has implemented periodic monitoring by performing risk-based case file reviews at the county level and communicating its findings to the counties, the case files we tested still lacked required documentation. Department staff responsible for the monitoring function reported that in Fiscal Year 2009 they also noted a marked increase in the instances of inadequate or missing documentation.

Departmental compliance with eligibility requirements set at the federal and state levels is essential to ensuring that only eligible children receive Adoption Assistance and Medicaid benefits. The Department should ensure that county policies and procedures reflect all applicable federal and state eligibility requirements and that controls over documentation are adequate.

(CFDA No. 93.659; Adoption Assistance; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 106:**

The Department of Human Services should strengthen controls over case file documentation for the Title IV-E Adoption Assistance program by using training and monitoring programs to ensure that county case workers are aware of all eligibility requirements of the Adoption Assistance program and maintain all required documentation in the case files.

### **Department of Human Services Response:**

Partially agree. Implementation date: January 2010.

The Department provides training to Adoption and Adoption Assistance (AA) supervisors on a regular basis. Technical assistance is provided to counties by the Department on an as-needed or as-requested basis. The Department will continue to provide training and technical assistance assuring that county staff are aware of all eligibility requirements of the AA program and maintain required documentation in the case files. The Department will continue to regularly monitor counties' compliance with the necessary documentation through case file reviews and provide training related to the issues raised (if any) as a result of the reviews.

We disagree with the compliance related to performance of background checks. These checks are completed at the time of a family's initial

approval and, again, at the time of finalization. The results of the checks are not usually included in the AA files as they remain in the adoption and/or foster care files, but they are documented in the narrative of the home study that is maintained in that file. AA files are strictly for proof of the child's eligibility for AA and for ongoing review of the family and child's status related to AA.

### ***Auditor's Addendum:***

*Background checks are an important safeguard in the Adoption Assistance program. Department policy states that the background check will be referenced in the home study, which is to be included in the case file. In the exception noted during the audit, the case file was missing the home study altogether.*

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## **Child Care and Development Program Cluster Overview**

The Child Care and Development Program Cluster (Program or CCDPC) (CFDA Nos. 93.575-Child Care and Development Block Grant, 93.596-Child Care Mandatory and Matching Funds of the Child Care and Development Fund, and Recovery Act 93.713-American Recovery and Reinvestment Act Child Care and Development Block Grant) was enacted through the child care programs under Title IV-A of the Social Security Act. The objective of the Program is to provide financial assistance to states to increase the availability, affordability and quality of child care services for low-income families where the parents are working or attending training or educational programs. In addition, federal law designed the Program to:

- Allow each state maximum flexibility in developing child care programs and policies that best suit the needs of the children and parents within the state.
- Empower working parents to make their own decisions about the child care that best suits their family's needs.
- Encourage states to provide consumer education and information to help parents make informed child care decisions.
- Assist states to provide child care to parents trying to achieve independence from public assistance.

- Assist states in implementing child care provider health, safety, licensing and regulatory standards.

In Colorado, the federal Program is used to fund the Colorado Child Care Assistance Program (CCCAP), which is supervised by the Division of Child Care at the Department and administered by the county departments of human/social services. In Fiscal Year 2009, federal grants to Colorado for the Program totaled approximately \$87.7 million, including \$24.3 million awarded through the American Recovery and Reinvestment Act (Recovery Act), enacted in February 2009. The CCCAP also received a federally approved transfer of TANF funds of \$29.9 million. In Fiscal Year 2009, the Department spent approximately \$91 million in Program funds, which included \$10.7 million in Recovery Act funds, on program activities.

During our Fiscal Year 2008 audit of the Department, we identified control and significant deficiencies in the Department's internal controls over compliance with federal guidelines for the Program. Based on our Fiscal Year 2009 audit, we conclude that the Department needs to continue to strengthen the program's controls over compliance. Our findings are discussed in detail below.

## Case File Documentation

Approximately 23,500 families received subsidized child care under the CCCAP program in Fiscal Year 2009. The average monthly benefit was \$654 per household. The counties are responsible for determining families' eligibility for CCCAP child care assistance. To qualify for a CCCAP child care subsidy, a family must submit documents verifying information such as (1) the children in the household receiving subsidized care are U.S. citizens; (2) the household's gross income is equal to or less than the county income ceiling and/or 85 percent of the median state income for a family of the same size; (3) the family resides in the county; and (4) the parents are engaged in "eligible activities" such as employment, job search or training. Copies of these documents are to be maintained in the family's CCCAP files at the county.

Eligible families receive child care services that are paid for jointly—by CCCAP and the families. The payments go directly to child care providers, who receive an agreed-upon pay rate that is based on various market factors, including, but not limited to, local economies and/or the availability of child care, in the counties where the provider operates. CCCAP's share of payments to providers typically ranges from approximately \$1 to \$2,150 per month, per household.

A family's share of the monthly payment, called the "parental fee," is calculated on a sliding scale, based on factors such as the family's income, work schedule, and corresponding child care needs. The monthly parental fee can range from \$0

to \$906. In some cases, the county may determine that paying a parental fee would cause a financial hardship to the family and waive the fee. Both the CCCAP share and the parental fee are based on the family's gross household income.

During our Fiscal Year 2009 audit, we reviewed 40 active CCCAP case files to determine whether they contained the required documents to support eligibility (i.e., children's proof of U.S. citizenship, family income, county of residence, and eligible activities). Of the 40 case files, 3 (about 7.5 percent) lacked at least one of the documents required to support the family's eligibility for a CCCAP subsidy. The resulting questioned costs totaled \$11,460.

- The first case file lacked nearly all the required eligibility documents, including those necessary to verify the household income, the family's county of residence, and the eligible activities engaged in by the parents. This family received \$10,753 in child care subsidies during Fiscal Year 2009.
- The second case file lacked evidence that the children receiving subsidized care were U.S. citizens. This family received \$227 in child care subsidies during Fiscal Year 2009.
- The third case file lacked documentation of the household income and the U.S. citizenship for the children receiving care. This family received \$480 in child care subsidies during Fiscal Year 2009.

In all three cases, Department and county officials were unable to locate the documentation following our discussions with them.

Although the Department currently monitors the counties and provides training programs for them, the documentation deficiencies we identified—and the associated questioned costs—indicate a need for continued Departmental scrutiny. Without the required documentation, the Department cannot ensure that only eligible households are receiving child care subsidies.

(CFDA Nos. 93.575, 93.596, 93.713; Child Care and Development Block Grant, Child Care Mandatory and Matching Funds of the Child Care and Development Fund, and American Recovery and Reinvestment Act Child Care and Development Block Grant; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Subrecipient Monitoring. Classification of Finding: Control Deficiency.)

**Recommendation No. 107:**

The Department of Human Services should ensure, through continued monitoring and training, that the counties are obtaining and maintaining in the case files all the documents required to demonstrate families' eligibility for Child Care and Development Program Cluster subsidies under the Colorado Child Care Assistance Program.

**Department of Human Services Response:**

Agree. Implementation date: October 2009, with full implementation by November 2010.

The Department will be completing a monthly improper authorization audit on a random sample of files (as per the federal improper authorizations directive), beginning October 2009. As part of this audit we will ensure that all verification documents are in the files to ensure the family's eligibility for Child Care and Development Program Cluster subsidies. For those counties who had findings due to missing verification, the Division of Child Care will work with the Audit Division to request reimbursement of the questioned costs to be added back into the Program funds for the Child Care Program. The Child Care Automated Tracking System (CHATS) replacement system, which will be fully implemented by November 2010, has controls built into it for workers to verify documentation needed for all cases and reports to identify exceptions for supervisor and state review.

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**Compliance with Federal Earmarking**

On occasion, Congress "earmarks" funds for federal programs requiring that they be used only for certain purposes. For example, through the Federal Fiscal Year 2008 Appropriations Act, Congress directed that a "substantial portion" of the CCDPC funds be used to provide assistance to low-income working families that meet certain criteria. These criteria include that families must not be receiving assistance under the TANF program and that families must be attempting, through work activities, to transition off of temporary assistance programs.

As the recipient of federal funds, the Department is responsible for being aware of and ensuring compliance with all requirements, including earmarks, related to the administration of federal grant funds. During our Fiscal Year 2009 audit, we requested verification from the Department that it had complied with the 2008

earmark for CCDPC funds. First, Department officials reported they were unaware of the requirement. The Department also reported that it was not possible to quantify the dollar amounts expended or the number of cases that qualified for the requirement.

Following discussions with program staff, the Department was able to demonstrate that this requirement had been met. The Department uses CHATS to track eligible clients and benefits paid. Based on data in CHATS, the percentage of clients who receive child care assistance and who also receive TANF benefits is tracked on a monthly basis. This tracking has occurred since Fiscal Year 2001 because the Department is required to track TANF cases in order to comply with other federal requirements.

The Fiscal Year 2009 report demonstrates that 13.7 percent of all child care assistance dollars were paid to households that were also receiving TANF assistance. The requirement that a “substantial portion” of funds be used to provide assistance to low income, working families who do not receive TANF payments has therefore been met, because the remaining 86.3 percent of payments was made on behalf of households that met the Congressional directive.

While the Department has satisfactorily demonstrated that it is in compliance with the requirement, the Department had not identified nor monitored this requirement. As a result, we determined that the Department lacks adequate procedures for identifying and monitoring federal requirements and earmarks pertaining to the expenditures of federal grant funds. The Department risks incurring federal sanctions for noncompliance if it does not comply with program specific federal requirements. Knowledge of requirements and periodic and routine monitoring are important to ensure that requirements are met.

(CFDA Nos. 93.575, 93.596, 93.713; Child Care and Development Block Grant, Child Care Mandatory and Matching Funds of the Child Care and Development Fund, and American Recovery and Reinvestment Act Child Care and Development Block Grant; Matching, Level of Effort, Earmarking. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 108:**

The Department of Human Services should ensure that it has procedures in place to identify and monitor federal earmarking requirements related to Child Care and Development Program Cluster (CCDPC) funds and makes use of the mechanisms it has in place to track and report compliance.

## **Department of Human Services Response:**

Agree. Implementation date: November 2009.

The Department is now aware of the 2008 Appropriations Act requirement that a “substantial portion” of the CCDPC monies must be used to provide assistance to low-income working families that meet certain criteria. These criteria include that families must not be receiving assistance under the TANF program and that families must be attempting, through work activities, to transition off of temporary assistance programs. The Department has the capacity to track funding specific to TANF and non-TANF families and demonstrate that a substantial portion is being spent on non-TANF families.

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## **Overrides of Eligibility Determinations**

Eligibility determinations for CCCAP are completed automatically in the Department’s CHATS database based on data entry from county caseworkers. The ability of CHATS to automatically determine eligibility can be a control for preventing fraud and errors. However, CHATS also allows caseworkers to override the system's eligibility determinations. Accordingly, the Department must have compensating controls in place to ensure that overrides are appropriate.

During our Fiscal Year 2008 audit, we found that neither the Department nor the counties had adequate controls in place to ensure that overrides are justified and occur only with supervisory approval. For example, the Department did not have a report on cases that had been overridden, which made it difficult for the Department and counties to track overrides or related trends and follow up on any anomalies.

Although Department staff said during our Fiscal Year 2008 audit that county caseworkers should be documenting the reasons for overrides, neither Department regulations nor the Department’s policy manual at the time required counties to perform supervisory reviews of overrides or maintain any documentation related to overrides. We visited nine counties during our Fiscal Year 2008 audit and found that they had varying policies for documenting and approving overrides, which ranged from no oversight or documentation to having technicians add notes explaining the override in CHATS.

During our Fiscal Year 2009 audit, the Department reported that it had begun drafting rules to specify the acceptable reasons for eligibility overrides and the documentation that counties must maintain to support the overrides. However, the Department had not implemented the rules by the end of our audit. The

Department also reported during our Fiscal Year 2009 audit that it had received initial approval to hire two additional staff to monitor the use of overrides at the county level. However, the Department did not hire the two staff because of the hiring freeze put into effect by the Governor in September 2008. Finally, the Department reported during our Fiscal Year 2009 audit that it has the ability to run ad hoc reports to monitor overrides. However, the Department has not run these reports because it has been unable to hire new monitoring staff. We did not find evidence that the Department has developed an interim strategy for accomplishing the monitoring with existing staff.

The lack of adequate controls over CCCAP eligibility overrides significantly increases the risk of fraud, errors, and irregularities that could result in ineligible families' improperly receiving CCCAP subsidies and in the federal government disallowing associated CCCAP expenditures. The Department must ensure that controls exist to ensure that overrides are appropriate and abuses or errors are detected and prevented.

(CFDA Nos. 93.575, 93.713; Child Care and Development Block Grant, American Recovery and Reinvestment Act Child Care and Development Block Grant; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Subrecipient Monitoring. Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 109:**

The Department of Human Services should improve controls related to manual overrides of Colorado Child Care Assistance Program (CCCAP) eligibility determinations within the Child Care Automated Tracking System (CHATS) by:

- a. Completing the drafting and implementation of rules governing the acceptable reasons for overrides and documentation required at the counties to support them.
- b. Monitoring overrides through the use of reports that identify state and county trends and irregularities, and ensuring proper follow-up.

### **Department of Human Services Response:**

- a. Agree. Implementation date: April 1, 2010.

The Department will promulgate and implement rules that govern the acceptable reasons for overrides and documentation required at the counties to support them.

- b. Agree. Implementation date: October 2009.

The Department will monitor overrides through the use of reports that identify state and county trends and irregularities, and ensuring proper follow-up. This will be done by state staff as well as working with county supervising staff for follow-up.

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## **Provider Payments**

Child care providers bill counties on a monthly basis for child care provided to families receiving CCCAP subsidies. Several steps exist to ensure that counties' payments to these providers are accurate and in compliance with federal and state requirements. First, a county caseworker authorizes the days of the week and the number of hours for which children can receive care based upon the parents' scheduled participation in eligible activities (e.g., working or attending educational or job training programs). For example, counties only authorize part-time child care if the parents are working part-time. Second, the provider submits a bill to the county at the end of the month for the care provided, and the county compares that bill to the amount of care authorized for that month. This comparison ensures that the provider is not billing for more care than was authorized. Third, the county verifies that the rate charged by the provider matches the rate listed in the provider's contract. Finally, counties review attendance documentation from randomly selected providers each month to verify that providers are only billing counties for the actual days on which units of care were provided.

Since 2003, several state and federal studies have reviewed different parts of the counties' processes for paying CCCAP providers. During our Fiscal Year 2008 audit, we reviewed the results of all of these studies and found that counties have lacked adequate controls over the provider payment process. Some of these control weaknesses have persisted since 2003. Through our review of the studies and our site visits to nine counties, we identified areas for improvement in two areas: authorizations and provider attendance documentation.

## **Authorizations**

Once a child is determined eligible for a CCCAP subsidy, a county case worker authorizes child care for certain days of the week and certain amounts of time on those days. The authorizations should be based on the parents' scheduled participation in eligible activities to ensure that children receive CCCAP services only when needed. Over-authorizing care (i.e., authorizing more care than is justified by the parents' schedules) increases the opportunity for fraud or abuse associated within the program. Additionally, payments to providers for child care

that was either not needed or not provided is subject to federal disallowances and recoveries.

A Department study in 2003 recommended that care only be authorized based on the parents' schedules, thereby reducing the potential for providers to over-bill and be paid for care not provided. However, we noted during our Fiscal Year 2008 audit that case reviews performed by the Department since August 2006 found that in nearly 38 percent of the cases examined, care was not authorized based upon the clients' needs, as reflected by their schedules.

Our Fiscal Year 2008 audit recommended that the Department strengthen its policies related to authorizing child care through CCCAP. During our Fiscal Year 2009 audit, the Department reported that it had drafted rules to clarify that counties should authorize only the amount of child care needed by CCCAP families based on their schedule of eligible activities. However, the Department had not implemented these rules by the end of our Fiscal Year 2009 audit. We also recommended in our Fiscal Year 2008 audit that the Department work with counties to improve the counties' internal control systems to ensure proper CCCAP case management, such as by requiring counties to conduct additional case file reviews. During our Fiscal Year 2009 audit, the Department reported that the review requirement would be implemented upon the Department's implementation of the aforementioned rules clarifying that counties should authorize only the amount of care needed by CCCAP families.

(CFDA Nos. 93.575, 93.713; Child Care and Development Block Grant, American Recovery and Reinvestment Act Child Care and Development Block Grant; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Subrecipient Monitoring. Classification of Finding: Significant Deficiency.)

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## **Recommendation No. 110:**

The Department of Human Services should ensure that county departments of human/social services properly authorize child care for Colorado Child Care Assistance Program (CCCAP) participants by:

- a. Promulgating rules to clarify that counties shall authorize only the amount of child care needed by CCCAP families based on their schedule of eligible activities.
- b. Working with the counties to improve their internal control systems, such as requiring counties to conduct monthly CCCAP case file reviews to identify errors in their case management and their causes and require corrective actions to prevent future errors.

## **Department of Human Services Response:**

- a. Agree. Implementation date: April 1, 2010.

The Department will promulgate and implement rules to clarify that counties shall authorize only the amount of child care needed by Child Care and Development Program Cluster families based on their schedule of eligible activities.

- b. Agree. Implementation date: April 1, 2010.

The Department will promulgate and implement rules that require counties to improve internal controls including conducting case file reviews to identify errors in their case management and their causes and requiring corrective actions to prevent future errors.

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## **Provider Attendance Sheets**

Department regulations require CCCAP providers to maintain attendance records that note the child's time of arrival and departure for each day of care. Regulations also require that these records be signed by the person authorized to drop off or pick up the child, such as the child's parent. Thus, these records document the time, dates, and units of care actually provided to children and can be used by counties to verify provider bills. We noted during our Fiscal Year 2008 audit that previous Department and federal studies had found that attendance documentation was not always adequate to support the bills submitted by providers.

Department regulations require counties to "complete at least a random monthly review of sign in/out sheets received from the provider compared to the billing sheets submitted." These random monthly reviews help ensure providers are billing only for care actually provided. During our Fiscal Year 2008 audit, we found that only five of nine counties sampled conducted the random monthly reviews on a regular basis. We also found that these five counties reviewed different types of providers (e.g., some counties reviewed only licensed facilities) and used different sample sizes for their reviews. Of the other four counties, two conducted reviews when workers suspected problems with specific providers, one had discontinued its reviews, and the other never reviewed provider attendance sheets.

At the time of our Fiscal Year 2008 audit, Department regulations did not specify how counties should conduct these reviews. Our Fiscal Year 2008 audit recommended that the Department offer direction on the number or percent and

types of providers that counties should review each month. We also recommended that the Department revise its regulations to require that counties review provider attendance sheets primarily on a risk basis rather than randomly. Even so, the Department should continue to require that counties conduct some reviews of randomly selected providers, to ensure that all providers have some chance of being selected.

During our Fiscal Year 2009 audit, we found that the Department had begun drafting rules to improve oversight of provider attendance sheets but had not implemented these rules. The Department should complete and implement the new rules to provide direction to the counties on reviewing provider attendance sheets.

(CFDA Nos. 93.575, 93.713; Child Care and Development Block Grant, American Recovery and Reinvestment Act Child Care and Development Block Grant; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Subrecipient Monitoring. Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 111:**

The Department of Human Services should improve the review of Colorado Child Care Assistance Program provider attendance records by county departments of human/social services by:

- a. Providing guidance to the counties on how to select samples of providers' attendance sheets for review.
- b. Revising Department regulations to require that counties implement a risk-based approach for conducting the reviews. Counties should continue to include a random element to ensure that all providers have a chance of being selected for review.

### **Department of Human Services Response:**

- a. Agree. Implementation date: May 1, 2010.

The Department will give guidance to counties on how to select providers' attendance sheets for review through an agency letter. The agency letter will be drafted after the passage of rule related to implementing a risk-based approach for reviews and will include information on the full review process.

- b. Agree. Implementation date: April 1, 2010.

The Department will promulgate and implement rules that require counties to implement a risk-based approach for conducting the reviews.

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## Quality Initiatives

Federal rules require states to spend at least 4 percent of their Child Care and Development Program Cluster (Program) allocation on activities or services that improve the quality and availability of child care in the state. During our Fiscal Year 2008 audit, the Department spent about \$4 million at the state level on quality initiatives. In addition to the statewide quality initiatives, Department policy at the time of our Fiscal Year 2008 audit allowed counties to spend funds transferred from their TANF reserves and/or up to 10 percent of their Program allocation on activities to improve the quality of child care. We found during our Fiscal Year 2008 audit that county expenditures on quality initiatives had steadily increased, from about \$300,000 by 13 counties in Fiscal Year 2004 to about \$4.8 million by 37 counties in Fiscal Year 2008.

Federal regulations describe quality activities as those that (1) provide comprehensive consumer education to parents and the public, (2) increase parental choice, and (3) improve the quality and availability of child care. Department policy further defines acceptable uses of quality initiative funds to include child care capacity building, increasing child care resource and referral services, child care provider grants, provider training and recruitment, and minor remodeling of child care facilities.

During our Fiscal Year 2008 audit, we reviewed a sample of 72 quality initiative expenditures by three counties totaling about \$577,000 in Fiscal Years 2006 through 2008. We identified concerns with questioned costs, lack of consistent grant processes, and use of funds for administrative expenses that have continued in Fiscal Year 2009, as described below.

**Questioned costs.** Of the 72 transactions we tested in Fiscal Year 2008, 14 (19 percent) included questioned costs. These costs totaled about \$83,000 (14 percent) of the approximately \$577,000 tested and included a transaction in which quality initiative funds were used to pay costs related to a Head Start conference. We questioned whether paying the expenses of another program such as Head Start was an appropriate use of these funds. During our Fiscal Year 2009 audit, we found that the Department instituted a risk-based system for monitoring county quality initiative expenditures and ensuring that these expenditures are allowable, reasonable, and supported by adequate documentation. However, we

also found during our Fiscal Year 2009 audit that the Department has not clarified whether using quality initiative funds to pay for the expenses of other programs such as Head Start is appropriate.

Our Fiscal Year 2008 audit also identified problems with a large quality initiative transaction in Denver County. Specifically, Denver County could not provide supporting documentation for a transaction totaling about \$2.8 million. Denver County provided invoices totaling about \$4.2 million but was unable to reconcile these invoices to the \$2.8 million transaction we requested. As a result, we were unable to test the appropriateness of this transaction during our Fiscal Year 2008 audit and considered it to be a potential questioned cost. We recommended during our Fiscal Year 2008 audit that the Department conduct a detailed audit of this transaction to determine if Denver County had complied with all applicable requirements. During our Fiscal Year 2009 audit, we also found that the Department had not yet completed an audit of the questionable \$2.8 million transaction identified at Denver County.

As noted previously, Department policy provides a specific list of uses for county quality initiative spending. The Department has also provided counties with informal written guidance on the allowability of certain types of expenditures. During our Fiscal Year 2008 audit, we found this guidance was more general than the Department's policy, in part because it provided a list of allowable activities that includes "any other activities that are consistent with the intent of the [Child Care and Development Program Cluster]." The broadness of the Department's informal guidance weakens assurances that counties will spend quality initiative funds appropriately or strategically to meet program goals. We recommended in our Fiscal Year 2008 audit that the Department should clarify requirements for quality initiative spending by ensuring that counties comply with current Department policy. During our Fiscal Year 2009 audit, we found that the Department still has not ensured that its guidance given to the counties on the allowability of types of quality initiative expenditures reflects current Department policy and federal requirements.

**Lack of formal grant process.** During our Fiscal Year 2008 audit, we found that one of the three counties for which we tested transactions did not have a formal grant program to distribute quality initiative funds to providers. Rather, the county used quality initiative funds to pay for operating costs at its county-owned child care center without giving other private providers in the county the chance to apply for these funds, giving the appearance of favoritism and impropriety. Although the Department does not specifically require counties to distribute funds to providers through grants, a formal grant process provides greater assurance that all providers have an opportunity to apply for and receive funds. A formal process also provides greater transparency and accountability, reducing the risk of fraud and abuse. We recommended in our Fiscal Year 2008 audit that the Department should require counties to establish formal grant processes if they are

distributing quality initiative funds to child care providers. During our Fiscal Year 2009 audit, we found that the Department still does not require that counties establish a formal grant process for distributing quality initiative funds.

**Use of quality initiative funds for administrative expenses.** Department policy does not include county administration as an allowable use of quality initiative funds. During our Fiscal Year 2008 audit, we found that one county allowed a subrecipient to use 5 percent of the quality initiative funding it received from the county to pay for administrative expenses up to \$127,500. In addition, we found one instance in which the same subrecipient subgranted some of these funds to another entity and allowed that entity to also charge 5 percent for administrative expenses. We were concerned during our Fiscal Year 2008 audit about allowing subgrantees of the quality initiative funding to use those funds for administrative expenses because it reduces the funds available for improving the quality of child care in the state. We recommended in our Fiscal Year 2008 audit that the Department clarify whether administrative expenses are an allowable use of quality initiative funds. We found during our Fiscal Year 2009 audit that the Department has not provided this clarification.

Without improved oversight of county quality initiative spending, the Department cannot ensure that these funds are being used effectively and efficiently to improve the quality of child care in the state. Misuse of these funds could also result in federal recoveries of unallowable costs.

(CFDA Nos. 93.575, 93.713; Child Care and Development Block Grant, American Recovery and Reinvestment Act Child Care and Development Block Grant; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Subrecipient Monitoring. Classification of Finding: Significant Deficiency.)

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## **Recommendation No. 112:**

The Department of Human Services should improve its oversight of quality initiative spending for the Colorado Child Care Assistance Program by county departments of human/social services:

- a. Auditing the \$2.8 million transaction we identified as a potential questioned cost to ensure that the expenditure was made in accordance with all applicable requirements.
- b. Requiring counties to institute formal grant processes for distributing quality initiative funds to child care providers and reviewing the counties' grant processes to ensure that counties distribute and monitor funds appropriately.

- c. Ensuring that its guidance to counties on the allowability of types of quality initiative expenditures reflects current Department policy and federal requirements.
- d. Clarifying whether administrative expenses and paying for the expenses of other programs such as Head Start are appropriate uses of county quality initiative funds and, if so, establishing limits for such expenses.

### **Department of Human Services Response:**

- a. Agree. Implementation date: December 15, 2009.

The Division of Child Care is still in the process of finalizing the audit of the \$2.8 million transaction. Denver Human Services has until November 24, 2009, to provide any additional documentation related to currently questioned costs. The final report will be issued by December 15, 2009.

- b. Agree. Implementation date: January 31, 2010.

Additional guidance will be issued through the release of a new agency letter, which is currently in clearance. This agency letter establishes parameters for the distribution of quality initiative funds to child care providers, as well as the oversight that is assumed by the county. As the originating agency, the Department has also outlined a “risk-based” tiered model as a review methodology. This model was implemented in the fourth quarter of Fiscal Year 2009.

- c. Agree. Implementation date: December 15, 2009.

The process for Departmental approval of the use of TANF reserves for quality initiatives has been also redefined through an agency letter and the updated request form. Both forms include a list of allowable and excluded activities. Additionally, each request now includes a scope of work which is reviewed prior to approval. The scope of work, as well as mandatory quarterly reporting documents, is compared to the documentation submitted during the course of an audit to ensure that both federal and state policies have been followed.

- d. Agree. Implementation date: January 31, 2010.

Additional guidance will be issued through the release of a new agency letter, which is currently in clearance. This agency letter issues

guidelines on administrative charging and the use of funds to subsidize other federally funded programs.

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## Preparation of the Exhibit K

The Department uses the State's standard form—the Exhibit K—to report its fiscal year expenditures of federal awards. The Department submits the Exhibit K to the Office of the State Controller (OSC), which uses it to prepare the statewide Schedule of Expenditures of Federal Awards (SEFA)—an annual report required by the federal Office of Management and Budget's *Circular A-133*. For Fiscal Year 2009, the Department administered 70 federal programs and reported federal award expenditures of approximately \$1.2 billion, which represents 14 percent of the total reported on the statewide SEFA.

The Recovery Act added two reporting requirements that affected the Child Care and Development Program Cluster (Program). First, additional federal funds expended that are authorized for the Program are to be tracked and reported separately from non-Recovery Act federal funds. In addition, the Recovery Act funds spent for the Program are to be reported using a new Catalog of Federal Domestic Assistance (CFDA) number (CFDA No. 93.713), as directed by the U.S. Department of Health and Human Services. No other programs administered by the Department are required to use a new CFDA number for the Recovery Act funds for Fiscal Year 2009.

In our Fiscal Year 2006, 2007, and 2008 audits, we found that the Department had difficulties accurately preparing the Exhibit K. In our Fiscal Year 2009 audit, we found that while the Department has significantly improved its process for preparing the Exhibit K, it continues to have problems. The Department submitted the Fiscal Year 2009 Exhibit K to the OSC three weeks late. In addition, we found the following errors on the Exhibit K:

- The Recovery Act expenditures for six programs, including the Program, were not reported separately.
- The Recovery Act expenditures for the Program were not reported using the new CFDA number; rather, they were included with the non-Recovery Act federal expenditures.
- The beginning balances for 11 programs did not match the ending balances from the Fiscal Year 2008 Exhibit K. There was no explanation for the differences.

- The amount reported as direct receipts of federal funds for one program was calculated incorrectly.

After we notified the Department of these errors, staff corrected the errors and submitted a revised Exhibit K to the OSC.

In addition to the errors noted above, the Department did not consistently classify expenditures for all programs on the Exhibit K supporting documentation. Specifically, for some programs, expenditures to counties were classified as “sub-recipient expenditures,” while for other programs, the same type of expenditures were classified as “direct expenditures.” Because these two classifications are combined on the statewide schedule of expenditures, the inconsistency did not require another Exhibit K revision. Nonetheless, to avoid the risk of more significant errors, the Department should consistently classify expenditures for all programs in the supporting documentation for the Exhibit K.

The errors on the Exhibit K and the supporting documentation occurred because the Department does not have written procedures for preparing the Exhibit K and the supporting documentation. Additionally, the Department did not detect or correct the errors prior to submitting the Exhibit K to the OSC because the Department does not have an adequate supervisory review process in place. Further, although the Department provided training to staff responsible for preparing the Exhibit K and the supporting documentation during Fiscal Year 2009, the training did not include the guidance necessary to ensure compliance with the additional requirements of the Recovery Act and consistent preparation of supporting documentation.

The lack of written procedures, supervisory review, and adequate training increases the potential for errors in the Department’s Exhibit K. Because the Department is responsible for such a large portion of the total federal funds spent by the State, an error on the Department’s Exhibit K could materially misstate the statewide SEFA.

(CFDA Nos. 93.575, 93.596, 93.713; Child Care and Development Block Grant, Child Care Mandatory and Matching Funds of the Child Care and Development Fund, and American Recovery and Reinvestment Act Child Care and Development Block Grant; Special Tests and Provisions. Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 113:**

The Department of Human Services should improve controls over the preparation of the Exhibit K and supporting documentation by:

- a. Developing formal, written procedures for preparing the Exhibit K and related supporting documentation.
- b. Ensuring adequate supervisory review of the Exhibit K and supporting documentation.
- c. Continuing to provide training to staff who prepare the Exhibit K and the supporting documentation.

### **Department of Human Services Response:**

Agree. Implementation date: September 15, 2010.

- a. This year the Department revised the manner in which the Exhibit K is prepared. A formal, written procedure manual is already under development to expedite next year's preparation of the Exhibit.
- b. A new supervisor was responsible for the review of the Exhibit K and therefore was not fully cognizant of all aspects needing review. In the future the Department will assure the Exhibit is adequately reviewed by the supervisor.
- c. Enhanced training has already taken place for those responsible for preparing the supporting documentation for the Exhibit K. The supporting documentation will be reviewed on a quarterly basis and those needing additional training will receive individual and targeted instruction. The person preparing the Exhibit will work with the Office of the State Controller in furthering his understanding and ability to prepare the exhibit accurately.

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## **Title IV-E Foster Care Program Overview**

The federal Foster Care Program (CFDA No. 93.658) was enacted under Title IV-E of the Social Security Act. The purpose of the program is to help states provide safe and stable out-of-home care for children who have been temporarily removed from their homes. The federal grant provides funds to assist with the costs of foster care maintenance for eligible children, with costs directly related to the administration of the program, and with training costs. In Fiscal Year 2009, the Department expended about \$63.7 million in federal funds, which included nearly \$1.9 million in American Recovery and Reinvestment Act funds, to carry out the objectives of the Title IV-E Foster Care program.

The U.S. Department of Health and Human Services establishes eligibility and other requirements for the federal Title IV-E Foster Care program. In Colorado, the Department's Division of Child Welfare oversees the Foster Care program and is responsible for ensuring compliance with federal and state requirements. County departments of human/social services administer the program locally.

During our Fiscal Year 2006, 2007, and 2008 audits of the Department, we identified control and significant deficiencies in the Department's internal controls over compliance with federal guidelines for the program. Based on our Fiscal Year 2009 audit, we conclude that the Department needs to continue to strengthen the program's controls over compliance. Our findings are discussed in detail below.

## **Foster Care Reimbursements to the Ute Mountain Ute Tribe**

In 1991 the Department entered into a contractual agreement to reimburse the Ute Mountain Ute Tribe for its costs of providing certain foster care services, including placements of eligible children in foster care. The 1991 contract, which was still in place during Fiscal Year 2009, specified that for the tribe to be eligible for reimbursement of its foster care placement costs, the tribe must comply with the requirements of Title IV-E of the federal Social Security Act. Specifically, Department staff indicated that this means the tribe must determine a child is Title IV-E eligible in order for the tribe to receive reimbursement for the child's foster care placement. Additionally, the contract specified that the Department may withhold reimbursements to the tribe if the tribe has not complied with the terms of the contract. The Department's reimbursements to the tribe totaled about \$1 million in Fiscal Year 2009. The tribe occupies a reservation located across southwestern Colorado, southeastern Utah, and northern New Mexico.

We reviewed the Department's Fiscal Year 2009 reimbursements to the tribe to determine whether the payments complied with the terms of the contract. We found that the Department reimbursed the tribe for the costs of foster care placements that appeared to be ineligible under Title IV-E. Specifically, in April 2009 the Department reviewed 21 of the tribe's foster care cases and found that in 14 cases (67 percent), the child was not eligible for foster care placement under Title IV-E. For example, in three cases the child was a resident of Utah at the time of his or her removal from the home. We compared the Department's list of the 14 ineligible children to the invoices submitted by the Tribe during Fiscal Year 2009 and found that the Department had reimbursed the Tribe about \$485,000 (about 48 percent of the Department's total reimbursements to the Tribe) for foster care placements for these 14 ineligible children.

Department staff said that the Department reimbursed the tribe for its costs of placing the ineligible children because of a “hold harmless” agreement the Department executed with the tribe in December 2008. According to staff, the hold harmless agreement allowed the tribe to receive reimbursement for its costs of foster care placements through March 2009, regardless of whether the children were eligible under Title IV-E. We reviewed the December 2008 agreement and found that it did not specify the terms of the hold harmless provision, so we could not determine whether the reimbursements for ineligible children identified above were appropriate.

The Department’s reimbursements to the tribe for foster care placement costs for children deemed ineligible under Title IV-E can have negative effects, as described below.

**Reduced federal reimbursements.** The Department can generally claim reimbursement from the federal government for 50 percent of its costs for eligible Title IV-E services. However, the Department cannot seek federal reimbursement for the costs of services provided to ineligible children and, therefore, must use the State’s general funds to pay for such services. The Department, recognizing that many of its reimbursements to the tribe in Fiscal Year 2009 would not qualify for federal reimbursement, decided to exclude all of the tribe’s costs from the Department’s claim for federal Title IV-E reimbursement. Although excluding these reimbursements removed the risk of federal recoveries of payments to the State for services to ineligible children, this action also deprived the Department of some federal reimbursements to which it was entitled. For example, we calculated that the Department could have claimed about \$135,000 in Title IV-E reimbursements for the cost of services provided to the seven children out of the 21 discussed above that the Department determined to be eligible under Title IV-E in Fiscal Year 2009.

**Weakened accountability for funds.** The Department appears unwilling to hold the tribe accountable for complying with Title IV-E requirements governing foster care funds. Staff indicated that the Department executed the December 2008 hold harmless agreement because the tribe has had difficulty meeting Title IV-E’s requirements, and the Department wanted to give the tribe more time to come into compliance. The December 2008 hold harmless agreement indicated that the tribe was following a corrective action plan related to Title IV-E funds, but Department staff could not provide a copy of that plan. Further, although Department staff said that the December 2008 agreement was the latest in a series of hold harmless agreements executed with the tribe, the staff could not provide copies of the previous hold harmless agreements. Accordingly, although the Department has had an agreement in place with the tribe regarding Title IV-E since 1991, the Department’s history of negotiations with the tribe regarding compliance with Title IV-E is unclear.

The Department needs to ensure the tribe's compliance with the terms of the 1991 contract, which specifies that the Department will reimburse the tribe only for the costs of foster care services provided to children who are eligible under Title IV-E. This would allow the Department to include its reimbursements to the tribe in its claim for federal Title IV-E reimbursement, thereby increasing the funds available to the State for administering its child welfare programs.

Finally, three of the reimbursements we reviewed included a notation on the payment voucher that Department accounting staff should return the signed check to Department program staff for distribution to the tribe. According to Department staff, this practice was intended to accelerate the tribe's receipt of the payment. While our test work did not indicate that any improper or fraudulent activities took place with these three payments, this practice creates a lack of segregation of duties in the payment process and thus increases the risk of misuse of funds or fraud. Department staff indicated that compensating controls are in place to ensure that checks returned to program staff for distribution are handled appropriately but could not provide written procedures documenting these controls. The Department should either formalize the controls in writing for ensuring that checks returned to program staff are distributed appropriately or discontinue the practice.

(CFDA No. 93.658; Foster Care\_Title IV-E; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility. Classification of Finding: Significant Deficiency.)

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## **Recommendation No. 114:**

The Department of Human Services should improve its oversight of Title IV-E child welfare funds by:

- a. Reimbursing the Ute Mountain Ute Tribe only for the costs of foster care services provided to children previously determined to be eligible under federal Title IV-E.
- b. Discontinuing the practice of implementing hold harmless agreements with the Ute Mountain Ute Tribe that allow the tribe to receive reimbursements for the costs of foster care services provided to children determined to be ineligible under federal Title IV-E.
- c. Including appropriate reimbursements to the Ute Mountain Ute Tribe in the Department's federal Title IV-E reimbursement claims to the federal government.

- d. Either documenting in writing the compensating controls for ensuring that signed checks given to program staff are distributed appropriately to payees, or discontinuing the practice of giving signed checks to program staff for distribution.

### **Department of Human Services Response:**

- a. Agree. Implementation date: July 1, 2009.

Effective July 1, 2009, the Department began reimbursing the Ute Mountain Ute Tribe only for the costs of foster care for children determined to be Title IV-E eligible.

- b. Agree. Implementation date: July 1, 2009.

Effective July 1, 2009, the Department discontinued the hold harmless agreements with the Ute Mountain Ute Tribe. The Department no longer reimburses the Ute Mountain Ute Tribe for costs of foster care to children who are no longer eligible under federal Title IV-E.

- c. Disagree. Implementation date: Not applicable.

Because of the potential negative fiscal impact to the State, the Department is not in a position to support adding the tribes to the federal Title IV-E claim. If the Department is found out of compliance during a federal Title IV-E Audit, the percentage driven by the cases found to be out of compliance is applied to the Title IV-E claim as a penalty to the State.

- d. Agree. Implementation date: March 2010.

The Department agrees to ensure that there is proper written instruction and documentation of the compensating controls to ensure that checks are distributed appropriately to payees.

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## **Eligibility and Case File Documentation**

The U.S. Department of Health and Human Services establishes requirements for eligibility for the federal Title IV-E Foster Care program. To be eligible for foster care placement under the program, a child must meet a number of criteria, and the child's eligibility must be evaluated against these criteria at least once in every 12-month period for the duration of the child's placement in foster care.

In addition, House Bill 06S-1023 (HB-1023) requires that all persons 18 years of age or older provide proof that they are lawfully present in the United States prior to receiving certain public benefits. This legislation extends to foster care providers. Specifically, HB-1023 requires each provider applicant to sign an affidavit stating that he or she is a U.S. citizen or a legal permanent resident and to present identification, such as a Colorado driver's license.

The Department oversees the Foster Care program and is responsible for ensuring compliance with federal and state requirements. County departments of human/social services administer the program locally and are responsible for determining children's initial and subsequent program eligibility and for maintaining the required documentation of these determinations. Counties may also choose to contract with child placement agencies (CPAs) for foster care services. Either counties or CPAs may certify foster care providers, which involves determining that the applicants meet applicable federal and state requirements.

During our Fiscal Year 2009 audit, we reviewed 40 foster care files (20 for children receiving foster care and 20 for foster care providers) to evaluate whether eligibility had been determined in compliance with federal and state requirements. We did not identify any exceptions in our review of the children's case files. However, of the 20 providers' case files, five (25 percent) did not contain the required affidavits attesting to the providers' lawful presence in the United States. After we notified Department staff of the missing documents, the staff obtained affidavits from the five providers. During our Fiscal Year 2008 audit, we also found that five of 20 provider case files tested did not contain the required affidavits.

The Department needs to provide greater assurance that foster care providers comply with HB-1023's affidavit requirements. To accomplish this, the Department should conduct ongoing monitoring to ensure that counties and CPAs obtain the required information from foster care provider applicants, including the affidavits required by HB-1023, and maintain that information in the providers' case files.

(CFDA No. 93.658, Foster Care\_Title IV-E, Eligibility. Classification of Finding: Control Deficiency.)

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## **Recommendation No. 115:**

The Department of Human Services should conduct ongoing monitoring to ensure that counties and child placement agencies are verifying that foster care providers are U.S. citizens or legal permanent residents of the United States.

## **Department of Human Services Response:**

Agree. Implementation date: February 2010.

The Department is putting measures in place to conduct ongoing monitoring of counties and child placement agencies verifying that foster care providers are U.S. citizens or legal permanent residents of the United States.

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## **Oversight of Child Placement Agencies**

Counties may choose to place foster children in foster homes certified either by counties or by private child placement agencies (CPAs). The Department has two primary methods for overseeing CPAs. First, under statute [Section 26-6-104, C.R.S.] CPAs must be licensed by the Department. The Department's Division of Child Care issues licenses and renews them annually after visiting the CPAs to assess compliance with applicable statutes and regulations. Second, the Department's 24-Hour Monitoring Unit in the Division of Child Welfare conducts periodic on-site monitoring visits to the CPAs to assess compliance with laws and regulations, determine the quality of care provided by the CPA, and evaluate the CPA's financial stability.

During our Fiscal Year 2007 audit, we reviewed the Department's licensing process and its on-site monitoring of CPAs. We identified several significant concerns, including:

- Insufficient monitoring of high-risk CPAs.
- Lack of documentation to demonstrate that staff followed licensing and monitoring procedures, identified and resolved potential problems at the CPAs, and ensured that appropriate corrective actions were taken against CPAs.
- Possible duplication of effort between licensing and monitoring visits.

During our Fiscal Year 2007 audit, we found that the Department did not use a risk-based schedule for planning CPA licensing and monitoring visits. Risk-based schedules would improve Department oversight of CPAs by allowing it to focus resources on visiting and monitoring those CPAs that appear to be high-risk, as evidenced by factors such as the number of child abuse or neglect allegations involving foster homes certified by the CPA. During our Fiscal Year 2008 audit, the Department reported that it had developed and piloted a risk-based model for monitoring. During our Fiscal Year 2009 audit, the Department

reported that it had developed criteria to determine risk levels for each CPA that will determine how often the CPA will be licensed and monitored. The Department did not provide information indicating that it has implemented its risk-based model for licensing and monitoring CPAs.

In addition, our Fiscal Year 2007 audit found poor documentation of some elements of both the licensing and monitoring visits, including missing checklists for all monitoring reviews in our sample and a lack of documentation related to reviews of child abuse or neglect investigations at the CPA's foster homes or of its financial activities. Without this documentation, we could not conclude whether Department staff appropriately identified and resolved potential problems at the CPAs, including imposing corrective actions as necessary. During our Fiscal Year 2008 audit, the Department reported that it had developed a monitoring tool and has begun standardizing procedures. However, we found that the Department has not implemented policies and procedures to ensure that staff fully document all key areas reviewed during licensing and monitoring visits and that the Department retains the supporting documentation for its licensing and monitoring visits. Once again, we could not conclude whether Department staff are appropriately identifying and resolving potential problems at the CPAs, including imposing corrective actions as necessary. We also could not reach this conclusion during our Fiscal Year 2009 audit because the Department did not provide us with any information related to this deficiency.

Finally, our Fiscal Year 2007 audit found similarities between the licensing and monitoring visits made to CPAs that could indicate some duplication of effort and resources. For example, both licensing and monitoring teams are required to review CPA staff, foster parent, and foster children files, as well as records related to abuse or neglect investigations, during their on-site visits. In addition, monitoring and licensing staff use the same checklists to capture information from their visits. During our Fiscal Year 2008 audit, we found that the Department had yet to evaluate its current licensing and monitoring procedures to identify and eliminate duplication. During our Fiscal Year 2009 audit, the Department did not provide information to demonstrate whether or not staff have performed this evaluation.

Since Fiscal Year 2002, CPAs have received between \$34 million and \$46 million annually to provide foster care services to about 20,000 children. Therefore, it is important for the Department to implement effective CPA licensing and monitoring procedures. Specifically, the Department should implement risk-based schedules for conducting both licensing and monitoring visits, fully document the areas reviewed and the results of the reviews for both licensing and monitoring visits, maintain documentation for a specified period, and evaluate the licensing and monitoring processes to minimize duplication. Improving and streamlining the licensing and monitoring reviews of CPAs will help to ensure the safety of foster children and increase accountability for state expenditures.

(CFDA No. 93.658, Foster Care\_Title IV-E, Subrecipient Monitoring.  
Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 116:**

The Department of Human Services should improve oversight of child placement agencies (CPAs) for the foster care program by:

- a. Continuing to test and implement risk-based schedules for licensing and monitoring child placement agencies. This should include developing criteria for determining risk levels, classifying all child placement agencies by risk level, and revising these classifications as necessary on a periodic basis.
- b. Establishing and implementing policies to fully document all key areas reviewed during licensing and monitoring visits and to retain the supporting documentation.
- c. Evaluating current licensing and monitoring procedures to identify and eliminate duplication.

### **Department of Human Services Response:**

Agree. Implementation date: May 2010.

- a. The Risk Base Model will be implemented on May 1, 2010. Data has been collected from the pilot (April 2009–present) and is currently being assessed. The tools used in the pilot are the Monitoring Tool, CPA Rules with severity levels, and the Core Indicator. Other variables in determining the variable schedule prior to assigning a visit code are critical incidents, complaints, Stage IIs, and adverse action. The Licensing Specialist and the Monitor will staff each CPA with two supervisors and the Unit's Licensing Administrator in the Division of Child Care's 24-Hour Unit. Risk based visits will be assigned and scheduled. A Standard Operating Procedure (SOP) is being developed and will be available May 2010.
- b. The Department implemented a SOP dated January 4, 2006, regarding key areas that need to be reviewed by licensing and monitoring visits. The retention of supporting documentation has been done and is located in the Optical Document Imaging system.

- c. The Department did evaluate current licensing and monitoring practices to identify and eliminate duplication between these two functions. As of November 15, 2009, the 24-Hour Monitoring Team located in the Division of Child Welfare was moved to the Division of Child Care. The Monitors and Licensing Specialist were incorporated into one unit, the Division of Child Care's 24-Hour Unit. Any duplication has been eliminated. Workloads and tasks are staffed with Unit Supervisor bi-monthly and all 24-Hour facilities are fully staffed before any facility visit.

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## CPA Expenditures

Counties may contract with CPAs to provide foster care services. CPAs use payments from the counties to pay foster parents for providing care and to cover their administrative costs associated with providing this care. During our Fiscal Year 2007 audit, we hired a contractor to review administrative expenditures at eight CPAs to determine if the expenditures complied with applicable state and federal requirements. We reviewed CPA expenditures because the Office of the State Auditor's *Foster Care Program Performance Audit* completed in June 2002 identified numerous problems with CPA expenditures, including more than \$1.1 million in questioned costs.

Our Fiscal Year 2007 audit found exceptions in about 15 percent of the 620 transactions, resulting in about \$46,400 (11 percent of the \$431,000 sample) in questioned costs for our original sample. For some of the exceptions, we expanded our testing and identified \$23,200 in additional questioned costs; this resulted in total questioned costs of \$69,600. Our exceptions included unreasonable expenditures, such as loans and advance payments to foster parents and rebates from a CPA to county to encourage foster care placements with that CPA; unallowable expenditures, such as a donation to a church; and expenditures without adequate supporting documentation.

Our Fiscal Year 2007 audit identified several ways in which the Department could provide oversight of CPAs' administrative expenditures, as described below:

**OMB Circular A-133 Audit Requirements.** Our Fiscal Year 2007 audit recommended that the Department ensure that CPAs comply with OMB *Circular A-133's* audit requirement, which requires non-federal entities that expend \$500,000 or more in federal funds annually to submit to an annual audit. The purpose of the audit is to determine if the entity's financial statements are stated fairly, assess the entity's internal controls over federal funds, and test compliance with federal requirements. OMB *Circular A-133's* audit requirements apply to subrecipients of federal funds but not to vendors. During our Fiscal Year 2007

audit, we reviewed the criteria in OMB *Circular A-133* and concluded that the substance of the relationship between the Department and CPAs is that of a subrecipient. The Department had received an informal opinion from the Attorney General's Office concluding that CPAs are not subrecipients. However, this opinion did not evaluate CPAs against the subrecipient and vendor criteria included in OMB *Circular A-133*. Therefore, we recommended that Department staff evaluate the substance of the relationship between counties and CPAs and determine, based on the OMB *Circular A-133* criteria, whether CPAs are subrecipients.

During our Fiscal Year 2009 audit, we reviewed the Department's evaluation of whether CPAs should be considered subrecipients or vendors. The evaluation concluded that CPAs "clearly" meet all the criteria to be considered vendors and none of the criteria to be considered subrecipients. However, as our Fiscal Year 2007 audit discussed, the *Circular* defines subrecipients as having responsibility for programmatic decision making and having their performance measured against whether the objectives of the federal program are being met; both of these are true for CPAs providing foster care services. The Department's evaluation of the subrecipient versus vendor designation for CPAs that we reviewed during our Fiscal Year 2009 provided no detailed analysis or explanation to show how staff reached the conclusion that CPAs are "clearly" vendors. Therefore, we are recommending again that the Department evaluate the substance of the relationship between counties and CPAs based on OMB *Circular A-133* criteria and conclude whether CPAs should be considered vendors or subrecipients. This new evaluation should include a detailed analysis of how CPAs do or do not meet the criteria for a vendor or a subrecipient.

The Department already requires CPAs with annual foster care expenditures over \$100,000 to submit to annual independent financial audits. If the Department determines that CPAs are vendors and not subrecipients, another option for increased oversight of CPA expenditures would be to require additional procedures in the annual independent audits of CPAs. The additional procedures could address the requirements of OMB *Circular A-133* audits, such as reviewing transactions for compliance with federal cost principles. If the Department chooses this option, it would need to determine which CPAs would be subject to the additional audit procedures. In either case, the Department would need to follow up on any findings identified in these audits or the OMB *Circular A-133* audits.

**On-site reviews.** Our Fiscal Year 2007 audit also recommended that the Department evaluate options for conducting on-site reviews of CPA expenditures. One option would have been for the Department to incorporate procedures for reviewing CPA expenditures into the CPA monitoring visits already conducted by the Department. The Department would need to provide training to monitoring staff on conducting transaction testing and applying federal and state requirements

for allowable costs. During our Fiscal Year 2009 audit, we found that the Department had created procedures for a limited review of a CPA's financial statements.

**Unallowed costs.** We also recommended during our Fiscal Year 2007 audit that the Department strengthen its regulations regarding unallowed costs (i.e., expenditures not permitted in the program) for CPAs providing foster care services. During our Fiscal Year 2007 audit, we had found that the Department's regulations did not specify the types of expenditures that are not allowed, such as loans/advance payments to foster parents and rebates to counties. We recommended that the Department include specific examples of unallowable costs in its regulations. During our Fiscal Year 2009 audit, the Department reported that it had drafted but not yet implemented new regulations in this area, but our review of these draft rules found that they do not include specific examples of unallowable costs. Therefore, we are repeating our recommendation that the Department include specific examples of unallowable CPA costs for foster care services in its regulations.

(CFDA No. 93.658; Foster Care\_Title IV-E; Activities Allowed or Unallowed, Allowable Costs/Cost Principles. Classification of Finding: Significant Deficiency.)

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## **Recommendation No. 117:**

The Department of Human Services should improve controls over administrative foster care funds expended by child placement agencies (CPAs) by:

- a. Evaluating the substance of the relationship between counties and CPAs based on OMB *Circular A-133* criteria and concluding whether CPAs should be considered vendors or subrecipients. The evaluation should include a detailed analysis of how CPAs do or do not meet the criteria of being a vendor or a subrecipient.
- b. Implementing requirements for audits of CPAs in accordance with the determination suggested in part (a) of the recommendation. If the Department concludes that CPAs are subrecipients, it should develop a process to identify those CPAs with annual expenditures of federal funds of \$500,000 or more and notify those CPAs that they must submit OMB *Circular A-133* audits each year.
- c. Establishing procedures to review the CPA audits and follow up on any findings identified.

- d. Evaluating options for reviewing the allowability and appropriateness of CPA expenditures made with child welfare funds.
- e. Including examples of unallowable costs in regulations. The Department should ensure that loans and advance payments to foster parents and rebates to county departments to encourage placements are cited as examples of unallowed costs.

### **Department of Human Services Response:**

Partially agree. Implementation date: September 2010.

- a. Agree. Implementation date: June 2010.

The Department agrees the relationship between counties and CPAs based on OMB *Circular A-133* needs to be evaluated in regards to whether CPAs are considered vendors or subrecipients. The Department will renew its review of this issue with additional detail, and if found that counties need to be involved in the analysis the Department will include the counties. The Department will provide detailed analysis by June 2010.

- b. Agree. Implementation date: September 2010.

The Department agrees that if the detailed analysis in part (a) of the recommendation concludes that CPAs are subrecipients, a process will be developed to find those CPAs with annual expenditures of federal funds of \$500,000 or more. This will involve working with various areas of the Department, by creating a taskforce, in order to identify the affected CPAs. The Department will notify those CPAs of the requirement to submit OMB *Circular A-133* audits each year. This part of the recommendation, if required, will be implemented by September 2010.

- c. Agree. Implementation date: May 2010.

The Department agrees and currently the Budget Administrator for the Division of Child Care reviews all CPA Fiscal Audits on an annual basis (June or December). If issues arise, the review is submitted to the Department's Audit Division and a corrective action plan is prepared. If issues continue, Adverse Action is pursued through Licensing and forwarded to the Attorney General's Office. A Standard Operating Procedure will be completed by May 2010 outlining said procedure.

- d. Agree. Implementation date: May 2010.

The Department agrees and will review the allowability and appropriateness of CPA expenditures on an annual basis, in accordance with the established procedure described in part (c).

- e. Disagree. Implementation date: Not applicable.

The Division of Child Care, with the recommendation of the Audit Division, does not agree with the listing of examples in the CPA's Rules and Regulations.

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## Level-of-Care Assessments

One of the goals of foster care is to place children in a safe environment that addresses their needs. Level-of-care assessment tools allow counties to quantify the service needs of the children they serve and help determine appropriate rates to pay for those services. Typically, rates for children with more intense service needs are higher than rates for children with less intense service needs. The 1994 Child Welfare Settlement Agreement, which resolved a lawsuit filed against the Department for inadequate care of foster children, required the State to use level-of-care tools in determining placements and corresponding rates for foster care. Additionally, a Department agency letter from June 1998 emphasized the importance of using a level-of-care tool to determine if the needs of the child require the payment of higher foster care rates.

During our Fiscal Year 2007 audit, we found that counties did not consistently use information from level-of-care assessments as a basis for determining appropriate foster care services and optimal payments. Specifically, we reviewed 78 child files at five counties and found that (a) 31 files (40 percent) did not contain any level-of-care assessments, and (b) 69 of the 102 level-of-care assessments (68 percent) found in the files contained a level of care that did not support the rate paid to the foster care provider. We also analyzed level-of-care tools from 10 counties and found that none had been validated for use in Colorado. Validated tools improve the consistency and accuracy of assessment results.

These problems indicated that neither the Department nor the counties were consistently using level-of-care information to determine the rates paid for foster care. As a result, there are risks that rates were not based on the needs of the child and that child welfare funds were not being used strategically to address the differing levels of need of foster children. As a result, we recommended that the Department work with the counties to develop and implement a validated, statewide level-of-care assessment tool. We also recommended that the

Department update Trails, its database for managing child welfare cases, to include fields for recording a child's level of care and require counties to enter this information to determine if the counties' rates correlate with their level-of-care assessments. We found during our Fiscal Year 2007 audit that the Department cannot easily conduct this type of analysis. Finally, our Fiscal Year 2007 audit recommended that the Department conduct periodic file reviews at the counties to ensure that counties are using level-of-care tools consistently.

During our Fiscal Year 2009 audit, we found that the Department engaged a contractor to review level-of-care assessment tools nationwide to determine if any could be used in Colorado. The contractor's report, which was dated April 2008, found evidence of validated level-of-care tools used in other states but did not recommend a specific one for use in Colorado. The Department did not provide any other information during our audit to explain how it used the information in the contractor's report. We also found during our Fiscal Year 2009 audit that the Department has not begun periodic file reviews at counties to ensure that the counties are using level-of-care tools consistently.

Level-of-care assessments are an important control for ensuring that rates reflect the needs of the child. The Department should continue to work on developing a validated, statewide level-of-care assessment tool using the information provided in the April 2008 contractor report mentioned above. A statewide tool would promote consistent rate-setting among counties that negotiate rates and provide the Department with valid data for analyzing whether rates are adequately reflecting the level of services needed. To use this data, the Department would also need to update Trails so that counties can enter this information whenever they enter new provider rates. Finally, the Department should begin conducting periodic file reviews at the counties to ensure that counties are using level-of-care assessment tools consistently.

(CFDA No. 93.658, Foster Care\_Title IV-E, Allowable Costs/Cost Principles. Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 118:**

The Department of Human Services should ensure that county departments of human/social services pay foster care rates that reflect the foster child's level of care and service needs by:

- a. Continue to work with counties to develop and implement a validated, statewide level-of-care assessment tool.

- b. Updating the Trails system to include fields for recording the child's level of care and requiring counties to include this information in Trails whenever they enter new provider rates.
- c. Conducting periodic file reviews at counties and analysis of actual rates paid by counties to ensure they are using level-of-care tools to assist with setting and negotiating appropriate foster care rates.

### **Department of Human Services Response:**

Agree. Implementation date: June 2010.

- a. The Department agrees to continue working with counties to develop and implement a validated, statewide level-of-care assessment tool. This process was started approximately near the end of calendar year 2007, however funding was not provided. The Department realizes the study needs to be completed for a validated level-of-care instrument, and will explore all options to fund this project. The Department will explore all options to fund this process by April 2010. The Department will convene a work study group with State and county staff by June 2010.
- b. The Department agrees the Trails system needs to be updated to include fields for recording the child's level of care, and counties need to be required to include this information in Trails whenever they enter new provider rates. This update to Trails will be included in the study noted in part (a). If the Department finds there is insufficient funding to implement this modification to Trails, this update will then be prioritized in the total projects currently in the Trails development queue. The Department will conclude the feasibility of funding this change to Trails by April 2010. The implementation date is dependent on the findings of the study.
- c. The Division of Child Welfare will revise the Foster Care Program Review tool to address this matter during Foster Care reviews to ensure that counties are using a validated level-of-care tool for needs based care. The tool will be modified once part (a) is completed.

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### **Federally Required Foster Care Reviews**

In addition to overseeing the quality of the foster care operations of counties and CPAs through the licensing and monitoring functions, the Department conducts reviews of individual foster care cases. The federal Social Security Act requires

states to review the cases of all children in out-of-home placement at least once every six months. The general purpose of the reviews is to have an entity that is independent from the service provider (e.g., the county or CPA) assess whether children are being placed in safe settings that are the least restrictive, most appropriate available, and consistent with the best interests of the child. In addition, the reviews provide frequent oversight to help ensure the safety of the children, the continuing necessity for and appropriateness of the placements, the extent of compliance with the case plans, and the progress made toward alleviating the conditions that led to the placements. The Department's Administrative Review Division in the Office of Employee and Regulatory Affairs is responsible for conducting these reviews.

During our Fiscal Year 2007 audit, we reviewed the Department's progress in completing the federally required reviews of foster care cases and identified two problems. First, according to data submitted by the Department to the federal government, cases were not always reviewed within required time frames. Between March 2002 and March 2006 an average of 17 percent of foster care cases were not reviewed and recorded within the time limit allowed by the federal government. According to federal regulations, a state that completes more than 10 percent of its case reviews late may be assessed a penalty.

The second problem we found with the federally required reviews is that once a case review is delayed beyond the time frame allowed by federal requirements, the Department did not prioritize the case to ensure it is reviewed immediately. According to Department data, in September 2006 there were 628 cases, or about 24 percent of all late cases, that had not been reviewed for more than a year, instead of within six months.

We recommended in our Fiscal Year 2007 audit that the Department track how long foster care case reviews are delayed once they have gone beyond the federal deadline and prioritize reviews that have not been completed within a predetermined period, such as a year. During our Fiscal Year 2009 audit, we found that the Department is tracking how long reviews are delayed once they have gone beyond the federal deadline. For example, according to Department data, in June 2009 there were 554 cases, or about 32 percent of all late cases, that had not been reviewed for more than a year, instead of within six months. Further, 389 of the 554 cases, or about 23 percent of all cases, had not been reviewed for more than 18 months.

The Department reported during our Fiscal Year 2009 audit that it has not implemented a policy prioritizing case reviews that are late and have not occurred within a certain time frame, such as a year. Staff reported that such a policy may put the Department at risk of federal sanctions because the policy could cause the overall number of late case reviews to increase. However, this risk appears small, as we found during our Fiscal Year 2007 audit that the Department had never

been sanctioned by the federal government despite exceeding the federal government's 10 percent error standard throughout the period of March 2002 to March 2006.

Completing foster care case reviews on time is important to make sure that children remain in the foster care system only as long as is necessary and that their placements are still safe and appropriate. When a case review is delayed, it is imperative that the Department schedule the review as soon as possible to minimize the risk that the Department is not protecting the best interests of the foster child.

(CFDA No. 93.658, Foster Care\_Title IV-E, Subrecipient Monitoring.  
Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 119:**

The Department of Human Services should establish a process to prioritize foster care case reviews that have not been completed within a predetermined period, such as a year.

### **Department of Human Services Response:**

Partially agree. Implementation date: January 2010.

The Administrative Review Division (ARD) agrees that timely review of children in care is critical. The ARD did address the need for reviewing those children/youth whose review was delayed. The ARD did not agree with the recommendation from the auditor as to how to achieve timely reviews.

The ARD in the Office of Employee and Regulatory Affairs was granted two new full-time-equivalents (FTE) in Fiscal Year 2009 as a supplemental budget request. Since this time the Division is timely with all reviews except for approximately 25 children as of January 30, 2010. Through this process the Division has identified problems with the Statewide Automated Child Welfare Information System (SACWIS) count. The children and youth showing up on the review list as late are data entry errors that include cases of subsidized adoption, cases open for Division of Youth Corrections (DYC) Medicaid only, and youth placed in secure settings. A list of data entry problems is being compiled for correction.

The federal government did not sanction DHS for late reviews as the penalties for Adoption and Foster Care Analysis and Reporting System (AFCARS)/National Child Abuse and Neglect Data System (NCANDS) is on hold and there is no indication as to when those penalties will be reinstated. During the 2009 Child and Family Services Review, the federal reviewers found the Department to be timely based on the cases they reviewed and listed the Department's process as a strength.

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## Purchasing Cards

The purchasing card program was adopted by the Department to facilitate purchases of less than \$5,000. The goal of the program is to facilitate state employees' ability to acquire goods and services of less than \$5,000 while providing timely payments to merchants and reducing the number of small dollar payments issued by the State's vouchering system.

During Fiscal Year 2009, the Department spent approximately \$10.6 million through purchasing card usage. For that period the Department reported an average number of monthly transactions of nearly 4,000 and average monthly purchases of approximately \$883,000. At the end of Fiscal Year 2009, 853 Department employees, or nearly 16 percent of its approximately 5,500 employees, had been issued purchasing cards.

All Department employees are potentially eligible for a purchasing card. Cards are awarded based on an employee's need to make authorized purchases in order to conduct state business. An employee becomes a cardholder by completing the cardholder account form, attending training, and obtaining approval from his or her designated approving official, typically the employee's manager. All charges made on the card are the liability of the Department; the cardholder has no personal liability unless the cardholder violates the terms of card use.

As part of our Fiscal Year 2009 audit, we tested 63 purchasing card transactions. Of those transactions, we found exceptions in 16 (25 percent) of the transactions. These exceptions included \$64 in questioned costs in two transactions charged to the Colorado Child Care Assistance Program (CCCAP) (CFDA Nos. 93.575 and 93.596, Recovery Act No. 93.713). As described below, we identified a total of five issues related to the automatic payments, review and monitoring procedures, timely account closure, and account coding of purchasing card use in the Department.

**Automatic Payments:** Automatic payments for recurring monthly charges require initial cardholder authorization and allow the vendor to make periodic charges against the card without obtaining the purchasing cardholder's approval

after the initial agreement. Purchasing managers at the Department reported that automatic payments are prohibited transactions because they had noted instances when automatic payments occurred after an employee had either terminated employment with the State or relinquished their purchasing card. While Department personnel reported that they had communicated this information to users in purchasing card trainings, our test work found that this prohibition has not been formalized in the Department's Purchasing Card Manual.

We found a total of two transactions for \$607, charged by CCCAP and Disability Determination Services (DDS) staff, that had been set up as automatic payments with the vendor. One was for monthly Internet usage of \$22 for a CCCAP staff person who works from home. Program management was unable to demonstrate that the Internet connection has been reserved exclusively for state business use. Moreover, the Department has not developed policies concerning the use of State-provided support for home offices. The \$22 payment is a questioned cost under CCCAP.

The second transaction, for \$585, was an automatic payment for State-issued cellular phones for DDS staff. Staff reported that all cardholders' State-issued cell phone monthly charges for DDS staff had been set up as auto payments for several years. Our concerns with the DDS program are that automatic payments are currently in use; however, the charges are allowable under the grant and therefore we did not identify these as questioned costs.

**Timely cardholder and approving official review and signatures:** Department policy requires that at the end of each billing cycle, the cardholder is to supply supporting documentation for all the purchases during that period, review account coding, sign the billing statement, and forward all the information to the approving official. The approving official is responsible for performing a secondary review, verifying the accuracy and appropriateness of the purchases, and applying his or her signature and date to the statement. Both the cardholder and approving official must review and sign off on the monthly statement by the end of the following month. We identified ten transactions totaling approximately \$1,032 where review procedures were not followed. Four statements had not been signed by the cardholder; four statements had not been signed by the approving official; and ten statements had not been signed by the end of the month following the statement, as required. Timely cardholder and approving official signatures are important because they indicate that the monthly purchases have been reviewed for accuracy and allowability and have been subject to a supervisory review.

Of the \$1,032, the amount of \$42 is a questioned cost under CCCAP because the statement had not been signed by the approving official in a timely fashion, as required.

**Monitoring Procedures:** During Fiscal Year 2008, the Department introduced an automated system for tracking purchasing card violations identified through its internal procurement card audits, and for tracking the actions taken by approving officials in response to these violations, but did not complete the implementation of reporting functions. In Fiscal Year 2009 the Department completed the implementation of the reporting functions of the violations tracking system. However, due to staff turnover at the Procurement Office, the reporting function was not being utilized in the second half of Fiscal Year 2009. The Department should use the automated system to monitor and follow up on purchasing card violations.

**Timely Account Closure:** When an employee leaves the Department, the employee's approving official is required by Department policy to take the card from the cardholder and notify the Department's Procurement Office through completion of an account closure form. Department Procurement Office staff are to close the cardholder's account. Department policy does not state specific time-frame requirements for notifying Procurement and for closing accounts. During the Fiscal Year 2009 audit, we tested a sample of 23 closed accounts and identified four instances (17 percent) in which the approving official did not notify Procurement of a cardholder's termination in a timely manner. The late notifications ranged from 23 to 34 days after the employee's termination date. As a result, the purchasing card accounts were closed between 23 and 38 days after employment terminated. We did not identify any inappropriate payments that were associated with these late account closures. We also identified issues with the Department's internal controls over closing purchasing card accounts in a timely manner in the Fiscal Year 2008 audit.

During Fiscal Year 2009, the Department implemented a procedure where the Department's Payroll Office sends a monthly termination report to the Procurement Office. This enables Procurement staff to identify terminated cardholders and close accounts in a more timely manner. This process has improved time frames compared to the late account closures found during the Fiscal Year 2008 audit. However, the late account closure rate is still high and of concern.

**Account coding errors:** The use of the proper account code is important because it allows the Department to accurately track costs by type of purchase in order to ensure that costs incurred are reasonable. We found six transactions totaling approximately \$1,034 that were coded to an improper account code.

Adequate controls over purchasing cards are important because card use is at risk for fraud and abuse and because the State, not the cardholder, is liable for purchasing card transactions.

(CFDA Nos. 93.575, 93.596, 93.713; Child Care and Development Block Grant, Child Care Mandatory and Matching Funds of the Child Care and Development Fund, and American Recovery and Reinvestment Act Child Care and Development Block Grant; Activities Allowed or Unallowed, Allowable Costs/Cost Principles. Classification of Finding: Significant Deficiency.)

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## **Recommendation No. 120:**

The Department of Human Services should improve its internal controls over purchasing cards by:

- a. Continuing to train approving officials and cardholders on their responsibilities to ensure compliance with Department policy and imposing consequences for policy violations. The training should clearly emphasize the required timeline for review and signoff of monthly statements.
- b. Updating all written purchasing card policies to indicate that recurring, automatic charges and payments are prohibited purchases, clearly communicating this requirement to all cardholders, and ensuring that all established automatic payments currently being processed are identified and deactivated by the cardholders.
- c. Utilizing the automated violation tracking system's reporting function to monitor the results of the Department's internal purchasing card audits and ensuring the actions taken by approving authorities in response to cardholder violations are adequate.
- d. Ensuring purchasing card accounts are closed in a timely manner upon employee termination. The Department should update purchasing card policies to state specific time-frame requirements for notifying Procurement and for closing accounts. These requirements should then be clearly communicated to approving officials and Procurement Office staff. The Department should also consider providing employee termination reports to the Procurement Office more frequently than once a month.
- e. Coding all procurement card purchases accurately in the State's accounting system, COFRS.

**Department of Human Services Response:**

- a. Agree. Implementation date: April 2010.

The Department will continue to train approving officials and cardholders on their responsibilities. Emphasis will be made on the need to review and sign off on the monthly statement by the end of following month, the requirement to comply with Department policy, and the possible consequences for policy violations. A reminder, including the Department's potential liability, should be added to Accounting's monthly closing email sent to all cardholders.

- b. Partially agree. Implementation date: April 2010.

The State Purchasing Card Manual does not prohibit automatic payments. However, the Department agrees that automatic payments need to be addressed. The purchasing card policy and training materials will be updated, requiring cardholders and approving officials to have dual access to accounts set up with automatic payments. Agreements with cardholders and approving officials will stipulate their responsibility of deactivating automatic payments upon termination. The approving official will be required to sign off upon cardholder's termination, card return, and notification to the Procurement Office that automatic payments have been deactivated. Email notification of this policy change will go out to existing cardholders and approving officials.

- c. Agree. Implementation date: April 2010.

The database will track purchasing card violations resulting from internal purchasing card audits. Appropriate actions taken by approving officials and/or the Procurement Office will be included in the database. Exception reports to summarize cardholder violations and the types of violations will be submitted to the Deputy Executive Directors for their review and determination of appropriate follow-up actions.

- d. Agree. Implementation date: April 2010.

The Department will update the purchasing card policy to provide a required time frame for closing accounts upon cardholder termination. Cardholders and approving officials must take responsibility for closing and notifying the Procurement Office immediately upon termination. Accounts should be closed within 14 days following

termination. The frequency and availability of termination reports will be evaluated with the Payroll Office.

- e. Agree. Implementation date: April 2010.

The Department will continue to train employees, cardholders, and approving officials on the importance of the proper use of expenditure object code.

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## Travel Expenditures

During Fiscal Year 2009 the Department spent nearly \$1.9 million for employees' in-state and out-of-state business travel. State Fiscal Rules, issued by the Office of the State Controller, require State agencies to follow certain procedures concerning business travel. The Department also issued its own policies and procedures governing authorization of travel and reimbursement of employees' travel expenditures. State and Department rules and policies are in place to ensure that travel charges using State funds are proper and not abusive.

Although State Fiscal Rules and Department policies provide clear requirements for processing for travel reimbursements, our review indicates that employees and supervisors are not consistently adhering to and enforcing the policies. As part of our Fiscal Year 2009 audit, we reviewed a sample of 58 travel reimbursement forms totaling nearly \$21,000 in expenditures. We identified errors in 17 of the 58 (29 percent) travel reimbursement forms reviewed. In total, 21 errors were identified, as some travel reimbursement forms contained more than one error.

Specifically, we noted problems in the following four categories:

**Incorrect Payment:** The mileage rates are determined by State Fiscal Rules. When an employee travels from home directly to an offsite location, only the mileage in excess of the employee's normal travel to the office is reimbursable.

Per diem amounts are paid to employees based on the arrival and departure time of the travel and meals paid for at the employees' expense. The rates are set in the State Fiscal Rules based on the location.

- One employee submitted four travel reimbursement forms totaling \$1,191 throughout the year. The mileage for the employee traveling from home directly to an offsite location was incorrectly calculated in all four instances. The employee received reimbursements totaling \$581 for mileage in excess of the allowable amount based. The reimbursements were all charged to Title IV-E Foster Care program (CFDA No. 93.658).

Therefore, the Department has overpaid this employee a total of \$581, which is considered questioned costs for the federal program.

- One travel reimbursement form approved an employee's dinner per diem amount of \$24 even though the employee returned from the travel too early to receive the per diem amount according to the information submitted. A per diem reimbursement for dinner cannot be claimed unless the employee returns from travel after 8:00 p.m. The employee provided additional information as a result of our audit verifying that the \$24 per diem amount was valid. However, the initial reimbursement was approved without the information supporting the \$24 per diem.

**Late submission:** Employees must submit a travel reimbursement form within 60 days of the travel to receive reimbursement for out-of-pocket expenses such as mileage, meals (per diem), lodging, parking, and transportation under State Fiscal Rules. Two travel reimbursement forms, totaling \$880, were not submitted within this time frame.

**Lack of supporting documentation:** State Fiscal Rules require that the travel reimbursement form contain the purpose of the travel, and Department rules further require that an agenda supporting the travel be attached for conferences and seminars. Additionally, a Request to Use Private Automobile pre-approval form is required for reimbursement of travel outside of 65-mile radius with a personal vehicle.

- Three travel reimbursement forms, with expenditures totaling \$433, did not contain a purpose for the travel.
- Six travel reimbursement forms for travel to conferences and seminars, with reimbursements totaling \$1,804, were not accompanied by agendas supporting the business purpose of the travel.
- Three travel reimbursement forms for travel outside a 65-mile radius, with expenditures totaling \$1,153, were not accompanied by a pre-approved Request to Use Private Automobile form.

**Recording Transactions:** The Department is required to ensure that expenditures are properly recorded and assigned in the State's accounting system, COFRS. Two travel reimbursement forms, with expenditures totaling \$284, were coded incorrectly. The amounts incorrectly coded on the transactions totaled \$154.

We identified similar weaknesses with the Department's controls over travel expenditures during our Fiscal Years 2006 and 2008 audits. The error rates noted

in Fiscal Years 2006 and 2008 were 40 percent and 45 percent, respectively. As a result of our Fiscal Year 2006 audit recommendation, the Department began holding quarterly travel forums in Fiscal Year 2008 to train staff on travel requirements. The Department continued holding the quarterly forums in Fiscal Year 2009. Additionally, the Department updated its travel policy in Fiscal Year 2008 and issued a travel checklist to assist staff with completing travel reimbursement requests in Fiscal Year 2009.

While the travel forums and checklist appear to have reduced the number of errors from past audits, the 29 percent error rate and questioned costs noted in our Fiscal Year 2009 audit indicates the Department needs to continue strengthening its controls over travel expenditures. Specifically, the Department should ensure that employees and supervisors continue to receive training on State and Department travel rules and policies. Additionally, the Department should consider using its internal audit function to conduct periodic reviews of travel reimbursement forms to ensure compliance with travel requirements. The Department cannot ensure that State funds are properly spent unless it enforces State and Department rules and policies.

(CFDA No. 93.658; Foster Care\_Title-IV-E; Activities Allowed or Unallowed, Allowable Costs/Cost Principles. Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 121:**

The Department of Human Services should strengthen controls over travel expenditures by:

- a. Ensuring that employees and supervisors are consistent in their compliance with existing State and Department travel policies, through continuing periodic training and enforcement.
- b. Recovering identified overpayments from employees.
- c. Considering using its internal audit function to conduct periodic reviews to ensure compliance with State Fiscal Rules and Department policies over travel.

### **Department of Human Services Response:**

- a. Agree. Implementation date: February 28, 2010.

The Department will continue to improve controls over travel

expenditures to ensure that they are processed in compliance with existing State and Department travel policies. The quarterly travel open forum will be conducted to provide a department-wide training to employees and supervisors. The forum will consistently address the understanding of Department travel policy, the proper use of travel-related forms, the accurate coding of travel expenditures, the requirement of supporting documentation, the completion of reimbursement requests, the responsibilities of reviewers and approvers, and the compliance of rules and policies. Remedial training is provided when necessary to staff and supervisors.

- b. Agree. Implementation date: June 30, 2010.

The Department will contact the employee and his/her supervisor about the travel overpayments and will recover \$580.70 from the employee to reimburse the Title IV-E Foster Care program.

- c. Agree. Implementation date: February 28, 2010.

The Department considered using the internal audit function but feels a review by the supervisors of the vouchering units would be more appropriate. The supervisors will perform periodic audits of the travel reimbursements processed by the vouchering staff to ensure that travel expenditures are processed in compliance with State and Department policies.

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## Telecommunications Charges

Telecommunications services are provided to the Department by the Governor's Office of Information and Technology (OIT) and include telephone lines, voice mail, and local and long-distance calling. OIT bills the Department monthly for these services via an intergovernmental transfer document, which is recorded on COFRS. This document results in an automatic transfer of funds from the Department to OIT to pay for the monthly telecommunications services. In Fiscal Year 2009, the typical charge to the Department was \$30 per month for a single telephone line and \$7.50 per month for voice mail; charges for long-distance calls varied. In total, over the fiscal year, the Department's average monthly telecommunications bill from OIT was approximately \$101,000. The monthly bill shows the charges for each of the Department's divisions and programs; in Fiscal Year 2009, these charges ranged from about \$2 to \$52,000 per division or program.

During our Fiscal Year 2009 audit, we identified a total of more than \$1,000 in questioned costs in four federal programs for errors in telecommunications charges from OIT for telephone lines and/or voice mail. We also noted that the majority of divisions and programs are not performing a required monthly review of their respective telecommunications bills from OIT in order to verify the accuracy of the charges. The monthly review is important to ensure the accuracy of charges from OIT because routine turnover and transfers of staff can change telecommunications usage in the Department from month to month. The erroneous charges we found would have likely have been identified had the monthly review occurred.

Under Department policy, each of the Department's divisions and programs is responsible for checking the accuracy of its monthly telecommunications bill. In 2007, OIT introduced and provided training on the Telecommunications Financial Management System (TFMS). TFMS allows designated Department staff to log into the system and view details of the monthly telecommunications bill. For example, TFMS allows the Department to see the amount billed for each of the Department's 147 divisions and programs, and, within each division and program, the amount billed for each employee receiving telecommunications services. On a monthly basis, a designated staff person from each division and program is required to log into the TFMS system to ensure that the division's or program's telecommunications bill is correct and that the staff listed as receiving services are currently employed by the division or program. After reviewing the monthly bill, the designee is to either certify the billing as accurate or document any changes needed. In either case, the reviewed documentation is to be returned to the Department's Central Accounting Division.

The Department has appointed a single individual at Central Accounting to act as the main contact person with OIT. This individual accumulates information on staffing changes between divisions and programs and provides this information to OIT. This individual also collects the monthly review documents from the divisions and programs and sends reminder emails concerning the monthly review.

During Fiscal Year 2009, we found that only six (4 percent) of the 147 divisions and programs performed monthly certifications as required. Moreover, 82 (56 percent) of the divisions and programs did not once during Fiscal Year 2009 certify their monthly telecommunications bill. In addition, we tested 360 transactions that had been charged to various federal programs, five of which were telecommunications charges. Each of the five transactions tested included telephone line billings for staff who had either transferred to other programs or were no longer employed by the Department, resulting in more than \$1,000 in questioned costs.

Monthly reviews of the OIT telecommunications bills are essential controls to ensure that the Department pays only for the telecommunications services it receives. Central Accounting relies on division and program staff to notify it of staffing changes so that it can forward that information to OIT. To mitigate the risk of inaccurate telecommunications charges, the Department should strengthen its controls over the telecommunications payment process.

(CFDA Nos. 10.551, 10.561, 93.558, 93.568, 93.575, 93.596, 93.713; Supplemental Nutrition Assistance Program Cluster, Temporary Assistance for Needy Families, Low-Income Home Energy Assistance Program, Child Care and Development Block Grant, Child Care Mandatory and Matching Funds of the Child Care and Development Fund, and American Recovery and Reinvestment Act Child Care and Development Block Grant; Activities Allowed or Unallowed, Allowable Costs/Cost Principles. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 122:**

The Department of Human Services should strengthen its controls over the telecommunications payment process by ensuring that all divisions and programs perform monthly reviews of their telecommunications bills in the Telecommunications Financial Management System (TFMS) and submit signed certifications and any identified errors to Central Accounting.

### **Department of Human Services Response:**

Agree. Implementation date: April 30, 2010.

The Department will maintain a change log to track all requested changes and a certification log to track monthly certification documents that have been sent by the divisions and programs. A monthly exception report will be provided to division and program managers to advise them of monthly certification documents that have been submitted and/or have not been submitted to the Department coordinator for TFMS billing. Central Accounting will continue to provide ongoing training for all division and program staff as needed to address the process and responsibility for certifying their telecommunication bills in a timely manner.

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## **Public Assistance Cost Allocation Plan**

Under federal regulations, entities that receive federal public assistance awards may be reimbursed for a portion of the indirect costs for the program. Indirect

costs, or overhead costs, are those that support more than one program. One example of these costs is the expense associated with employing a staff person who performs accounting functions for multiple programs. In order to recover these costs, state agencies such as the Department must develop a Public Assistance Cost Allocation Plan (PACAP) that provides a reasonable and consistent basis for allocating costs to each of the federal programs operated by the agency. The PACAP must be prepared in accordance with federal guidelines and must be submitted to and approved by the Division of Cost Allocation (DCA) within the U.S. Department of Health and Human Services. The Department recovered \$8.9 million in federal funds for state indirect costs associated with federal programs for Fiscal Year 2009.

Federal regulations provide two options for yearly submissions of cost allocation information.

- **Option 1: Amendment of PACAP.** If the state determines procedures in the existing, federally approved plan have become outdated due to organizational changes, changes in federal law, or program changes, the state is required to submit an amended plan to DCA promptly after such changes occur.
- **Option 2: Certification Statement.** If the state determines the existing, federally approved PACAP is not outdated, the state can submit a statement within 60 days after the end of the state fiscal year to DCA certifying this conclusion.

During our Fiscal Year 2009 audit, we noted that the Department had not submitted an amended PACAP or a certification statement for the current fiscal year. The Department based indirect cost allocations for Fiscal Year 2009 on the most recent federally approved PACAP, which was for Fiscal Year 2007, and on the two Fiscal Year 2008 PACAP amendments submitted in April and May 2009. As of the end of our audit, these amendments had not yet been approved by DCA.

The Fiscal Year 2008 amendment dated May 2009 included prospective changes for Fiscal Years 2009 and 2010. These changes resulted from the Department's completing a DCA-requested comprehensive review of random moment sampling program/activity structures. The Department uses the random moment sampling method to allocate the cost of county staff activities among public assistance programs. The changes that were relevant to Fiscal Year 2009 were retroactively implemented as of July 1, 2008, the beginning of Fiscal Year 2009.

In June 2009, the Department reported that it was in the process of preparing a Fiscal Year 2009 amendment to the PACAP and was planning to submit it to DCA by September 30, 2009. This amendment is in addition to the prospective Fiscal Year 2009 changes already submitted in the Fiscal Year 2008 amendment.

Staff stated that DCA instructed the Department not to submit the Fiscal Year 2009 amendment until after the above-mentioned Fiscal Year 2008 amendments were approved.

Without a federally approved PACAP in place, the Department has a risk that DCA will not approve the methodology the Department is using for Fiscal Year 2009, and that a portion of claims for federal reimbursements for the period may be disallowed by the federal government. The federal cost recoveries may require adjustment, and cost amounts charged to the respective assistance programs may need to be corrected in future periods. In addition, this means that final cost data for administering the assistance programs at the Department is not available in a timely manner, which makes program cost information less meaningful for decision-makers.

(See Appendix A, Department of Human Services, for listing of applicable CFDA Nos. Allowable Costs/Cost Principles. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 123:**

The Department of Human Services should improve controls over the indirect cost process by:

- a. Submitting the Fiscal Year 2009 Amendment to the Public Assistance Cost Allocation Plan (PACAP).
- b. Correcting the allocation of indirect costs for Fiscal Year 2009 according to the final 2008 and 2009 Amendments to the PACAP, after federal approval. If the resulting reallocations are material, the Department should make the appropriate accounting and reporting corrections.
- c. Ensuring future PACAP amendments are submitted within the required time frames, or certification statements are submitted within 60 days of the end of the fiscal year, whichever is applicable and in accordance with federal regulations.

### **Department of Human Services Response:**

- a. Agree. Implementation date: May 31, 2010.

The Department will submit an Amendment to the Fiscal Year 2009 PACAP, if applicable.

- b. Agree. Implementation date: May 31, 2010.

The Department will process reallocations to make the appropriate accounting and reporting adjustments to DCA's instructions provided on the approved letter for recasting changes that should not have been implemented in Fiscal Year 2009.

- c. Agree. Implementation date: June 30, 2010.

The Department will follow the established federal regulations to submit future amendments to the PACAP within the required time frames. If the current federally approved PACAP is not outdated, the Department will follow the established regulations to submit certification statements within the required time frames.

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## **Veterans Affairs Grants and Performance Contracts**

Since 2003, the Department has received two U.S. Department of Veterans Affairs (VA) Grants to States for Construction of State Home Facilities (CFDA No. 64.005) totaling approximately \$9.21 million to assist with upgrades to the Department's Colorado State and Veterans Nursing Homes at Florence and Homelake.

Federal regulations concerning this type of VA grant specify that the grant funds are available for drawdown for a period not to exceed the length of the construction project, that the federal reimbursement shall not exceed 65 percent of the project costs, and that the grantee is responsible for the remaining 35 percent, as well as any unforeseen costs necessary to complete the project. The Code of Federal Regulation applicable to these grants also states that cash grant payments should be timed to coincide with the actual, immediate cash requirements for carrying out the project.

As part of our Fiscal Year 2009 audit, during our review of the Department's Energy Performance Contract (EPC) leases, we identified issues with the Department's use of VA grant monies and their application to EPC lease costs at the Florence and Homelake projects. As of June 30, 2009, the Department had entered into eight EPC leases totaling \$15.3 million, not including interest. Three of these leases, totaling \$1.96 million, were used to finance portions of the large-scale remodeling and building projects at two of the Department's Nursing Homes in Florence and Homelake for which the Department had also received VA grants. Our concern is that the Department has drawn down federal funds on

the basis of *costs incurred* for these projects. However, federal regulations for reimbursement-type grants require that cash should be drawn to coincide with the *actual cash requirements* for completing the project. Because the Department is spreading a portion of the actual cash outlays over a period of time that extends beyond the construction period, the Department may not be in compliance with federal cash management regulations.

## Description of EPC Leases

House Bill 01-1381, effective June 2001, amended Article 30, Title 24 of the Colorado Revised Statutes and made EPC leases allowable under state law. According to statute, if the Department can demonstrate that the annual energy savings realized from the EPC lease exceeds the annual contract payments, it may engage a contractor to perform energy upgrades at its facilities and defer the associated costs in a capital lease. Examples of energy upgrades include the installation of solar panels or the replacement of inefficient heating and cooling systems, which will result in an energy savings to the Department over the long term.

The process by which EPC leases are entered into is as follows:

- The Department hires a contractor to conduct an energy audit to determine whether energy-related upgrades would result in energy savings; if so, the contractor performs the upgrades.
- A lender provides the funds to finance the upgrades, and the contractor draws on the funds, which are held in escrow, throughout the project.
- The Department, once the project is complete, enters into an EPC lease (a capital lease), which includes the project cost plus interest. Over the term of the lease, the Department makes the principal and interest payments to the lender.

In 2006 the Department began an extensive remodeling project at the Homelake nursing home. This project is estimated to cost \$7.9 million and to be completed in August 2010. The Department received a grant award from the VA of approximately \$5.2 million, or 65 percent of the total project cost. The remodeling project included installing solar panels and a campus-wide irrigation system, the total costs of which were financed with two EPC leases totaling over \$1.03 million. At Homelake, the total amount of the energy upgrades projected to cost over \$1.03 million was deferred into two EPC leases. By deferring the full amount of the energy upgrade costs into EPC leases, the Department has deferred payment for both the 65 percent federal share and the 35 percent state share.

At Florence, the total amount of the energy upgrade portion of the project was projected to cost approximately \$2.7 million. Because the VA had committed to covering 65 percent of construction costs and the Department was short the State's 35 percent share of capital project funds, the Department staff stated that they made the decision to defer the State's share of the energy upgrade costs in an EPC lease. The State's 35 percent share of the energy upgrades totaled more than \$941,000, but the total amount of the EPC lease for Florence was less than 35 percent, or just more than \$929,000.

When the Department applied for the Homelake VA grant, the Department stated to the VA that portions of the Homelake project would include EPC leases, as allowed by state law. The Department was unable to confirm, however, that the same information was made available to the VA when the Florence application was submitted. Department officials reported that they received no communication from the VA that specifically addressed the use of federal grant funds for a project involving an EPC lease. However, Department officials said they did not specifically ask for such guidance.

## **Use of Grant Funds**

As portions of construction upgrades are completed, the Department submits grant drawdown applications to the VA. Quarterly reimbursement payments are made to the grantee based on the 65 percent federal share of the costs incurred. In October 2008, the Homelake irrigation system upgrade was complete, and the Department applied for reimbursement from the Homelake VA grant and received the federal 65 percent (\$526,956) of the total irrigation project costs of \$810,702. The total project costs of the irrigation upgrades at Homelake were part of an EPC contract and had been built into the principal of an EPC lease. Yet, as of this same date, the Department had spent only about \$100,000 on periodic EPC lease payments.

By entering into an EPC lease the Department has deferred repaying the project costs; that is, the Department is not responsible for making any payments until the project has been completed and the EPC lease term has begun. Federal regulations do not specify how federal grant funds should be applied when construction costs have been financed through a long-term lease.

Federal reimbursement was received for the full amount of the Homelake irrigation project costs, all of which had been deferred in an EPC lease. In order to be in compliance with federal guidance concerning matching grant payments to immediate cash needs, the Department could have used the funds to pay down the principal of the loan. According to Department officials, the federal funds received as reimbursement for the cost of the irrigation project were not applied to

the principal of the EPC lease; rather, they were used to pay for other Homelake renovations.

Once the Department had completed the energy upgrades at Florence, it received 65 percent reimbursement of the total \$2.7 million cost of the energy upgrades or approximately \$1.76 million. Because the Department had deferred less than its required 35 percent contribution in an EPC lease, it effectively used a portion of the federal funds received not for the actual costs reported in the drawdown application, but to fund other portions of the project.

EPC lease terms exceed the grant drawdown period. Therefore, unless the Department uses the federal reimbursement received for energy upgrades to pay down the principal of the EPC leases, the Department will not be matching periodic lease payments to the grant drawdowns. Over the long term, once the EPC lease has been paid in full, the Department will have satisfied the federal requirements related to cost sharing and project completion. In the short term, however, based on the federal guidance available, it appears that the Department is not in compliance with federal requirements concerning matching grant funds received to actual cash needs.

Noncompliance with federal grant requirements can subject the Department to federal sanctions as well as the loss of future grants. EPC leases offer advantages to the Department, but it is questionable whether it is appropriate or allowable under federal regulations for the Department to use the EPC leases in conjunction with federal grants intended to reimburse actual construction expenditures as they occur. As Department officials report that they have applied for VA grants to fund future State and Veteran Nursing Home projects, portions of which will be financed with EPC leases, the Department should ensure grant monies will be used as the VA intends. Without specific guidance from the VA, the Department cannot be sure that it is using the grant funds appropriately.

(CFDA No. 64.005; Grants to States for Construction of State Home Facilities; Cash Management. Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 124:**

The Department of Human Services should seek guidance from the U.S. Department of Veterans Affairs on the appropriate use of grant funds for construction costs that have been deferred through an Energy Performance Contract lease.

## **Department of Human Services Response:**

Agree. Implementation date: March 31, 2010.

The Department will contact the U.S. Department of Veterans Affairs for clarification. Upon receipt of that clarification, the Department will take whatever action is dictated to ensure that all current and pending Energy Performance Contract leases tied to grants are in compliance with the U.S. Department of Veterans Affairs' direction.

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## **Trails and CHATS**

The Department is responsible for administering, managing, and overseeing the delivery of the State's public assistance and welfare programs. Two of the information systems used to administer public assistance and welfare programs are the State's Automated Child Welfare Information System (Trails) and CHATS. Trails serves as a case management and financial payment system for child welfare and is the official record for all child welfare activities throughout the state. Trails is also used by counties to reconcile Medicaid billing to payments in CBMS and to write referrals for potential child abuse and neglect. CHATS serves as a tracking system for the purchase of child care services by county departments of human/social services. Both systems host data that are highly confidential and affect benefits payments to program beneficiaries. Strong system controls are critical for ensuring the confidentiality, integrity, and availability of program and data files.

We reviewed and tested the general computer controls relevant to Trails and CHATS. General computer controls are pervasive controls that provide for the integrity of the computer-based applications that support the company-wide internal control environment. The primary objective of the general controls is to ensure the confidentiality, integrity, and availability of program and data files. Although county workers are responsible for administering benefits through Trails and CHATS, the Department is responsible for designing, implementing, executing, and maintaining general computer controls over these applications. We identified two areas in which the Department should strengthen its controls over Trails and CHATS.

## **System Hardening**

State Cyber Security Policies require the Department to securely configure, or harden, its information systems according to industry best practices, such as the standards recommended by the National Institute of Standards and Technology or

the Center for Internet Security. System hardening includes setting configuration parameters such as activating log-in monitoring, establishing log-on banners, disabling unused services, and closing unnecessary ports. Using specialized automated tools, we tested the system settings of the operating system for the Trails application. We identified weaknesses in the system settings that might make Trails vulnerable to attack and compromise. Given the sensitive nature of these weaknesses, we have provided the specific deficiencies and recommended improvements to the Department under separate cover. The Department has agreed with these deficiencies and is currently implementing the recommended improvements. We tested the configuration settings for the operating system for CHATS in Fiscal Year 2008 and did not identify any problems. Because no changes have been made to the CHATS operating system since last year, we did not retest the system.

## User Identity and Access Management

User identity and access management entails managing who has access to specific information, ensuring the access is directly relevant to a particular job or function, and controlling and monitoring user access. Department information technology (IT) staff manage both user identity and user access through the Department's Access Control Services (ACS) group. Although the Department oversees access to both Trails and CHATS, it is not responsible for hiring or terminating county workers. For these two systems, county workers make up the greatest number and percentage of system users. As such, it is critical that the counties notify the Department's ACS group in a timely manner of new hires and terminations, so that ACS can take the appropriate actions to grant or terminate access to Trails and CHATS.

The Department needs to strengthen its user identity and access management controls in three areas:

**Periodic user access reviews.** According to State Cyber Security Policies, state agencies are to develop procedures for periodically reconciling lists of terminated staff with active user accounts on agency IT systems to ensure that terminated employees' user access credentials have been revoked, retrieved, changed, or otherwise rendered inoperable. Our audit found that Department staff do not perform periodic user access reviews. We evaluated all of the approximately 6,000 active Trails user IDs and found that 11 active IDs belonged to terminated employees. These 11 user IDs had remained active for an average of 211 days after the user's employment had been terminated. We investigated the cause of these control failures and found that, in some instances, county workers had not alerted the ACS group of the employee's termination. In other instances, ACS staff had not deactivated the user ID after being notified of the employee's termination. To ensure the timely deactivation of user access credentials for

terminated employees, the Department should require supervisors to annually verify the accuracy and relevance of user access for the employees they supervise. We did not identify similar problems with the CHATS application regarding the timely removal of terminated users.

**Segregation of duties.** Segregation of duties ensures that one individual does not control all critical stages of a process and must be considered when establishing user access profiles or combination of profiles for system users. The Department has not analyzed user access profiles and identified those profiles, or combination of profiles, that are inappropriate for different system users of Trails and CHATS. Without this analysis, there is a risk that county system administrators and Department staff may not identify inappropriate access requested by users.

**Password parameters.** State Cyber Security Policies require that passwords be a minimum of eight characters, be changed at least every 60 days, and be complex (i.e., a password should contain a combination of capital letters, lowercase letters, numbers, and special characters). For Trails, the Department requires that passwords be changed every 60 days but does not require that passwords be complex. For CHATS, the Department requires that passwords be changed every 60 days but only requires passwords to have a minimum length of six characters and does not require that passwords be complex.

(CFDA Nos. 93.575, 93.596, 93.713, 93.658, 93.659; Child Care and Development Block Grant, Child Care Mandatory and Matching Funds of the Child Care and Development Fund, and American Recovery and Reinvestment Act Child Care and Development Block Grant, Adoption Assistance, Foster Care Title IV-E; Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility. Classification of Finding: Control Deficiency)

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## Recommendation No. 125:

The Department of Human Services should improve general computer controls over Trails and the Child Care Automated Tracking System (CHATS) by:

- a. Hardening system configuration settings for Trails as recommended under separate cover.
- b. Promptly removing user access for terminated employees and strengthening procedures to ensure that employee termination notifications are initiated and acted upon in a timely manner. The Department should take disciplinary action against employees and county administrators who do not comply with these procedures. Cases of recurring noncompliance

with the procedures should be escalated to the Department's executive management.

- c. Requiring supervisors to annually verify the accuracy and relevance of user access for the employees they supervise.
- d. Identifying and documenting Trails and CHATS user profiles that, when combined, provide incompatible system privileges. This information should be shared with the supervisors of Trails and CHATS users.
- e. Implementing password parameters that comply with State Cyber Security Policies.

### **Department of Human Services Response:**

- a. Agree. Implementation date: May 2010.

All recommendations will be implemented as stated under separate cover.

- b. Agree. Implementation date: May 2010.

The Department will send out an Agency Letter to county directors stating that county security administrators and counties will be held accountable for timely notification to the Department regarding termination of employees. The agency letter will give information about what is to be included in the notice to the Department, and that any possible violations will be treated as a security incident and investigated.

The Department is obtaining signed Health Insurance Portability and Accountability Act (HIPAA) Business Associate (BA) agreements from all counties that utilize Trails and/or CHATS. As of February 17, 2010, the counties, as HIPAA business associates, must comply with the HIPAA privacy and security rules and all such fines and penalties that may be assessed for noncompliance to these federal regulations.

- c. Agree. Implementation date: May 2010.

With the Agency Letter that is specified in part (b), the Department will also include verbiage that the county security administrator and/or supervisors are required to do an annual review of their employees to ensure accuracy and relevance of a user's access.

The Department is obtaining signed HIPAA BA agreements from all counties that utilize Trails and/or CHATS. As of February 17, 2010, the counties, as HIPAA BAs, must comply with the HIPAA privacy and security rules and all such fines and penalties that may be assessed for noncompliance to these federal regulations.

For Department employees, information will be communicated via the yearly Cyber Security Training.

- d. Agree. Implementation date: November 2010.

For CHATS, this finding will be handled through the implementation of the new system and will be implemented upon completion of the project. A report has been defined in the new system that will support monitoring high-risk user profiles. The report is accessible to both state and county users and is available upon user request.

For Trails, a report will be created with “separation of duty” profiles. This will support monitoring high-risk user profiles. This report will be accessible to both State and County users upon request. The Agency Letter referenced in part (b) will also notify the county security administrator and/or supervisor of their responsibilities around monitoring high-risk profiles.

- e. Agree. Implementation date: November 2010.

For CHATS, this finding will be handled through the implementation of the new system and will be implemented upon completion of the project.

For Trails, application changes to enforce password complexity will be implemented. However, it must be noted that all access to Trails has to go through another level of authentication which has strong passwords.

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During Fiscal Year 2009 the Office of the State Auditor conducted the *Controls Over Payments, Medicaid Community-Based Services for People With Developmental Disabilities Performance Audit*, Report No. 1832, dated June 2009. The information and comments below were contained in that report.

## **Colorado Division for Developmental Disabilities - Financial Accountability**

In Fiscal Year 2008 the Department's Division for Developmental Disabilities (Division) spent more than \$246.1 million on Home and Community-Based Services for the Developmentally Disabled (HCBS-DD) waiver program services to provide long-term care to about 4,200 individuals. As of February 2009 an additional 1,000 people were on the waiting list for the HCBS-DD waiver because they are in immediate need of long-term care services. The availability of state and federal funding affects the State's ability to offer, and clients' ability to access, long-term care services. Therefore, controls over waiver costs are key to ensuring that available funding can be used to serve as many eligible people as possible, including people with disabilities waiting for services.

Colorado recently implemented major structural changes to its HCBS-DD waiver program to address federal concerns related to financial accountability and oversight. Specifically, at the direction of the Centers for Medicare and Medicaid Services (CMS), Colorado eliminated its quasi-managed care, or block grant, system for funding developmental disabilities services and replaced it with a fee-for-service system, which requires providers to bill for each service provided to each client. The shift from a quasi-managed care system to a fee-for-service system presents new risks to the State. Under a quasi-managed care system, where providers receive a flat amount of funding to provide all necessary services to enrolled clients, the risk to the State is that providers will have a financial incentive to underserve clients. Under a fee-for-service system, where providers bill for every service provided, the risk to the State is that providers will have a financial incentive to provide, and bill for, services that are not needed, or to bill for services not delivered. Therefore, in a fee-for-service system it is particularly important that there are adequate controls in place to ensure payments to providers are appropriate. These risks are heightened in Colorado's fee-for-service system, because 19 of the 20 Community Centered Boards (CCBs) are both case management agencies and service providers. Although CCBs deliver direct services to fill service gaps in the HCBS-DD system, this model provides incentives for CCBs to maximize their revenues by increasing the number of services provided. Therefore, it is paramount that Colorado's fee-for-service system has adequate controls to ensure payments to CCBs and providers are appropriate.

We review two aspects of the HCBS-DD waiver's new fee-for-service payment system. The first aspect is the comprehensive system of payment controls required by CMS to demonstrate financial accountability for the waiver program. Under the Division's interagency agreement with the Department of Health Care Policy and Financing (HCPF), the Division is specifically charged with administering the HCBS-DD waiver program, including the adoption of fiscal and

administrative procedures to ensure compliance with federal and state requirements. Our review concluded that the Division's payment system lacks adequate controls to meet both the requirements of CMS and the requirements of the interagency agreement.

The second aspect we review is the responsibilities of HCPF and the Division with respect to monitoring the comprehensive payment system. Under the waiver agreement with CMS, HCPF must maintain administrative oversight of the HCBS-DD program, and under the interagency agreement the Division must monitor day-to-day program operations and the activities of CCBs. We found that neither the Division nor HCPF has met all of its oversight responsibilities under the waiver or interagency agreement with respect to the payment control system. Inadequate financial accountability and oversight raise questions about the State's ability to demonstrate compliance with the federally required assurances. These weaknesses, if not corrected, could place federal funding for the program at risk.

## Payment Control System

To ensure that waiver funds are used efficiently, effectively, and appropriately, CMS requires states to develop systems of payment control that demonstrate financial accountability for their waiver programs. A comprehensive system of payment controls in a fee-for-service payment system includes the following major components:

- **Service authorization**—a multi-step process that occurs before services are actually provided. Service authorization ensures that services for each individual are adequately planned and documented, necessary, and approved in advance. Under the HCBS-DD waiver program, the CCB is responsible for identifying the services necessary to meet the individual's needs and prevent institutionalization and for completing a service plan that adequately addresses the client's identified needs. The CCB must submit the service plan and a request for services to the Division, which is responsible for reviewing and approving the service plan and service request. The service request, once approved, is transmitted to the Medicaid Management Information System (MMIS) to ensure that MMIS makes payments only for approved services.
- **System controls**—a set of automated edits and controls that ensure MMIS produces payments only to authorized providers for approved services delivered to eligible, enrolled individuals at the allowed payment rates. HCPF identifies the system edits that are needed to ensure payment integrity; edits are programmed into MMIS by the State's Medicaid program fiscal agent, Affiliated Computer Systems (ACS).

- **Post-payment review**—a review of claims paid after service delivery to ensure that payments were made only for services actually provided by a qualified service provider, and that services were paid timely. CMS requires states to retain an audit trail for all paid claims, including supporting documentation, for a minimum of three years. For the HCBS-DD waiver the Division is required by its interagency agreement with HCPF to monitor funds billed through MMIS. This monitoring should include risk-based review by the Division of claims paid to ensure that the service provider can demonstrate that it provided the service. If providers cannot demonstrate the service billed was provided, the Division is required to recover any inappropriate payments or payments to unqualified providers.

Our audit reviewed each of these major components. Our review did not identify problems with the second component, automated system controls; however, we found that the Division's controls over service authorization and post-payment review were not adequate. The concerns we identified present risks that the State is paying for services that are not properly authorized and, in some cases, may not have been provided.

The payment control problems we identified are significant for two reasons. First, the Division is implementing similar fee-for-service payment systems for its other two HCBS-DD waivers. By addressing the control weaknesses identified in this audit, the Division may be able to prevent similar problems in its other waiver programs. Second, HCPF and the Division must be able to demonstrate to CMS that the State can meet the federal financial accountability assurance to ensure continuation of the HCBS-DD waiver. Improvements to financial controls, as suggested in this chapter, will increase the likelihood that HCPF and the Division will be able to meet this financial accountability assurance. The following sections discuss our recommendations for improving the payment control system as HCPF and the Division move forward in restructuring the other developmental disability waiver programs.

## Service Authorization

Service authorization is the first component in the payment control system for the HCBS-DD waiver. As stated previously, HCPF and the Division use a multiple-step process to prevent payment for services that were not needed or approved. These steps include (1) the development of individualized service plans for clients by CCBs, (2) the CCBs' request for Division approval of the services listed in those service plans, and (3) the Division's review of the plans and service requests and subsequent approval or denial of services. Our audit reviewed these service authorization controls and found problems with all three steps, as described in the following three sections.

## Service Plan Documentation

Service plans are the cornerstone of responsible service provision; they serve to document client needs and to support spending based on those needs. To develop the service plan, CCB case managers are required to first perform initial screening and intake duties and conduct functionality assessments to determine each individual's eligibility and level-of-care needs. For eligible clients, CCBs use these assessments and work with the client, members of the client's family or the client's advocate, and service providers to identify the specific types and frequency of services that the CCB will request for the client through the HCBS-DD waiver. The CCB documents the client's service needs and goals in a final service plan in the automated Benefit Utilization System (BUS). The BUS system is maintained by HCPF and used by CCBs and other case management agencies to manage client case files. The CCB case manager then submits a service request to the Division for review and approval of services based on that service plan. According to instructions for documenting the service plan in the BUS system, service plans must contain sufficient information to justify the purpose of the service requested, including how often the client should receive the service.

We reviewed a non-statistical sample of service plans that were developed or amended between April and June 2008 for 50 of the 1,800 clients served during this period. The 50 service plans we reviewed were for clients served by 5 of the 20 CCBs. We reviewed all 305 individual service lines for these 50 clients. On average each client's plan included about 6 different lines of service. We reviewed the service lines to determine whether the service types and frequency requested by CCBs and approved by the Division were accurately and sufficiently documented. We found that 22 of the 50 service plans contained at least one service line that did not have accurate and complete information on service frequency. Of the 305 service lines, we identified 37 (12 percent) with at least one error. We identified two types of errors. Specifically, for 22 service lines, CCB case managers did not list any service frequency, and for 15 service lines, the service frequencies listed in the service line did not match the units requested in the service request. As of May 2009 payments for the service lines approved without adequate documentation in these 22 service plans totaled just under \$68,000. This amount is considered a questioned cost because the services were not accurately or sufficiently documented in the service plans.

We identified two reasons for the documentation errors we identified. First, the Division does not have written standards or guidelines specifying how CCBs are to calculate and document service frequency and unit information in the service plan. Although CCBs have historically developed individual service plans for their clients, under the new fee-for-service billing system the service plans must now directly link to, and support, the service requests and payments made from

the billing system. All five CCBs we visited reported needing more explicit guidance from the Division regarding how to complete service plans to ensure that these plans accurately support service requests.

Second, the BUS system does not contain edits that require CCBs to enter critical information, such as service frequency, to support billing and payments. Although BUS requires CCBs to record an amount of service units for each service in the service plan, it does not require any entry for frequency to support that calculation (e.g., hours per month, days per year, or trips per week). Additionally, BUS does not contain edits that ensure the service units and frequency match. For example, one of the service plans we reviewed stated that the client needed three hours of skilled nursing per year. The units of service for skilled nursing are calculated in 15-minute increments. As such, this client should have been approved to receive a total of 12 units of service for the year. Yet, this plan was approved to provide 144 units of skilled nursing to the client. If the BUS was modified so that it required entry of service frequency, and then automatically calculated units of service from the service frequency information, these discrepancies would not have occurred.

Finally, we found that CCB case managers are required to enter service plan information manually into two separate information systems. CCBs are required to enter service unit information into the BUS and then duplicate that data entry for the service request in a second system, the Community Contract and Management System (CCMS). Although we did not find specific errors resulting from this duplicate data entry, requiring duplicate data entry in two unlinked software systems is an inefficient use of staff resources and increases the risk of errors. The Division could reduce this risk and improve efficiency by linking BUS information to CCMS so that CCBs only enter service plan and request information one time.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster, Activities Allowed or Unallowed. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 126:**

The Department's Division for Developmental Disabilities should improve controls to ensure service plan documentation is sufficient to support the service request and subsequent payments. Specifically, the Department should work with HCPF to:

- a. Develop standardized guidelines for documenting the frequency and duration of services in service plans to support service requests and payments.

- b. Implement additional edits in the Benefit Utilization System (BUS) system requiring that Community Centered Boards (CCBs) enter service frequency information before exiting the service plan document, and automating the calculation of total service units approved.
- c. Eliminate duplicate data entry of service requests in the Community Contract and Management System (CCMS) and BUS systems by automatically populating the service request in CCMS from the service plan information contained in the BUS system.

### **Department of Human Services Response:**

- a. Agree. Implementation date: December 2009.

The Department together with the Department of Health Care Policy and Financing (HCPF), has been developing standard guidelines for documenting the frequency and duration of services in service plans to support service requests and payments. The Department will complete the guidelines and provide training to the CCBs on these requirements by end of the calendar year, December 2009.

- b. Agree. Implementation date: November 2009.

HCPF manages the BUS and has submitted a request to its IT division to commence this project. The expected completion of the work request and implementation of edits is November 30, 2009.

- c. Agree. Implementation date: October 2009.

HCPF and the Department's IT divisions will determine the feasibility of linking the two systems by October 1, 2009, to include resource requirements.

### **Department of Health Care Policy and Financing Response:**

- a. Agree. Implementation date: December 2009.

HCPF has recently completed regional trainings with specific instruction on appropriately documenting the frequency and duration of services in service plan. BUS Service Plan instructions have been available for a year on line; however, these existing instructions will be updated with more specific information and redistributed based on feedback from the trainings by August 1, 2009. Additionally, HCPF

will work with the Department of Human Services on training and standard guidelines specific to the developmental disability waivers. Training on guidelines will be completed by December 2009.

- b. Agree. Implementation date: November 2009.

HCPF has submitted a work request to the BUS programmer to commence this project. The expected completion of the work request and implementation of edits is November 30, 2009.

- c. Agree. Implementation date: October 2009.

HCPF's and the Department of Human Services' programmers are currently determining the feasibility of an electronic link between the BUS and CCMS systems. The feasibility study is scheduled to be completed by October 1, 2009.

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## **Review and Approval of Service Requests**

In the HCBS-DD waiver, the State lists review and approval of service requests as one of its key mechanisms for demonstrating that services meet client needs. Commonly referred to as "prior authorization," service request review and approval is generally used by the healthcare industry to control utilization and costs and to ensure that clients receive only services that are necessary in amounts sufficient to address their needs and prevent institutionalization.

The service review and approval process begins after the CCB completes the service plan. The CCB uses the information in the client's service plan to prepare a service request, which the CCB then submits to the Division through CCMS for approval. The service request summarizes the total number of units, by service type, the CCB identified as necessary in the client's service plan. Service plans and service requests must be renewed annually. For existing clients, the Division's practice is to automatically approve, without review, all requests for amounts of services that fall below set threshold levels. For new clients or for existing clients with service requests that fall above the set thresholds, the Division's practice is to compare the service request to the client's functional assessments and service plan to determine whether the services requested are sufficiently supported by the service plan. The Division then makes the approval or denial decision. If the service is approved, the Division uploads the approved services from the service request to the client's file in MMIS, which allows MMIS to pay for these services when the claims are submitted by CCBs and providers.

We reviewed the Division's process for reviewing and approving service requests and found problems with the methods the Division uses to select requests for review and the Division's basis for making service approval and denial decisions. Overall, we concluded that the Division's processes for reviewing and approving services do not effectively control costs or ensure that services meet client needs. The Division needs to make substantial improvements to its review and approval process, as we discuss below.

## Selection of Requests for Review

As mentioned previously, the Division reviews service requests for all new clients. Unless the request was for a new client, a special rate, or a modification of a prior request, the Division would not require the request to be reviewed. Thresholds are specific to each type of service and based on the number of units for some types of services and total costs for others. For example, the threshold for transportation services is 257 units per year. The threshold for dental services is \$1,000 per year.

We reviewed the Division's practices for selecting service requests for review and found that its selection process does not provide adequate coverage to ensure either that a sufficient number of service requests, or that high-risk service requests, are reviewed. As a result, the review process is not operating as an effective utilization control. We found problems in three areas, described below:

**Thresholds appear too high.** When using thresholds to control utilization, the thresholds should flag above-average or unusual utilization patterns for further review. We compared the Division's thresholds, by service type, to the service requests for 281 clients or about 7 percent of 4,200 clients receiving services in Fiscal Year 2008. Since service planning is done annually and is based on when each client first began receiving services, service plans can begin at any point in the year. The subset of 281 clients we used includes those individuals with new service plans that began in July 2007 and ended in June 2008. We found that the Division's selection process, based on these thresholds, resulted in automatic approval for most of the service requests for these 281 clients and that only a few requests were selected for individualized review. Specifically, for these clients, all of the requests for residential care, skilled nursing, transportation, vision, and medical equipment services were below the Division's review thresholds. Unless the request was for a new client, a special rate, or a modification of a prior request, the Division would not require the request to be reviewed. Moreover, only about 2 percent of day habilitation and about 1 percent of the behavioral services requests in our sample were over the threshold and thus would likely be selected for review. We determined that the Division does not document its review process and therefore could not provide evidence showing that all requests over threshold were actually reviewed.

Further, we reviewed all claims paid in Fiscal Year 2008 for these 281 clients and found that, on average, these clients used substantially fewer services than the threshold amounts for most services. The following table shows the average amount of services actually used by these 281 clients, by service type, compared to the established service thresholds for Fiscal Year 2008.

<b>HCBS-DD Waiver</b> <b>Average Units or Dollars of Service Used Compared with Service Thresholds</b> <b>For 281 Clients Receiving 12 Full Months of Services</b> <b>Fiscal Year 2008</b>				
<b>Service Type</b>	<b>Total Clients in Sample Receiving Service</b>	<b>Average Units or Dollars Used By Each Client</b>	<b>Division for Developmental Disabilities' Review Threshold<sup>1</sup> (Units or Dollars)</b>	<b>Average Percent of Threshold Used Per Client</b>
<b>Residential</b>	281	356	366	97%
<b>Transportation</b>	262	163	257	63%
<b>Day Habilitation</b>	248	3,379	6,168	55%
<b>Dental</b>	235	\$545	\$1,000	55%
<b>Supported Employment</b>	62	1,111	3,800	29%
<b>Vision</b>	60	\$196	\$1,000	20%
<b>Medical Equipment/Supplies<sup>2</sup></b>	12	\$184	\$1,000	18%
<b>Behavioral</b>	88	48	600	8%
<b>Skilled Nursing</b>	188	48	600	8%
<b>Source:</b> Office of the State Auditor's analysis of Fiscal Year 2008 claims data from MMIS. <sup>1</sup> Thresholds are used by the Division to determine which service requests to review. Thresholds are based on either the number of units or dollar value of services requested and are unique to each service type. <sup>2</sup> Medical Equipment and Medical Supplies services are combined, as the thresholds for these services are combined.				

As the table shows, for seven of the nine service types, these clients used 55 percent or less of the amount of services that the Division generally approves automatically, without review. For example, on average, the clients who received medical equipment services used only \$184. Yet, the Division will automatically approve requests for up to \$1,000 of medical equipment without reviewing the client's service plan to determine whether the amount requested is warranted.

We identified three problems with the Division's methodology for setting its review thresholds. First, the Division did not base its thresholds on best practices in service provision or, where available, clinical standards of service. Rather, the Division based its thresholds on historical service utilization data from Fiscal Years 2006, 2007, and part of 2008, as well as the service caps that were in place for HCBS-DD services prior to 1999. The Division did not evaluate these historical data to determine if past service levels or the resulting thresholds were

aligned with best practices or clinical standards. Second, we found the Division has no documentation of the process it used to develop and set the threshold levels. According to the Division, its staff and the CCBs reviewed the reasonableness of the thresholds; however, the Division could not provide any evidence of this review. Third, the Division did not consider risk when setting thresholds. Certain types of services are more susceptible to over- or under-utilization than others. For example, residential services, which provide housing to clients all year long, have relatively stable utilization rates, since most clients are in residential services for most of the year. The need for other types of services, such as day habilitation, medical equipment, and supported employment, is less predictable, and could be more susceptible to over- and under-utilization since service levels depend on individual clients' needs.

**Requests selected for review are predictable and do not ensure sufficient coverage.** We determined that the Division's practice of reviewing only over-threshold service requests, and automatically approving all under-threshold requests, does not ensure that, overall, service approvals are appropriate and meet client needs. As stated earlier, we found errors in the under-threshold service plans we reviewed (20 of the 22 service plans we identified as having problems had one or more service lines that were under-threshold). Further, CCBs are aware of the Division's thresholds, as well as its policy of reviewing only requests that are over the threshold. This increases the risk that CCBs that provide services have an incentive to maximize revenue by requesting and providing more services than are necessary.

**The manual process for selecting service requests for review is prone to error.** To determine which service requests are over-threshold and should receive detailed review according to the Division's process, Division staff first conduct a manual review of a printed spreadsheet. The spreadsheet lists all requests from the prior week as well as every new or revised service request that the Division received in the current one-week period for the HCBS-DD waiver program. The spreadsheet contains more than 2,000 lines of information. Reviewers visually scan the spreadsheet to identify the services that exceed the threshold and thus must be reviewed. For certain services, reviewers must also manually add units of service to determine whether the units requested exceed the threshold and thus are subject to review. The complexity of the spreadsheet can result in reviewers' missing over-threshold requests. For example, we reviewed a non-statistical sample of 25 service lines from the reviewers' spreadsheets that were above the threshold and found that there was no documentation indicating the Division had reviewed 13 of the requests (52 percent). None of these requests had any comments noting that reviewers had looked at the requests, the client assessments, or the clients' service plans prior to approving the services.

The Division needs to reevaluate its process for selecting service requests for review and ensure the process prioritizes those services most at risk of over- or

under-authorization while providing adequate coverage of the universe of requests. Additionally, review thresholds, if used as a component of an overall prior authorization selection methodology, should be based on best practices or generally accepted levels of service so that the thresholds will more effectively identify high-risk service requests. Through the CCBs, the Division has a network of expertise on acceptable practices in service provision for individuals with developmental disabilities. The Division could also consider other alternatives for controlling utilization, such as establishing caps on services or reducing payments for high-volume services, as additional methods for controlling utilization. Finally, the Division needs to automate the process of flagging service requests for review to eliminate the errors in the manual review and selection process. Specifically, the Division should build automated checks into the CCMS system, based on criteria developed for its service review and approval process, that will automatically flag service requests for review.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Activities Allowed or Unallowed. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 127:**

The Department of Human Services' Division for Developmental Disabilities should improve its processes for selecting Home and Community-Based Services for the Developmentally Disabled (HCBS-DD) service plans for review to ensure clients receive only the services necessary, in amounts sufficient to address their needs. Specifically, the Department should:

- a. Ensure that criteria used for selecting service plans for review are documented, based on best practices in service provision, and are set at levels that will effectively identify high-risk or high-cost services for review.
- b. Develop risk- and sample-based review processes that will provide better coverage of the universe of requests and reduce the predictability of the service request review and approval process.
- c. Automate the flagging of service requests for review to eliminate errors in the manual selection process.

## **Department of Human Services Response:**

- a. Agree. Implementation date: October 2009.

The Department acknowledges that an up-front review process is the most effective method of ensuring billing integrity, especially in the case where the service provider also acts as the case management agency. By October 1, 2009, the Department plans to implement a system, based on available Department resources, that combines an up-front review of high-cost, high-risk services and a retrospective review process that samples all services. Both up-front and retrospective review processes will be documented and based on “best practices” criteria to identify services for review.

- b. Agree. Implementation date: October 2009.

The Department will develop a risk- and sample-based process for conducting up-front reviews of service requests.

- c. Agree. Implementation date: October 2009.

The Department will give high priority to automating the flagging of service requests for review in CCMS to eliminate errors in a manual selection process as part of the HCBS waiver changes. The Department will report by October 2009 on the progress of these programming changes.

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## **Service Approvals and Denials**

CMS requires the Single State Medicaid Agency to approve the individual service plans that are developed for each waiver client. In Colorado, HCPF delegates this responsibility to the Division through an interagency agreement. The Division makes the final determination on all service requests for HCBS-DD waiver program clients through its service request review and approval process, described previously.

The review and approval process is an important control in Colorado’s fee-for-service system. As noted at the beginning of this chapter, 19 of the 20 CCBs both request and deliver services. Colorado’s CCB service delivery model, in conjunction with its fee-for-service payment system, presents increased risks that CCBs will request more services than necessary to meet client needs.

In addition to reviewing the service thresholds and related review selection process, we observed and interviewed the Division staff who approve or deny service requests and spoke with staff at five CCBs about the service request review process. We found that the Division cannot provide an adequate basis for its service approval or denial decisions and that, in some cases, approval and denial decisions appear arbitrary. We identified problems in two areas, as described below.

## **Review Process**

Best practice guidelines suggest that organizations have a process for documenting their review, approval, and denial of requests for services. For example, the National Committee for Quality Assurance (NCQA), a nationally recognized accreditation organization for private healthcare plans, requires accredited organizations to have a documented process for service approvals, as well as a plan for clearly documenting and communicating reasons for service denials. While Colorado's HCBS-DD waiver program is not subject to these accreditation standards, NCQA standards provide helpful guidance for programs, such as the HCBS-DD waiver program, that provide healthcare and other supportive services to program participants.

During our audit, we asked the Division for basic data on approved, denied, or reduced service requests that were evaluated through the Division's review and approval process. Each service request for an individual can have multiple service lines, each for a different type of service. We found that although the Division processed a total of about 45,000 individual service lines during Fiscal Year 2008, the Division was unable to provide documentation showing how many of these requests were (1) approved without any review, (2) reviewed and approved, or (3) reviewed and approved, but at reduced service amounts. Further, for the approximately 9,400 individual service lines that were denied, the Division could not provide aggregate information, for all requests reviewed, the reasons why services were denied, or the number of denied requests that were resubmitted and later approved.

As noted previously, we reviewed a non-statistical sample of 25 service lines that were over the Division's service thresholds and found the Division could not demonstrate that 13 of these service lines were actually reviewed (52 percent). Further, we found that the Division does not clearly document service denials or reductions. For example, in one of the 25 service lines sampled, the Division reviewer noted a service reduction in the "comments" section on the request form; however, the reviewer did not document a clear reason for the service reduction. The CCB case manager resubmitted the service request three more times, leaving the issue unresolved for two months. In the Division's first three responses to the CCB's request, the reviewer did not clearly document the reason for the reduction,

and did not address the comments included with the CCB's revised request. It was only in the Division's fourth correspondence with the CCB that the reason for the service reduction was clearly documented and addressed the CCB's previous comments, allowing the issue to be resolved. If the reviewer had clearly documented the reason for the service reduction, as recommended by best practices, the CCB case manager may have been able to determine sooner that he or she could not support the need for services and withdrawn the request. Although additional verbal discussion may have occurred between the CCB and the reviewer, without appropriate documentation the Division cannot support the reason for the service reduction.

In addition to lacking basic information on and documentation of approvals, denials, and service reductions, we found Division reviewers are not consistent in how they perform the service reviews. For example, we observed that for service requests with durations of less than one year, one Division reviewer checks to see if the service units have been prorated. In contrast, the other reviewer does not perform this check. Further, if a service plan appears to be missing service frequency information, one reviewer will check the service plan narrative to determine if frequency is mentioned there. The other reviewer does not check the narrative for this information. Of the five CCBs we visited, all confirmed problems with the consistency of the Division's practices for reviewing service requests.

Complete and accurate information on service approvals and denials, as well as documentation of the reasons for decisions made in the review process, is important for monitoring and analyzing service trends. Additionally, information on the types of services that are more likely to be denied or reduced when reviewed is important for determining whether CCBs need additional training to improve service planning and service requests. Further, the Division should document and monitor the review process to ensure that service approval and denial decisions are appropriate and consistent.

## **Reviewer Qualifications**

As stated previously, the Division cites its process for reviewing and approving service requests as one of the methods it uses to ensure that services meet client needs, as outlined in the service plan. We reviewed the qualifications of the service request reviewers and interviewed CCB staff regarding decisions made by these reviewers. We found the Division has not ensured that reviewers have adequate qualifications and skills to make approval and denial decisions.

First, we found that the Division's current reviewers are making client service determinations that are not within their authority. The State of Colorado job descriptions for the service request reviewers specifically state that reviewers are

only authorized to make “recommendations to higher levels in the organization” on service denials, and are not authorized to make service denial decisions themselves. The fact that reviewers appear to be making service determinations is especially troubling because, as stated previously, reviewer determinations are not documented and thus cannot be adequately monitored or supervised. Second, we found that reviewers do not have experience in direct service provision or case management, nor do they have degrees in a human services field. In contrast, the CCB case managers who submit service requests are required to have at least a four-year degree or five years of experience working with individuals with developmental disabilities. Additionally, other states, including Florida and Wyoming, require staff who approve and deny services to have experience serving individuals with developmental disabilities and/or at least a four-year degree in a human services field.

Finally, the Division does not conduct inter-rater reliability testing to ensure that its reviewers are applying review criteria consistently and making appropriate approval and denial decisions. To ensure that all clients are given equal access to care, reviewers, when presented with the same service request information, should apply the review criteria consistently and independently come to the same decision. Florida uses inter-rater reliability testing to ensure that if several different reviewers were given the same request, all would reach the same determination.

## **Improvements**

The problems we identified with the approval and denial documentation and staff qualifications raise concerns that the service request review and approval process is not properly designed or operating as an effective control over the use of program dollars or services. To address these concerns, the Division needs to take steps in several areas. First, the Division needs to have a clearly documented, standardized process for reviewing service requests and for documenting approval and denial decisions. Florida uses a documentation “checklist” that both case managers and reviewers are required to use when documenting and reviewing service requests. The checklist specifies the information that will be required to support a service request for each service type, for each level of care. Further, the checklist details the items that reviewers are to look for when making approval and denial decisions. The checklist also serves as a means of documenting review decisions.

Second, the Division needs to ensure that staff performing reviews and making service approval and denial decisions are sufficiently qualified. Review staff should have the same or greater level of education and experience required of the case managers conducting service planning activities. Such qualifications would include a four-year degree or equivalent work experience in serving people with

developmental disabilities. If the Division is unable to require these minimum qualifications for its reviewers, the Division should, at a minimum, ensure that the service reviews and approvals and denials performed by these staff are monitored and reviewed by supervisors with the appropriate qualifications. The Division will also need to implement a process for conducting inter-rater reliability reviews to ensure that review criteria are applied consistently and reviewers are making appropriate approval and denial decisions.

Finally, while the Division does have a process for clients to appeal service denials and reductions, the Division cannot demonstrate that the appeal process is being carried through to service denials and reductions imposed by the service request reviewers. A clearly outlined client notification and appeals process for service denials is a best practice that should be incorporated in all phases of the Division's service authorization, review, and approval process.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Activities Allowed or Unallowed. Classification of Finding: Control Deficiency.)

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## **Recommendation No. 128:**

The Department of Human Services' Division for Developmental Disabilities should improve its processes for reviewing service requests to ensure that an adequate basis exists for its approval and denial decisions and that clients are treated equitably. Specifically, the Department should:

- a. Establish a standardized process, including a checklist or other review protocol for reviewers to follow, for conducting and documenting reviews and for clearly communicating reasons for service denials to Community Centered Boards (CCB).
- b. Implement an automated mechanism to track data on the number of reviews conducted, the number of and reasons for denials and reductions in service, and the number of service requests that are re-submitted and re-reviewed. These data should be analyzed and used to identify additional CCB training needs and to improve the service request review and approval process.
- c. Reassess and revise job descriptions and qualification requirements for service request reviewers to ensure that individuals performing reviews are qualified and authorized to make approval and denial decisions. Alternatively, the Division should require supervisory staff with appropriate qualifications to review and approve the final service approval and denial determinations.

- d. Develop a process for supervisory review of service request reviews. This should include inter-rater reliability testing to ensure that reviewers, when presented with the same service request information, will apply review criteria consistently and independently come to the same decision.

### **Department of Human Services Response:**

- a. Agree. Implementation date: December 2009.

The Department is in the process of developing a standardized review protocol for reviewers.

- b. Agree. Implementation date: Re-evaluate resources annually.

The Department agrees with this recommendation but is unable to implement this recommendation without additional resources. The Department will explore options to economize operations to facilitate addressing this issue in the future.

- c. Agree. Implementation date: December 2009.

The Department agrees that current processes for authorizing or denying services that require clinical judgment can be improved. The Department will develop processes that address this recommendation in conjunction with HCPF staff to ensure that approval and denials meet relevant federal criteria by December 31, 2009.

- d. Agree. Implementation date: December 2009.

The Department will develop a process for supervisory review of service request reviews. The Department will investigate ways to implement inter-rater reliability testing, as recommended. However, such a process may require additional resources and would have to be evaluated in conjunction with current budget constraints.

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## **Post-Payment Controls**

A comprehensive system of financial controls includes post-payment review to ensure that controls are operating as intended and that all payments are necessary, appropriate, and supported by adequate documentation. Post-payment review is also important for ensuring that clients receive services deemed necessary to meet their needs. CMS requires waiver programs to retain an audit trail of paid claims, including supporting documentation, for a minimum of three years.

HCPF states in the HCBS-DD waiver application that the following processes are used to ensure that payments are made only for services that were approved and actually received:

- **Post-Payment Claims Review**—This control compares actual paid claims against CCB and provider documentation to ensure that payments for services that were never provided, were unallowable, or were delivered by unqualified providers are identified and recovered.
- **Targeted Case Management**—HCPF contracts with CCBs to fulfill Medicaid State Plan requirements that the State monitor service provision through targeted case management. Targeted case management includes a range of monitoring activities, such as calling or visiting clients to ensure that services are being provided.
- **Service Questionnaires Sent to Clients**—HCPF's contracts with its fiscal agent, ACS, to send questionnaires to Medicaid clients on a routine basis. The questionnaires ask clients to verify that they received the services billed on their behalf.

We found problems with the design and implementation of each of these processes with respect to validating payments for HCBS-DD services. Overall, we concluded that these mechanisms are not effectively ensuring payments for HCBS-DD services are necessary and appropriate. We explain our concerns below.

## Post-Payment Review

Federal regulations require Single State Medicaid Agencies to conduct post-payment reviews to safeguard against unnecessary utilization of waiver services and to prevent fraud. HCPF delegates this function to the Division through its interagency agreement. The Division is specifically required to adopt fiscal and administrative procedures designed to ensure that payments made using HCBS-DD waiver funds are appropriately monitored; appropriate monitoring must include post-payment review to verify that only necessary and allowable services were provided and paid for. We asked the Division for its post-payment review policies and found that the Division does not have a policy and does not conduct post-payment reviews.

To assess the accuracy of the payment process, we conducted a post-payment review on a non-statistical sample of 877 claims for services provided in June 2008 to 210 of the approximately 4,200 HCBS-DD clients (5 percent). These 210 clients are served by the five CCBs we visited during this audit. Claims we reviewed totaled about \$648,000, or 4 percent of the \$17.5 million in claims paid

by these five CCBs for services provided in June 2008. Additionally, the 877 claims we reviewed represented about 5 percent of the 18,700 claims paid. Of the 877 transactions we tested, we found problems with 75 claims (about 9 percent) totaling about \$42,000, or 6 percent of the approximately \$648,000 tested. The questioned costs fell into two categories.

- **Inadequate Documentation:** For 71 claims in our sample (8 percent), totaling about \$42,000, service providers could not provide adequate documentation to support the claim. The service providers could not produce any documentation for three of these claims, totaling about \$7,000. Although the providers had some documentation to support the remaining 68 claims, we found this documentation inadequate because it did not clearly identify the number of service units provided to the client. For example, providers are required to bill services such as day habilitation and supported employment in 15-minute increments. To sufficiently document units in these time blocks, providers must record the time that a client arrives and leaves. In the 68 claims with exceptions, providers did not record this information. Rather, some providers simply circled dates on a calendar to indicate the days the client attended the program. This does not document the number of 15-minute units actually provided.
- **Billing Errors:** Four claims in our sample had errors in calculating the number of units of service billed in comparison to the number of units documented by the service provider. These errors resulted in \$353 in overpayments to the providers.

In addition, we used automated tools to detect certain types of billing errors for all services delivered during Fiscal Year 2008. All claims for HCBS-DD services are processed through MMIS. Submitted claims are matched against the client's file in MMIS to verify that the client is authorized to receive the billed service. Although we did not identify any problems with MMIS's ability to ensure that claims are only paid for approved services, our review identified one provider who was not approved to receive payments under the HCBS-DD waiver program. This provider had been improperly authorized to receive \$480 for an unallowable life-line monitor, and after the service request was approved, the provider received a payment of \$280. The provider was authorized as a Medicaid provider for the standard state Medicaid benefit plan and other waiver programs, but not for the HCBS-DD waiver program. We notified the Division of these unauthorized payments, and the Division recovered the payment from the provider. Ongoing post-payment review, using automated tools, should identify these types of billing errors in the future.

The Division should take steps to develop and implement policies and procedures for a post-payment review process to ensure that payments are appropriate as

required by its interagency agreement. To be most effective, post-payment reviews should be conducted using a risk-based sampling approach. Risk-based samples can be designed to address high-risk payment types, such as services billed in 15-minute increments, or be based on high-risk providers or providers with an unusually high volume of claims or an unusual spike in claims. Additionally, to supplement the sampling process, automated tools can be used to enhance the Division's ability to analyze the appropriateness of payments on a more global level. By tracking the various errors found during post-payment review, the Division will be able to identify patterns and problem areas. As part of developing the post-payment review process, the Division should work with HCPF to clearly define the documentation that providers must maintain to support claims submitted to MMIS. The Division should use this information to modify billing policies and procedures as necessary. The Division should also train the CCBs and require CCBs to instruct service providers about their role in the HCBS-DD billing system. Additionally, CCBs should include service documentation requirements in all service provider contracts.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Activities Allowed or Unallowed. Classification of Finding: Control Deficiency.)

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## **Recommendation No. 129:**

The Department of Human Services' Division for Developmental Disabilities should develop and implement policies and procedures for a post-payment review system to ensure that payments for Home and Community-Based Services for the Developmentally Disabled (HCBS-DD) waiver services are appropriate, allowable, and provided by qualified providers. Specifically, the Department should:

- a. Develop a risk-based post-payment review process that incorporates a sampling approach to review claims paid.
- b. Use automated tools to identify payments made for unallowable services or non-approved providers.
- c. Revise billing policies and procedures as necessary based on patterns of errors identified during post-payment review.

**Department of Human Services Response:**

Agree. Implementation date: October 2009.

In 2008 the Department began planning for a sample-based post-payment review process as part of the global Quality Improvement Strategy outlined in the new waivers effective July 1, 2009. The Department will use the data from the MMIS to identify payments made for unallowable services or non-approved providers. On an ongoing basis, the Department will revise billing policies and procedures based on patterns of errors identified during post-payment review.

**Recommendation No. 130:**

The Department of Health Care Policy and Financing and the Department of Human Services, Division for Developmental Disabilities should work together to develop standards for the types of documentation that providers must maintain for each type of service provided. Community Centered Boards (CCBs) should be trained on the standards and required to include the standards in their contracts with all service providers.

**Department of Health Care Policy and Financing Response:**

Agree. Implementation date: December 2009.

HCPF and the Department of Human Services are currently participating in a Qualified Provider Task Force as part of the CMS Quality Improvement Strategy (QIS) to explore provider related issues and implement policy. The QIS requires a post payment review process as part of the program review. The CCBs will be involved in the program review and this is included in the Fiscal Year 2010 three-way contracts with HCPF, the Department of Human Services, and each CCB. The two Departments will jointly review a sample of clients including a post payment claims review. Both Departments have begun to develop standards for documentation that providers must maintain for each type of service. All CCBs and providers will be trained on the standards December 30, 2009.

**Department of Human Services Response:**

Agree. Implementation date: December 2009.

The Department of Human Services is implementing a retrospective review process and will develop standards for documentation that providers must maintain for each type of service. Initial billing standards are already available for CCB implementation. CCB and provider staff will be trained on additional procedures as they are developed. The Department of Human Services will develop a new policy and procedures system to facilitate timely dissemination of policies, procedures, and practices to strengthen communication, accuracy, and consistency of operations.

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## Other Post-Payment Controls

As mentioned earlier, in its HCBS-DD waiver plan HCPF indicates that it uses two additional tools, targeted case management and client questionnaires from its fiscal agent, ACS, to help validate that waiver funds have only paid for services that were actually provided. We reviewed HCPF's implementation of both of these tools and found that neither operates effectively to ensure that waiver payments are appropriate.

First, we found that HCPF and the Division do not require the CCBs to review HCBS-DD claims through their targeted case management activities. The five CCBs we visited confirmed that they do not conduct these reviews. Rather, the CCBs reported that targeted case management focuses on a variety of other activities, including visiting HCBS-DD clients, reviewing client needs, and developing service plans. Second, HCPF was unable to easily identify the number of questionnaires that ACS sent to HCBS-DD clients asking that these clients verify that they received the services billed on their behalf.

Since review of paid claims is not a component of targeted case management and HCPF cannot demonstrate that client questionnaires were sent to HCBS-DD clients, HCPF should either implement these post-payment activities or the waiver with CMS should be revised to accurately reflect only those post-payment activities that are in place and operating within the HCBS-DD program. However, we are concerned that even if HCPF were to implement these two additional post-payment activities, these tools may not be effective post-payment controls. For example, as discussed subsequently, CCBs perform many roles with respect to the planning and provision of client services and thus are not independent third parties with respect to reviewing claims, and therefore incorporating claims review into CCB targeted case management activities may not be appropriate.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Activities Allowed or Unallowed. Classification of Finding: Control Deficiency.)

**Recommendation No. 131:**

The Department of Health Care Policy and Financing (HCPF) and the Department of Human Services, Division for Developmental Disabilities should reassess whether targeted case management and the client questionnaires serve as effective tools for validating Home and Community-Based Services for the Developmentally Disabled (HCBS-DD) payments. If HCPF and the Division determine these practices are ineffective, HCPF should discontinue listing these practices as mechanisms used to validate billings in the HCBS-DD waiver and use other mechanisms to ensure payments are appropriate.

**Department of Health Care Policy and Financing Response:**

Agree. Implementation date: June 2010.

HCPF will discontinue listing these practices as mechanisms used to validate billings in the HCBS-DD waiver. Currently, HCPF is working with the Department of Human Services to implement a post-payment review process in conjunction with the Program Review in the CMS Quality Improvement Strategy (QIS). The process will be fully implemented by June 30, 2010.

**Department of Human Services Response:**

Agree. Implementation date: June 2010.

The Department of Human Services has assessed these processes and does not believe that targeted case management and client questionnaires alone serve as sufficient tools for validating HCBS-DD payments. Therefore, in conjunction with HCPF, the Department of Human Services is implementing a post-payment review process. This process will be fully implemented by June 30, 2010.

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**Payment System Monitoring**

As noted previously, the framework for the developmental disabilities system is decentralized, with specific responsibilities for overseeing the system assigned to HCPF, the Division, and the CCBs. HCPF retains administrative oversight of the HCBS-DD waiver as required by statute and CMS. Statute [Section 25.5-6-404(3), C.R.S.] authorizes HCPF to contract with the Division to operate the

waiver program and monitor the CCBs. The CCBs, also created by statute [Section 27-10.5-105, C.R.S.], are responsible for case management and for ensuring services meet client needs.

This decentralized system offers both benefits and risks. On the one hand, the decentralized service system ensures that case managers have direct contact with individuals in their own community, are familiar with the local resources available to support the clients in their care, and can contract with local service providers to meet the specific needs of individuals in that area. On the other hand, the decentralized system increases risks that the individual service agencies will not operate the programs in a consistent manner with regard to program requirements, provide the same level of service, or ensure equal access to care.

We reviewed the monitoring and oversight responsibilities of HCPF, the Division, and the CCBs, respectively, for ensuring fiscal accountability for the HCBS-DD waiver program. Overall we found that insufficient oversight by HCPF and the Division directly contributed to the weaknesses and errors we identified in the payment control system, discussed throughout this chapter. Weak oversight puts the State at risk of not meeting either the financial accountability or administrative oversight assurances and places the ongoing funding for the program at risk. Our concerns with the Division's and HCPF's monitoring practices are discussed in below.

## **Monitoring by the Division**

According to the interagency agreement between HCPF and the Division, the Division is responsible for administering the HCBS-DD waiver program, including:

- Adopting fiscal and administrative procedures, including monitoring appropriated funds as billed through MMIS and auditing service provision and fiscal management for compliance with federal and state requirements.
- Reviewing plans of care and approving services so that only appropriate claims are paid through MMIS.
- Providing technical assistance and training to CCBs on case management functions, client level-of-care determinations, waiver rules and regulations, and record keeping.

Our audit found the Division has not adequately carried out its responsibilities or provided sufficient monitoring and oversight of the payment control system, as required by its interagency agreement. First, we found the Division did not

provide CCBs and providers clear guidance with respect to program policies and procedures. Many of the documentation problems identified during our service plan review and our own post-payment review resulted from the Division's not developing a comprehensive policy and procedures manual or training the CCBs on appropriate and consistent methods for documenting service plans and service provision. Instead of a comprehensive policy and procedures manual, the Division uses hundreds of Directive Memorandums, some of which apply to the HCBS-DD waiver program and some of which apply to other programs operated by the Department. The Division uses these memorandums to communicate program policies and procedures, and it issues new and updated memorandums throughout the year. All five CCBs we interviewed stated that these directives do not facilitate adequate, clear, or timely communication of waiver program policies.

Second, we found that although the Division reports that its program quality review process allows the Division to monitor service plan documentation after services are authorized and provided, the Division does not conduct adequate up-front monitoring of its system of internal controls to ensure that controls are operating effectively and to identify necessary improvements. Specifically, the Division does not conduct post-payment review and analyze results to identify trends in documentation deficiencies, or review its service approval and denial decisions for appropriateness. Improving monitoring practices would allow the Division to identify areas where additional controls are needed or controls are not working and help ensure that public funds are spent appropriately. Further, ongoing monitoring will identify areas where CCBs are having difficulty complying with program requirements, which may indicate the need for additional guidance and training.

The Division's new fee-for-service system has been in place for nearly two years, and the Division is preparing to implement a fee-for-service payment system in its two other developmental disability waiver programs. To provide fiscal accountability, ongoing monitoring is crucial to ensure that payments are necessary and appropriate, and to demonstrate compliance with federal and state requirements.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Activities Allowed or Unallowed. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 132:**

The Department of Human Services' Division for Developmental Disabilities should establish mechanisms for monitoring the implementation and operation of appropriate fiscal controls to ensure accountability for services and payments. Specifically, the Department should:

- a. Develop and issue a comprehensive, written policy and procedures manual for Community Centered Boards (CCBs) and update the manual on a routine basis.
- b. Provide training on the policy and procedures manual to the CCBs.
- c. Establish a comprehensive system of ongoing monitoring and evaluation of payment controls as discussed above. Trends and patterns identified during the monitoring process should inform changes to the payment control system, program policies and procedures, and guidance, communication, and training provided to the CCBs.

### **Department of Human Services Response:**

Agree. Implementation date: December 2009.

- a. The Department will develop a comprehensive policy and procedures system to facilitate timely dissemination of policies, procedures, and practices to strengthen communication, accuracy, and consistency of operations.
  - b. The Department will provide training to the CCBs on the policy and procedures addressed in the manual.
  - c. The Department shall include the necessary mechanisms for monitoring and operation of the appropriate fiscal controls to ensure accountability for services and payments in the policy and procedures manual.
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**Department of Human Services**

**Prior Recommendations  
Material Weakness or Significant Deficiency  
Not Remediated by the Department  
As of June 30, 2009**

The following recommendations relating to internal control deficiencies classified as material weaknesses or significant deficiencies were communicated to the Department in previous years and have not yet been remediated as of June 30, 2009. These recommendations can be found in the original report and the IV. Prior Recommendations Section of this Report.

<b>Current Rec. No.</b>	<b>Prior Report and Rec. No.</b>	<b>Recommendation/ Classification</b>	<b>Implementation Date Provided by Department</b>
2009 Single Audit Rec. No. 133	2008 Single Audit Rec. No. 86	Food Stamps (Supplemental Nutrition Assistance Program- SNAP) System Issues <i>Material Weakness</i>	December 2009
2009 Single Audit Rec. No. 134	2008 Single Audit Rec. No. 87	Timely Processing of Food Stamps (SNAP) Eligibility Redeterminations and Change Report Forms <i>Material Weakness</i>	December 2009
2009 Single Audit Rec. No. 135	2008 Single Audit Rec. No. 89	Low-Income Energy Assistance Program (LEAP) <i>Significant Deficiency</i>	September 2009
2009 Single Audit Rec. No. 136	2008 Single Audit Rec. No. 95	Eligibility Determination Overrides <i>Significant Deficiency</i>	July 2009
2009 Single Audit Rec. No. 137	2008 Single Audit Rec. No. 96	Oversight of County Expenditures <i>Significant Deficiency</i>	July 2009
2009 Single Audit Rec. No. 138	2008 Single Audit Rec. No. 98	Provider Attendance Sheets <i>Significant Deficiency</i>	July 2009
2009 Single Audit Rec. No. 139	2008 Single Audit Rec. No. 99	County-Owned Child Care Centers <i>Significant Deficiency</i>	a. July 2009 b. [1] c. July 2009
2009 Single Audit Rec. No. 140	2007 Single Audit Rec. No. 103	County Administrative Spending <i>Significant Deficiency</i>	a. October 2009 b. [1]

<sup>[1]</sup> This part of the recommendation has been implemented, partially implemented, or is not applicable. See IV. Prior Recommendations Section of this Report.

# Department of Labor and Employment

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## Introduction

The Department of Labor and Employment (Department or CDLE) is responsible for providing services to employers and job seekers and enforcing laws concerning labor standards, unemployment insurance, workers' compensation, public safety, and consumer protection. Please refer to the introduction in the Department of Labor and Employment chapter within the II. Financial Statement Findings section for additional background information.

The following comments were prepared by the public accounting firm of Clifton Gunderson, LLP, which performed Fiscal Year 2009 audit work at the Department of Labor and Employment.

## Preparation of Exhibit K

The Department uses a standard form—the Exhibit K—to report its fiscal year expenditures of federal awards. The Department submits the Exhibit K to the Office of the State Controller (OSC), which uses it to prepare the statewide Schedule of Expenditures of Federal Awards (SEFA)—an annual report required by the federal Office of Management and Budget's *Circular A-133*. For Fiscal Year 2009, the Department administered 16 federal programs and reported expenditures of federal awards of \$1.3 billion, which represents 15 percent of the total reported on statewide schedule of expenditures.

The February 2009 American Recovery and Reinvestment Act (Recovery Act) added the requirement that additional federal funds authorized by the Recovery Act are to be reported separately on the SEFA from non-Recovery Act federal funds. The Department received Recovery Act funds for Unemployment Insurance and Workforce Investment Act programs during Fiscal Year 2009. In addition, the Department received new federal funding of Unemployment Insurance Extended Benefits.

The Department has not established Exhibit K preparation and review procedures to accommodate the new funding sources and to meet the revised Exhibit K reporting

requirements. As a result, we found the following errors in the Department's Fiscal Year 2009 Exhibit K:

- The Recovery Act funds received by the Department for the Unemployment Insurance Federal Additional Compensation Program (FAC) and Workforce Investment Act were not reported separately from other federal funds as required.
- The reported expenditure totals for Unemployment Insurance program did not include half of the federally funded Extended Benefits of approximately \$133 million due to an incorrect spreadsheet formula.

After we notified the Department of these errors, staff corrected the errors and submitted a revised Exhibit K to the OSC.

The errors on the Exhibit K occurred because the Department does not have written procedures for preparing the Exhibit K and the supporting documentation. Additionally, the Department did not detect or correct the errors prior to submitting the Exhibit K to the OSC because the Department does not have an adequate supervisory review process in place that would include a detailed review of the Exhibit and the supporting documentation.

The lack of written procedures and supervisory review increases the potential for errors in the Exhibit K. As the Department is responsible for such a large portion of total federal funds spent by the state, a material error on the Department's Exhibit K could materially misstate the statewide schedule of expenditures

(CFDA Nos. 17.225, 17.258, 17.259, 17.260; Unemployment Insurance and Employment Services Cluster; Special Tests and Provisions. Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 141:**

The Department of Labor and Employment should improve controls over reporting federal expenditures and the preparation of the Exhibit K by:

- a. Developing formal, written procedures for preparing the Exhibit K and supporting documentation.
- b. Ensuring adequate documented supervisory review of the Exhibit K and supporting documentation.

## Department of Labor and Employment Response:

Agree. Implementation date: September 2010.

CDLE follows and has incorporated Exhibit K procedures provided by the Office of the State Controller's *Fiscal Procedure Manual Chapter 3, Section 5.16 Exhibit K—Schedule of Federal Assistance into the compilation of the Exhibit K*. A preventative control that ensures all dollar amounts are accounted for within Fund 701 was not executed on the erroneous Exhibit K version. CDLE has added a preventative control that will be executed on each Exhibit K trial report run to ensure all amounts are included and accounted for in the final Exhibit K schedule. CDLE will continue to incorporate the American Reinvestment and Recovery Act and other new presentation changes into the compilation in accordance with the State Fiscal Procedures. CDLE will formalize its federal program accounting review procedures into the Exhibit K written procedures to ensure Exhibit K reporting integrity.

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## Benefit Accuracy Measurement

The Department administers the State's Unemployment Insurance (UI) program (CFDA No. 17.225) by providing benefits to unemployed workers for periods of involuntary unemployment. UI is structured as a federal-state partnership based on federal statute, and implemented through state law. CDLE's UI Division processes UI applications and paid over \$1 billion in unemployment benefits during Fiscal Year 2009.

CDLE is federally required to operate a Benefits Accuracy Measurement (BAM) program to assess the accuracy of UI benefit payments and denied claims. To ensure the accuracy, representative samples of both UI benefit payments and denied claims are selected and examined by BAM. Based on the results of the representative samples, any errors identified and additional information gathered will aid the state in being able to develop plans and implement corrective actions to ensure accurate administration of state law, rules, and procedures.

During our Fiscal Year 2009 audit, we found two issues related to the BAM program as discussed below:

- **Inadequate Supervisory Review:** According to the BAM State Operations Handbook (Employment and Training Handbook No. 395, 4<sup>th</sup> Edition prepared by the U.S. Department of Labor), a case is satisfactorily complete when, among other items, it includes documentation of a supervisory review

and sign-off. We reviewed 25 cases completed by the BAM staff in calendar year 2008, and found 16 cases, or 64 percent, lacked an adequate supervisory review. Specifically, two cases prepared and reviewed by the supervisor went without the benefit of a secondary review, and 14 cases were reviewed by a second investigator, but did not contain documentation of a supervisory review.

- **Incomplete Reviews:** The Department is required to review a federally-specified number of samples for each calendar year, which for 2008 was 480 benefit payments and 450 denials. A minimum of 98 percent of cases for the year must be completed within 120 days of the end of the calendar year. At the beginning of January 2009 the Department employees assigned to the BAM unit were reassigned to work with Coloradans inquiring about UI benefits and general information, due to the economic downturn. As a result of the reallocation of Department staff, only 343 of the required 450 denied claims, and 325 of the required 480 paid claims were completed for calendar year 2008, for completion rates of 76 and 68 percent, respectively.

In further discussions with Department staff, at the end of May 2009, CDLE requested a waiver from the U.S. Department of Labor (USDOL) for completing BAM audits for calendar year 2008 and for the first two calendar quarters of 2009, due to significant increases in UI claims activity and workload and the reassignment of BAM staff to aid in these efforts. However, in June 2009 USDOL denied the Department's request for calendar year 2008, but allowed a reduction in the sample size of paid benefits from 480 cases to 360 cases for calendar year 2009. In addition, the USDOL offered its staff to conduct case reviews for the upcoming quarter and to analyze the State's processes to identify opportunities for technical assistance. The Department accepted this offer in July 2009.

As the primary recipient of unemployment insurance funds, CDLE must ensure compliance with all federal requirements of the UI program. Specifically with BAM reviews, the Department risks the loss of current and future funding, as well as other sanctions for noncompliance. Therefore, the Department should improve controls to ensure such compliance.

(CFDA No. 17.225, Unemployment Insurance, Special Tests and Provisions. Classification of Finding: Significant Deficiency.)

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**Recommendation No. 142:**

The Department of Labor and Employment should establish policies and procedures to ensure Benefit Accuracy Measurement (BAM) reviews include documentation of adequate supervisory reviews and complete the required numbers of reviews for calendar year 2008 and subsequent years.

**Department of Labor and Employment Response:**

Agree. Implementation date: June 2010 for 2009 caseloads.

CDLE accepted an offer from the USDOL Employment and Training Administration Region IV to conduct the required 2008 Case Review on behalf of the CDLE Benefit Timeliness and Quality so that the Department may remain in compliance with that portion of the requirements.

The CDLE Benefit Accuracy Measurement (BAM) Unit has negotiated with USDOL on a reduced sample size for 2009, further, it is understood that the reduced sample taken in 2008 would be sufficient for USDOL statistical purposes and no additional work is planned pending USDOL formal approval. BAM reviews will continue to be performed for 2009 in order to secure the reduced sample size numbers for USDOL statistical purposes and remain in compliance with the USDOL. A letter was sent to USDOL on July 7, 2009, informing it of this reduced sample size. CDLE has not received approval or denial of this request. CDLE is committed to performing quality reviews with an emphasis on adequate supervisory controls and ensuring that the internal controls over these reviews are in place and operating as prescribed, but is striving to balance these needs with the record load of UI claimants.

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**Cash Management**

For Fiscal Year 2009 the Department spent approximately \$1.3 billion in federal funds for 16 programs. The Department operates on a reimbursement basis with the federal government, expending general fund dollars for federal programs prior to requesting federal reimbursement, or drawing down funds from the federal account, for the appropriate federal share. The reimbursement process is governed by the federal Cash Management Improvement Act (CMIA). The purpose of CMIA is to minimize the time between when a state makes an expenditure for a federal program and when the federal reimbursement is received so neither party incurs a loss of interest on the funds. In other words, the intent is that the payment issued by the

Department should clear the State's bank on the same day the federal reimbursement is received for the related expenditures.

Under CMIA the State must enter into a formal agreement with the U.S. Department of Treasury to establish reimbursement schedules for selected federal programs awarded to the State. For Fiscal Year 2009, Colorado's CMIA agreement included four programs administered by the Department: Unemployment Insurance Program (CFDA No. 17.225), and three programs included in the Workforce Investment Act Cluster (CFDA Nos. 17.258, 17.259, 17.260). These programs covered under CMIA accounted for approximately \$1.23 billion, or 98 percent of the Department's total federal expenditures in Fiscal Year 2009. Programs not covered by the CMIA Agreement are subject to requirements for cash management contained in federal regulations and the grant award. At the Department, the programs included in the Employment Services Cluster (CFDA Nos. 17.002 and 17.207) are not covered by the CMIA Agreement. During our Fiscal Year 2007 and 2008 audits we found the Department had difficulties in ensuring federal draws were timely and accurate. To address these concerns, the Department revised its cash management procedures in January 2009, which included consolidating all cash management responsibilities under one individual and establishing draw patterns dates based on the CMIA agreement and federal regulations. In addition, customized reports were developed to accumulate costs from the Department's accounting systems.

During our Fiscal Year 2009 audit, we tested a total of 25 administrative expenditure-based draw requests for the Unemployment Insurance program and 25 draw requests for Employment Services Cluster. We noted that the timing of the revised draw patterns complied with the CMIA agreement or federal regulations. However, when discussions were held with Department staff regarding the revised procedures and through our draw request testing, we identified certain payroll costs that were not included in the customized reports used to accumulate costs for reimbursement.

The Department established procedures to reconcile total expenditures recorded in the State's accounting system, COFRS, to cash draws, which identified the problem with the customized reports. However, the reconciliations were not performed timely, and as a result, the errors were not identified and corrected timely either. Our testing confirmed that that two separate draws totaling \$4.4 million were made to correct for costs incurred, but not previously requested due to the error in accumulating costs described above:

- The first draw was made on January 28, 2009 for the Employment Services Cluster for nearly \$106,000 for the grant period ended September 30, 2008.

- The second draw was made on June 3, 2009 for both the Unemployment Insurance program and Employment Services Cluster for nearly \$4.3 million and more than \$28,000, respectively.

For our Fiscal Year 2009 audit, we did not identify any problems with federal draws for the Workforce Investment Act Cluster.

As a result of the lack of timeliness in performing the reconciliation of cash requests to total expenditures, the Department failed to request timely all funds it was entitled to. Therefore, general funds were used to cover federal expenditures for longer than necessary, thus resulting in the loss of potential interest on the general fund dollars.

.(CFDA Nos. 17.207, 17.225, 17.801, 17.804; Employment Service/Wagner-Peyser Funded Activities, Unemployment Insurance, Disabled Veterans Outreach Program, Veterans' Employment Representative Program; Cash Management. Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 143:**

The Department of Labor and Employment should ensure customized reports accurately accumulate federal expenditures and implement procedures to ensure that reconciliations between total cash requests and total expenditures are completed timely.

### **Department of Labor and Employment Response:**

Agree. Implementation date: January 2010.

CDLE continues to refine Cash Management procedures to ensure compliance with the Cash Management Investment Act. Also, the Department has developed and implemented a Cash Management application with reporting tools to facilitate the timeliness, accuracy and compliance of all CDLE Cash Management activities. CDLE has incorporated into the Cash Management procedures the review of the GA17 exception report which documents the reconciliation of actual federal draws to expected draws amounts. This review procedure has been formalized into the written Cash Management procedures.

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## **Program Management Reporting**

In Fiscal Year 2009, the Department spent federal funds for the Unemployment Insurance (UI) Program (CFDA No. 17.225), Workforce Investment Act Cluster (CFDA Nos. 17.258, 17.259, 17.260), and Employment Services Cluster (CFDA Nos. 17.207, 17.801, 17.804), of approximately \$1.2 billion, including \$994 million from the UI Trust Fund. The Department is required to prepare and remit numerous reports including financial and performance reports. The reporting requirements include standard federal Office of Management and Budget reports and other reports as required by the U.S Department of Labor (USDOL). During our testing of grant reporting, we noted internal control and compliance issues as summarized in the following paragraphs:

### **Unemployment Insurance**

- Employment and Training Administration ETA 227 Overpayment Detection and Recovery Activities (ETA 227) report provides unemployment data for the establishment of overpayments to beneficiaries, recoveries of overpayments, criminal and civil actions involving overpayments obtained fraudulently, and an aging schedule of outstanding benefit overpayment accounts. We tested the quarter-ended March 31, 2009 ETA 227 and noted the total overpayment balance as reported in the Colorado Unemployment Benefits System (CUBS) and the State's accounting system, COFRS, is approximately \$36 million; however, the balance included on the ETA 227 is approximately \$18 million. According to the Department, this difference is that the Department under-stated the total outstanding benefit overpayment accounts receivable by approximately \$18 million on the ETA 227 report in a prior year, and the input error was carried forward to the current year. The Department states the error has not been corrected due to limitations of the CUBS reporting system.

The Department is not requiring a supervisor to independently review and approve the ETA 227 report, the Employment and Training Administration ETA 581 Contribution Operations (ETA 581) report, and the Employment and Training Administration ETA 2208A Quarterly UI Contingency Report (ETA 2208A). The ETA 581 report provides information on the volume of work and the State agency performance in determining the taxable status of employers and other information pertinent to the overall effectiveness of the tax program, and the ETA 2208A report is a quarterly report of staff years worked and paid by program category. Specifically, the ETA 581, ETA 227, and ETA-2208A reports were not reviewed by a supervisor prior to the submission of the reports. Our testing did not identify a lack of supervisory review with other UI reports. An independent detail review and approval of

reports helps ensure that reports submitted to the USDOL are properly prepared, accurate, and supported by source documentation. If the Department had this procedure in place, it may have detected the reporting error on the ETA 227. We have noted problems with the preparation of the ETA 227 and the lack of an effective supervisory review since our Fiscal Year 2007 audit.

### **Workforce Investment Act/Employment Services Cluster**

The Department is required to submit Workforce Investment Act and Employment Services performance reports annually. The requirements and guidelines for these reports are contained in the USDOL Employment and Training Administration's Handbooks (Handbooks) for each report. The Handbooks require source data supporting counts to be retained for at least two years after the report due date.

Specifically, the Department submits the following two reports: (1) The Employment Services/Wagner Peyser ETA 9001 annual report, which includes client information gathered through the State's on-line registration system (Connecting Colorado) or through staff entry in a workforce center; and (2) The Workforce Investment Act ETA 9091 annual report, which contains information on the Workforce Investment Act funded programs delivered through the workforce system. The data is based on information gathered by workforce center staff.

The Department's lack of supporting documentation for these programs' performance reporting was first identified as an issue during the Fiscal Year 2008 audit. During the Fiscal Year 2009 audit, we continued to have concerns that the Department did not retain documentation to support information and amounts reported to USDOL during Fiscal Year 2009 for the ETA 9001 and 9091.

Based on discussions with Department staff, the following process is followed for the annual reporting process of these reports:

- (1) The Department first compiles information from the State's JobLink and Unemployment Insurance databases, and submits the required information electronically to the USDOL.
- (2) The federal system runs edit checks for reasonableness of the data and creates reports that the Department uses to compare with Department-generated reports.
  - For the ETA 9001, the federal system additionally pulls a random sample of 25 clients and the Department verifies the information with the federal system to the information on Connecting Colorado.

For the ETA 9091, the Department must resolve any discrepancies above a certain threshold.

- (3) Final versions of the ETA 9001 and 9091 are submitted to USDOL.
- (4) The USDOL office notifies the Department of acceptance of the report through an email.

However, the Department continues to not maintain supporting documentation of the verification process or edit checks mentioned in its procedures above once the reports are accepted by the regional office as required by the Handbooks.

By not ensuring strong internal controls over federal reporting, the Department risks noncompliance with federal requirements and the potential loss of subsequent federal awards.

(CFDA Nos. 17.207, 17.225, 17.801, 17.804, 17.258, 17.259, 17.260; Employment Service/Wagner-Peyser Funded Activities, Unemployment Insurance, Disabled Veterans Outreach Program, Local Veterans' Employment Representative Program, Workforce Investment Act Cluster; Reporting. Classification of Finding: Significant Deficiency.)

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### **Recommendation No. 144:**

The Department of Labor and Employment should improve controls over federal reporting by:

- a. Instituting a secondary review and approval process to ensure amounts recorded on reports to the U.S. Department of Labor are accurately reported and supported by source documentation. Such documentation should be maintained in accordance with U.S. Department of Labor requirements.
- b. Correcting the carry-forward balances in the Employment and Training (ETA) Administration 227 report.
- c. Maintaining supporting documentation of the edit checks and verification process used in preparing the ETA 9001 and 9091 reports as required by federal requirements.

## Department of Labor and Employment Response:

- a. Agree. Implementation date: March 2010.

The Unemployment Insurance Program Unit will implement a procedure whereby the supervisor performs a secondary review and confirms that adequate support documentation exists for the prepared ETA 227, ETA 581 and ETA-2208A reports. This procedure will be consistent with other ETA reports that have proper supervisory reviews for report submission.

- b. Agree. Implementation date: Implemented.

CDLE submitted a revised ETA 227 report to correct the carry-forward balance as of September 2009.

- c. Agree. Implementation date: Implemented.

CDLE has an entirely electronic report transmission for the submission of the ETA 9001 case sample review and the ETA 9091 database submission. CDLE now stores at the Department each report transmission sent to the USDOL, in addition to, storing and backing up the main database. As of September 2009, these report submissions are in compliance with the USDOL with no exceptions. Also, the Department has built and made available for audit, a computer printout of the source information for each report submission.

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During Fiscal Year 2009 the Office of the State Auditor conducted the *American Recovery and Reinvestment Act, Workforce Improvement Act, Summer Youth Program Performance Audit*, Report No. 2052, dated December 2009. The information and comments below were contained in that report.

## Workforce Investment Act

The federal Workforce Investment Act of 1998 (WIA) [Public Law 105-220] provides federal funding for a range of workforce development services to job seekers, workers, youth, new entrants to the work force, veterans, persons with disabilities, and employers. Nationwide, the WIA program directed an average of about \$3.2 billion in federal funds towards job training services over the past five years. The Recovery Act increased these funding levels by directing nearly \$4 billion in additional federal funding toward WIA nationwide between February 2009 and

June 2011. Colorado's allocation of WIA funding from the Recovery Act over the next two years is about \$31 million.

WIA comprises three distinct programs, each with specific eligibility criteria and goals:

- **Youth Services**—The Year-Round Youth Services Program provides training and educational services to individuals ages 14 through 21. Services are available to youth, both in- and out-of-school, who are low income, disabled, or homeless, or in need of assistance gaining basic literacy skills. To be eligible for services, participants must provide proof of age, citizenship or alien status, income, and any barriers to employment. The Program focuses on services for preparing youth for the workplace, including skills assessment, job-readiness training, subsidized work experiences, and literacy classes. The Recovery Act directed funding to the WIA Youth Services Program and expanded eligibility to individuals between the ages of 14 and 24. Further, the Recovery Act encouraged the U.S. Department of Labor to develop an additional Youth Service Program, the Summer Youth Program, which provides youth with work experiences (federally-paid internships) over the summer. As a result, while the Year-Round Youth Services Program has both regular WIA and Recovery Act funding, the Summer Youth Program is funded solely through the Recovery Act. Once Recovery Act funds expire, the Summer Youth Program will not exist. Nationwide, the Recovery Act directed \$1.2 billion towards the Youth Services component of the WIA program. On average over the past five years, Colorado has received about \$11.4 million in regular WIA funding for the Youth Services Program each year. The Recovery Act allocated an additional \$11.9 million in Recovery Act funds to Colorado for the Youth Services Program, to be spent between February 2009 and June 2011. The Summer Youth Program is the focus of this audit.
- **Dislocated Worker Services**—This program provides training and employment services for individuals 18 years of age or older who have been laid off or are at risk of layoff. Services include job skills assessment, job referral, and customized job skills training focused on retraining laid off workers to prepare for new occupations and retraining incumbent workers to avoid layoffs. Nationwide, the Recovery Act directed about \$1.3 billion in funds to the Dislocated Worker Services Program. On average, Colorado received about \$14.6 million in regular WIA funding annually during the past five years to provide services to dislocated workers. The Recovery Act provided an additional allocation of \$14.5 million to Colorado for the Dislocated Worker Services Program, to be spent between February 2009 and June 2011.

- **Adult Services**—This program provides training and employment services for unemployed or underemployed individuals who are 18 years of age or older. Services include assessment of job skills, referral to jobs, career planning and counseling, case management, subsidized work experiences, and job skills training. Nationwide, the Recovery Act directed \$500 million towards the Adult Services component of the WIA program. On average, Colorado received about \$9.9 million in regular WIA funding annually during the past five years for the Adult Services Program. The Recovery Act allocated an additional \$4.8 million to Colorado for the Adult Services Program, to be spent between February 2009 and June 2011.

In Colorado, the WIA programs, including the Summer Youth Program, are overseen by the Department's, Employment and Training Division. The Department oversees nine Regions that provide the day-to-day operation of the WIA programs. In total, there are 74 workforce centers, 53 full-service offices, and 21 satellite offices located within the nine Regions.

## Program Administration

The WIA grant, including the Recovery Act portion, is 100 percent federally funded and requires no state match. The U.S. Department of Labor allocates WIA funding to states based on a formula that takes into account each state's unemployment rates, among other factors. The Recovery Act funds were allocated to the states based on this same formula. In Colorado, the Department allocates WIA and Recovery Act funds to the nine Regions throughout the state based on a statutory formula. The formula takes into consideration the ratio of the unemployed to the total population in the Region and, for the Youth Program, the total number of disadvantaged youth. County governments operate eight Regions, and the State operates one Region. The Region operated by the State is referred to as the Rural Consortium, which consists of 11 sub-Regions.

As stated previously, the nine Regions operate the 74 workforce centers responsible for day-to-day program operations, including determining eligibility for WIA program services, assessing participants' work skills and deficiencies, and providing participants with all program services. The Department is responsible for overseeing both the programmatic and financial operations of all the Regions. The oversight includes annual performance monitoring of Regions, quarterly reviews of budget to actual expenses, calendar year-end reviews of the financial controls in place at each Region, and ongoing technical assistance. Additionally, federal WIA regulations require the Department to issue guidelines, definitions, and guidance on how to implement WIA.

WIA grants are awarded in July of each year for a three-year period. For example, for the WIA grant awarded on July 1 2008 for Program Year 2008, states have until June 30, 2011, to spend the funds. The Recovery Act funding is considered to belong to Program Year 2008 and therefore must be expended by June 30, 2011. WIA grants are reimbursement-based, which means that the State is required to first spend the money and then request reimbursement for the expenditures from the federal government. The State draws down the federal funding based on requests from the Regions, which can be submitted to the Department as often as weekly. As shown in the table below, the Recovery Act funding in Program Year 2008 greatly increased the amount of funding available for use for the WIA youth programs between July 1, 2008, and June 30, 2011, when the Recovery Act funds expire.

<b>WIA Youth Services Program Grant Awards Program Years 2005 through 2009<sup>1</sup></b>					
	<b>Program Year 2005</b>	<b>Program Year 2006</b>	<b>Program Year 2007</b>	<b>Program Year 2008</b>	<b>Program Year 2009</b>
<b>Youth Services Program Total Grant Awards</b>	\$13.9	\$12.0	\$11.6	\$22.2	\$9.2
WIA Awards	\$13.9	\$12.0	\$11.6	\$10.3	\$9.2
Recovery Act Awards <sup>2</sup>	—	—	—	\$11.9	—
<b>Source:</b> U.S. Department of Labor WIA award notifications. <sup>1</sup> Program Years begin on July 1 each year. Grant funds expire three years later on June 30. <sup>2</sup> Funding for the Youth Services Program under the American Recovery and Reinvestment Act is all considered Program Year 2008 funding.					

## Summer Youth Program

Originally discontinued in 2000, the Summer Youth Program was re-instated under the Recovery Act as a summer employment program for individuals ages 14 through 24 who have barriers to employment, such as low incomes, learning disabilities, or homelessness. Note that the Recovery Act extended eligibility for the Youth Services Program beyond the 21-year-old age limit allowed by WIA. Federal guidance strongly encouraged states to operate a summer youth program between May 1, 2009 and September 30, 2009. If additional Recovery Act funds remain, the guidance allows states to operate summer youth programs in 2010 as well. The goal of the Summer Youth Program is to provide youth with paid “work experiences” that allow them to: (1) experience the rigors, demands, and rewards of work, along with the consequences of poor performance as they relate to holding a job; (2) learn work-readiness skills; and (3) acquire measurable communication, interpersonal, and decision-making skills. A “work experience” is defined as a structured learning experience at a worksite designed to expose participants to the working world and its requirements. A work experience may occur at public, private, or nonprofit

worksites. Participants in the Summer Youth Program receive wages for their work, which are funded entirely by the Recovery Act.

The stand-alone Summer Youth Program was previously operated under the Job Training and Partnership Act of 1982 (JTPA) [Public Law 97-300]. WIA officially replaced JTPA in 2000, and the stand-alone Summer Youth Program ended. One component of the JTPA Summer Youth Program—the work experience component—was incorporated as one of 10 available service elements for participants in the WIA Year-Round Youth Services Program. The 10 service elements required under the WIA Year-Round Youth Services Program also include such things as occupational skills training, study skills, job placement, and leadership development. Because the WIA Year-Round Youth Services Program requires local agencies to make all 10 service elements available to Program participants, this greatly reduced the amount of funding dedicated to work experiences in the Year-Round Program.

The Recovery Act revived the stand-alone Summer Youth Program as a component of WIA's Youth Services Program. Revitalizing the Summer Youth Program was a priority for the United States Congress. According to Congressional conference committee minutes, conferees were interested in using Recovery Act funds to create youth summer employment opportunities under the WIA Youth Services Program. The U.S. Department of Labor strongly encouraged states to create summer youth programs and spend the majority of Recovery Act funds during the period May 1, 2009, to September 30, 2009. In keeping with the federal guidance, the Department asked local Regions to spend 70 percent of the Recovery Act funds directed toward WIA youth services by September 30, 2009.

## **Summer Youth Program Participation**

In the five months from May to September 2009, the Summer Youth Program in Colorado served more than 3,200 participants, while an average of 3,000 participants were served through the WIA Year-Round Youth Program during each of Program Years 2007 and 2008. Moreover, the Summer Youth Program also greatly increased youths' participation in a work experience. The WIA Year-Round Youth Program provided work experiences to an average of about 570 youth during each Program Year. In contrast, the Summer Youth Program provided work experiences to nearly all of the approximately 3,200 participating youth between May 1 and September 30, 2009, an increase of about 460 percent over the average number of participants provided with work experience through the Year-Round Youth Program.

Participants in the Summer Youth Program received a variety of types of work experience and were placed with private businesses, nonprofit organizations, government entities, and schools. Participants worked in a variety of jobs and served as administrative assistants, custodians, veterinarian assistants, teachers' aides,

landscapers, general laborers, food service workers, and environmental technicians, among other jobs.

In addition to the impact on individual participants, the Department reports that the Summer Youth Program had a positive impact on Colorado's economy by creating the equivalent of approximately 202 jobs. The Department was required to submit job creation figures to the federal government on October 10, 2009, in the State's first Recovery Act quarterly report. Federal guidance requires that agencies report jobs created as full-time-equivalents (FTE). FTE are calculated on the basis of hours worked and length of employment, and not on the number of positions created. For instance, four Summer Youth Program participants each working 10 hours a week for four weeks is the equivalent of about one month of work for a full-time worker, or about 8 percent of a full-time position for one year, based on a 2,080-hour work year. Since most Summer Youth Program participants worked part-time for only a few months, multiple positions are needed to equal one full-time job. The Office of the State Auditor will be conducting a performance audit reviewing job creation statistics reported to the federal government in a report to be completed in 2010.

## Summary of Findings

As stated, this audit focused on the Summer Youth Program component of the WIA Youth Services Program. Our audit reviewed three areas of compliance that are key to the Summer Youth Program: (1) eligibility determination, (2) work experience placements, and (3) payments to Summer Youth Program participants. During our audit we visited four workforce centers in three Regions, reviewed participant case files, interviewed workforce center and Department staff, and analyzed data provided by both the Department and workforce centers.

Overall we found that the Department's implementation of the Summer Youth Program complied with rules and regulations. More than nine years have elapsed since the Department last operated a summer youth program, and the implementation time frame for the 2009 Program was relatively brief (about two months). We found, however, that the Department needs to provide more guidance and oversight to the workforce centers for operating the Summer Youth Program. Specifically, we identified a need for enhanced oversight in three areas. First, the Department needs to issue guidance and provide training to Regions on how to monitor wage payments to participants. Second, the Department needs to monitor youth job placements at Regions to ensure placements do not occur at prohibited worksites. Finally, the Department needs to issue guidance and review the Regions' administrative and program cost allocations to ensure these allocations comply with federal WIA regulations.

While our audit work focused on the Summer Youth Program, the findings are also applicable to WIA's Year-Round Youth Services Program. As mentioned above,

work experience, the primary focus of the Summer Youth Program, is one of 10 services offered to youth in the WIA Year-Round Youth Services Program. In fact, the Summer Youth Program was developed within the existing framework and state-issued guidance for the Year-Round Program. Consequently, improving internal controls and cost allocation practices under WIA will benefit not only the Summer Youth Program but also the Year-Round Program.

## Expenditures

Federal guidance [Office of Management and Budget *Circular A-87*] requires recipients of federal funds to have adequate internal controls to ensure grant expenditures are reasonable, appropriate, and supported by adequate documentation.

With respect to the Summer Youth Program, the Department is expected to establish adequate internal controls to ensure that wages paid for work experience have been earned by youth participants and paid in accurate amounts. In total, the Summer Youth Program paid nearly \$3.3 million in wages to program participants between May 1 and September 30, 2009, out of total expenditures of \$6.8 million. Other expenditures for the Summer Youth Program include education, training, and incidentals such as clothing for participants to wear to interviews or at work.

We reviewed 285 work experience payment transactions totaling about \$90,000, along with the supporting documentation. We found errors in 35 of the 285 transactions reviewed (12 percent). Of the 285 transactions tested, 217 were timesheet transactions and the remaining 68 were related to payments for supportive services such as training, education, or clothing for participants to wear to job interviews. We identified internal control weaknesses related to timesheet documentation and approvals, resulting in wage payment errors. Specifically, we found:

- **Calculation Errors.** We identified calculation errors in 14 wage payments. These errors occurred at two Regions and totaled about \$1,000 in overpayments and \$50 in underpayments, or 1 percent of the total expenditures reviewed. These errors are questioned costs. The errors resulted from poorly designed procedures such as paper time sheets that do not require participants to log time in and time out, and lack of clarity about how participants should account for lunch hours. Case manager reviews did not detect the time sheet errors prior to payment.
- **Lack of Supervisor Approvals.** At two of the four workforce centers we visited, the time sheets had a pre-printed worksite supervisor listed as authorized to approve the time sheets. We reviewed 116 time sheets at these two workforce centers and found that 21 (18 percent) were approved by someone other than the client's primary work experience supervisor. These

21 exceptions were all noted at one workforce center. The remaining two workforce centers we visited did not include the approving supervisor on the timesheet or had a hand-written supervisor listed, and therefore we could not easily determine from our review of 101 timesheets at these two workforce centers how many were approved by the authorized worksite supervisor. Without a clearly defined review and approval process for time sheets, there is no assurance that time sheets accurately reflect hours worked or that payments to participants are appropriate.

These problems occurred because the Department has not promulgated guidance to Regions on the proper practices for recording work time and approving time sheets. Further, the Regions we visited also did not have documented processes for recording time and approving time sheets. However, all four workforce centers we visited reported that they had established processes for time sheet review and approval. Generally, these workforce centers required participants to complete a paper timesheet, attest to the time sheet's accuracy, submit the time sheet to their worksite supervisor for review and approval, and finally submit the approved time sheet to their case manager for review and approval.

According to federal regulations [29 CFR 97.40], the Department is ultimately responsible for ensuring all WIA expenditures are accurate and allowable. Moreover, State Fiscal Rules require the Department to ensure all expenditures are reasonable and necessary. The Department should issue guidance to workforce centers on the proper review of time sheets and provide a template or tool to automate and consistently record time charged by clients to work experience. Additionally, the Department should ensure the names of personnel authorized to approve client timesheets are documented in the case file, on the standard work experience contract, and printed on the time sheet. By standardizing the recording, review, and approval of timecards, the Department will improve the accuracy of time reporting and wage payments and ensure appropriate controls over WIA expenditures.

(CFDA No. 17.259, WIA Youth Activities, Allowable Costs/Cost Principles.  
Classification of Finding: Not Classified – Not an internal control issue.)

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### **Recommendation No. 145:**

The Department of Labor and Employment should improve the accuracy of wages paid to program participants in the Workforce Investment Act (WIA) program by:

- a. Developing guidance for the Regions on the elements of adequate time sheet review and approval, including steps to identify calculation errors.
- b. Developing and offering the workforce Regions a standard template or other tool for recording time. The template should include those elements required on each time sheet such as the time-in, time-out, lunch hours, total hours worked, approved hourly wages, total wages, and name of the authorized supervisor. The Department should also consider offering a tool that automates the calculation of total hours worked and wages paid.

### **Department of Labor and Employment Response:**

Agree. Implementation date: December 31, 2009.

- a. Workforce Development Programs has already initiated the development of a Program Guidance Letter (PGL) with detailed guidance regarding all aspects of providing work experience services to Recovery Act customers. This PGL will cover recommended procedures for ensuring adequate time sheet review and approval, including steps to identify calculation errors, and will be issued prior to December 31, 2009. Workforce Development Program will follow-up to ensure proper implementation of the PGL.
- b. As part of the aforementioned PGL, Workforce Development Programs is creating a standard work experience time sheet template for use by the Regions for Recovery Act customers. The data elements within the template will include time-in, time-out, and lunch hours, total hours worked, approved hourly wages, and name of authorized supervisor. The Department acknowledges that some Regions contract payroll processing to private vendors and may not be able to use the template as provided. However, Regions will be asked to ensure that all data elements from the template are incorporated in the local payroll process. Workforce Development Programs will follow up to ensure proper implementation of the PGL.

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## **Work Experience**

As mentioned earlier, the Summer Youth Program's primary purpose is to help a large number of disadvantaged and disconnected youth ages 14 through 24 improve their job prospects and long-term career success by providing them with work experiences. A work experience places youth participants in an internship-like experience at a public, private, or nonprofit worksite.

The U.S. Department of Labor issued Training and Employment Guidance Letter No. 14-08 (Guidance Letter) in March 2009, which encouraged work experience placements that introduced participants to the rigors, demands, and rewards of a job and endeavored to ensure a meaningful work experience by matching the youths' interests and skills with the work experience. However, the Guidance Letter prohibits subsidized work experience in the following areas: aquariums, casinos, golf courses, swimming pools, and zoos. This prohibition is consistent with provisions contained in the Recovery Act.

We reviewed a total of 100 case files at four workforce centers to evaluate whether work experiences were consistent with the participants' expressed interests and skills. We also reviewed all job titles and employers for 3,201 work experience placements statewide to determine whether any placements fell within a job category prohibited by the Recovery Act.

First, we found that the four workforce centers we visited matched the youths' interests and skills with their work experience, as required by federal guidance. We did not identify concerns with the connection between participants' interests and their work experiences. For many of the files we reviewed, youth were primarily concerned with assisting their families with paying bills and were satisfied with any type of work experience. We did identify some instances where a participant's work experience did not appear to align with his or her career goal; however, in each instance we found that the workforce center could provide a reasonable rationale for the placement. For example, one youth expressed an interest in the culinary arts; however, he was not placed at a local restaurant because area restaurants had laid-off many workers, and WIA regulations prohibit use of WIA funds to replace laid-off workers.

Second, we found that workforce centers complied with Recovery Act prohibitions on specific work experience placements for nearly all Summer Youth Program placements in 2009. Specifically, of the 3,201 work experience placements statewide, we identified only three in a prohibited job category: swimming pools. A total of \$3,551 in Recovery Act monies was spent on wages for these three youths. This is a questioned cost.

Prior to the workforce centers' implementing the Summer Youth Program, the Department provided guidance to workforce centers that listed the types of job placements prohibited under the Recovery Act. However, the Department lacks monitoring systems to identify or track the job descriptions, employers, or job placements made by workforce centers in categories prohibited by the Recovery Act. Although the Department's electronic client database tracks a variety of information, including client eligibility and services, the client's work experience job title is not a required data element. Moreover, the field where case managers could enter the job title is a free-form text field, which makes meaningful searching or reporting

difficult. Currently, the only way to ensure work experience placements comply with Recovery Act limitations is to manually review each placement record, which is a time-consuming and labor-intensive process. Should the program continue, the Department would need to make system changes to enable automated review and oversight of work experience placements.

Currently at least one workforce center intends to operate a Summer Youth Program during the summer of 2010 using remaining Recovery Act funds. Consequently, it is important for the Department to improve controls to ensure work experience placements do not occur in job categories prohibited by the Recovery Act.

(CFDA No. 17.259, WIA Youth Activities, Activities Allowed or Unallowed.  
Classification of Finding: Not Classified–Not an internal control issue.)

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### **Recommendation No. 146:**

The Department of Labor and Employment should ensure compliance with the Recovery Act's limitation on work experience placements for the Summer Youth Program by:

- a. Identifying any Recovery Act funds that were spent to employ youth in prohibited job categories and ensuring those funds are refunded or replaced as necessary.
- b. Implementing ongoing or refresher training on the Recovery Act and Summer Youth Program for Regions that plan to continue the Program in summer 2010.
- c. Considering modification of its electronic client database to facilitate review and reporting of work experience job titles, if the Summer Youth Program is continued using Recovery Act funds in 2010. The Department should also develop guidance for and provide training to Regions on working with the modified database.

## **Department of Labor and Employment Response:**

- a. Agree. Implementation date: December 31, 2009.

Workforce Development Programs will contact the Regions identified by audit as placing youth in summer work experiences that are prohibited by the Recovery Act. Workforce Development Programs will review the job descriptions in question and determine those that are out of compliance with the Act. Any costs associated with non-compliant placements will be identified and moved to non-Recovery Act funding sources. We anticipate completion of this recommendation by no later than December 31, 2009.

- b. Agree. Implementation date: April 2010.

Workforce Development Programs will conduct refresher training for those Regions that plan to implement a Summer Youth Program in 2010. We anticipate that this training will occur in April 2010.

- c. Agree. Implementation date: May 1, 2010.

Workforce Development Programs will review options for modifying its electronic client database should Recovery Act funds be used for the Summer Youth Program in 2010. We will analyze cost versus return on investment to determine the best solution for obtaining the data needed to track and report work experience placements. Regions will receive training on any changes that are implemented. We anticipate that any needed changes and training would be completed no later than May 1, 2010.

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## **Classification of Payroll Processing Costs**

As previously discussed, a work experience is the primary service provided to Summer Youth Program participants and one of several services offered by the WIA Year-Round Youth Program. For the Summer Youth Program, work experience recipients receive wages during their employment, which are 100 percent subsidized by Recovery Act funds. For Year-Round Youth Program participants, wages are 100 percent subsidized by WIA program funding. Thus, local workforce centers must issue paychecks to participants and perform related payroll processing functions, such as determining required withholdings.

Expenditures for the Summer Youth and WIA programs are classified as either *administrative* or *program* costs. According to federal regulations [Section 20 CFR 667.220(a)], to be classified as an *administrative* expense, the cost must meet two criteria: (1) it must be an administrative function, such as accounting, budgeting, cash management, payroll, procurement, or personnel management, and (2) it cannot relate to the direct provision of workforce investment services. Costs directly related to a workforce investment service are *program* costs. We contacted officials at the U.S. Department of Labor for additional clarification on this regulation. According to these officials, the cost for processing work experience payroll is related to the direct provision of workforce investment services and thus is a program cost rather than an administrative cost. Although payroll processing is typically an administrative function, in this instance the payroll function relates directly to the provision of work experience, which is a workforce investment service, and therefore these processing costs are program costs.

We requested information from all nine Regions about their work experience payroll processes to determine whether centers were classifying payroll processing costs correctly. We found that workforce centers classified payroll processing costs inconsistently. Four of the nine Regions classified payroll processing costs as administrative costs and four Regions classified them as program costs. The remaining Region does not use its WIA funds to pay for payroll processing costs.

The Department should review the cost allocation classifications at each of the Regions and ensure that all payroll processing costs allocated incorrectly are reclassified in accordance with federal requirements. Cost reports previously submitted to the U.S. Department of Labor should be revised and resubmitted. Going forward, the Department should establish adequate controls for ensuring workforce centers allocate administrative and program costs correctly. Specifically, the Department should issue guidance to workforce centers on the proper classification of payroll processing costs for work experience. Further, the Department should review workforce centers' cost allocations to ensure the centers have classified their administrative and program costs appropriately. Developing guidance for allocating costs and reviewing workforce centers' cost classifications will improve the accuracy of cost allocations for all WIA programs statewide.

(CFDA No. 17.259, WIA Youth Activities, Special Tests and Provisions. Classification of Finding: Not Classified–Not an internal control issue.)

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## **Recommendation No. 147:**

The Department of Labor and Employment should ensure that payroll processing costs are allocated in accordance with federal regulations by:

- a. Developing and issuing guidance to ensure all Regions consistently allocate payroll processing costs for work experience as a program cost, in accordance with federal regulations.
- b. Incorporating this guidance into its current financial internal controls review program and reviewing workforce center cost allocations to ensure compliance with federal requirements.
- c. Working with workforce centers to determine the amount of payroll processing costs incorrectly charged as administrative costs and submitting revised reports to the U.S. Department of Labor.

### **Department of Labor and Employment Response:**

- a. Agree. Implementation date: December 31, 2009.

Workforce Development Programs will develop additional guidance regarding the allocation of payroll costs for Recovery Act summer work experience to the program cost category. This guidance will supplement previous information provided on cost categories and will be issued no later than December 31, 2009. Workforce Development Programs will follow up to ensure the proper implementation of the guidance.

- b. Agree. Implementation date: June 2010.

Workforce Development Programs will reemphasize the review of the administrative versus program cost category and include the additional guidance [see part (a)] within its annual financial review process, which includes oversight of financial internal controls and cost allocation methodologies. The next set of annual reviews will occur between February and June 2010.

- c. Agree. Implementation date: February 2010.

Workforce Development Programs will contact Regions that have been identified as incorrectly allocating payroll costs for Recovery Act summer work experience to the administrative cost category instead of the program cost category. We will follow up with these Regions to submit revised expenditure reports in time for the Department to submit its next quarterly report to U.S. Department of Labor, which is due 45 days after December 31, 2009.

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# Department of Public Health and Environment

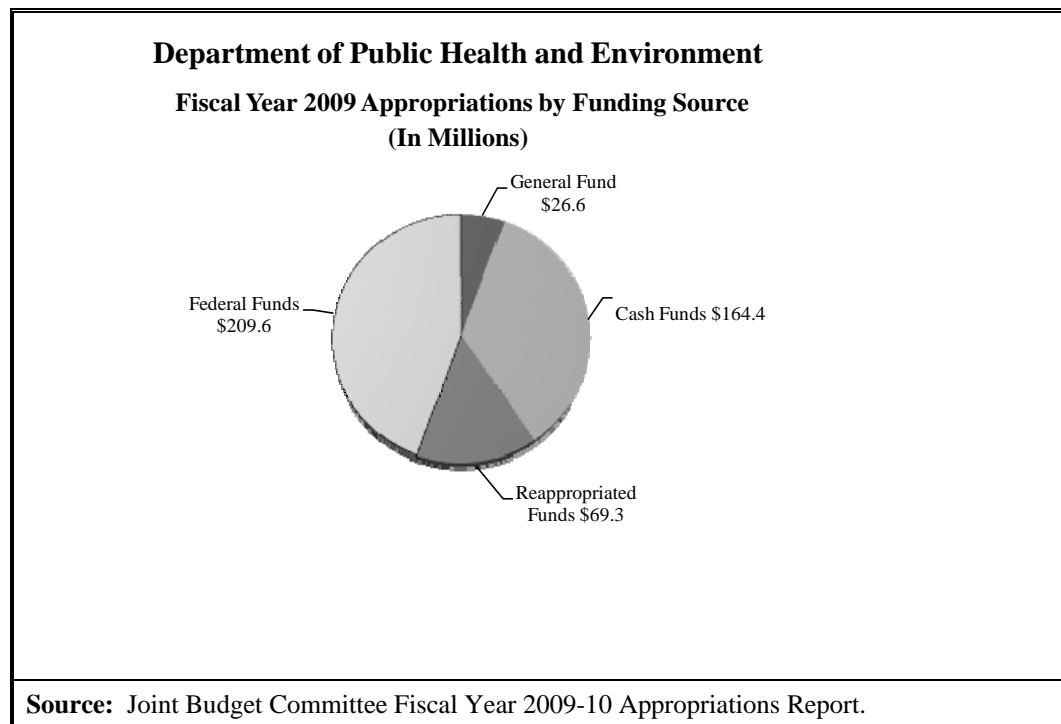
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## Introduction

The Department of Public Health and Environment (Department) is responsible for improving and protecting the health of people of Colorado, maintaining and protecting the quality of Colorado's environment. The Department is composed of the following major organizational units:

- **Administrative Divisions**
  - Administration and Support
  - Center for Health and Environmental Information
- **Environmental Divisions**
  - Air Quality Control
  - Water Quality Control
  - Hazardous Materials and Waste Management
  - Consumer Protection
- **Health Services Divisions**
  - Disease Control and Environmental Epidemiology
  - Health Facilities and Emergency Medical Services
  - Prevention Services
  - Laboratory Services
  - Local Health Services

The Department was appropriated \$469.9 million and 1,224.8 full-time equivalent (FTE) staff for Fiscal Year 2009. The following chart shows the operating budget by funding source for the Fiscal Year 2009.



The following comments were prepared by the public accounting firm of BKD, LLP, which performed Fiscal Year 2009 audit work at the Department of Public Health and Environment.

### **Compliance Investigations of High-Risk Vendors Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)**

The Department is responsible for administering the federal Special Supplemental Nutrition Program for Women, Infants and Children or “WIC” (CFDA No. 10.557). The objective of this program is to provide supplemental nutritious foods, nutrition education, and referrals to health care for low-income persons during critical periods of growth and development. During Fiscal Year 2009, the Department expended approximately \$78.3 million and provided services to approximately 167,000 women, infants and children.

Supplemental foods are provided to participants in one of three ways:

- Direct distribution food delivery systems
- Home food delivery systems
- Retail food delivery system

The Department utilizes the retail food delivery system in which participants, parents, or caretakers of infant and child participants, or proxies, obtain authorized supplemental foods by submitting a signed food instrument to an authorized vendor. The food instrument is in the form of a check from the WIC program where the cashier at the local retailer must witness the WIC participant signing the check. The WIC participant's signature is cross-referenced to the approved WIC envelope, which contains the verified signature of the participant. Federal regulations set forth requirements for food delivery systems in the WIC program. Specifically, a state agency must conduct routine monitoring visits to at least 5 percent of the vendors authorized by the state agency as of October 1 of each fiscal year to survey the types and levels of abuse and errors among authorized vendors and to take corrective actions, as appropriate.

The Department monitors high-risk vendors using "compliance buy investigations." Compliance buys are a covert, on-site investigation in which a representative, the Compliance Buy Investigator, of the WIC Program posing as a participant transacts one or more food instruments, and does not reveal during the visit that he or she is a program representative. If a compliance investigation reveals vendor violations, the state agency must take appropriate action against the vendor.

We found that the Department did not take appropriate action against vendors where compliance buy investigations disclosed vendor violations. Specifically, the Department did not take appropriate action against three out of the five sampled vendors. In all three instances, the Department noted violations in which the cashier did not verify the Compliance Buy Investigator's signature on the WIC check to the WIC envelope.

By not verifying the Investigator's signature to the WIC envelope an individual not qualified to receive WIC benefits could potentially redeem a food instrument.

The Department should take appropriate action, such as delaying payment until the violation has been resolved or establishing a claim if a violation affects payment to the vendor; imposing sanctions mandated by program regulations for certain stated violations; and imposing other, less severe, sanctions based upon the severity of the violation. In order to ensure compliance with federal requirements of its retail food delivery system, the Department should communicate and follow-up on violations on a timely basis.

(CFDA No. 10.557; Special Supplemental Nutrition Program for Women, Infants and Children; Special Tests and Provisions. Classification of Finding: Control Deficiency.)

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### **Recommendation No. 148:**

The Department of Public Health and Environment should ensure compliance with the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) by taking appropriate actions against a vendor in a timely manner when compliance buy investigations disclose vendor violations. Such action includes delaying payment or imposing sanctions based upon the severity of the violation.

### **Department of Public Health & Environment Response:**

Agree. Implementation date: October 2009.

Follow-up notification letters were sent to all vendors that were monitored using compliance buy investigations in federal fiscal year 2008 on August 28, 2009. Those vendors with violations were either required to immediately ensure they correct their violation(s) or submit a corrective action plan (CAP) to the State WIC Program by September 28, 2009.

In addition, the WIC Program will incorporate the following policy in the next State Plan and will implement the following policy for compliance buy investigations in federal fiscal year 2009: within 120 days of the close of a compliance investigation, the state WIC Program shall provide a findings letter to the retail vendor of identified findings. The findings letter may include corrective actions, sanctions and/or civil money penalties based on the Program's policy and federal regulations.

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# Office of the State Treasurer

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## Introduction

The Office of the State Treasurer (Treasury) is established by the State Constitution. The Treasurer is an elected official who serves a four-year term. Please refer to the introduction in the Office of the State Treasurer chapter within the II. Financial Statement findings section for additional background information.

## Secure Payments for States and Counties Containing Federal Lands Program Federal Earmarking Requirements

The federal Secure Payments for States and Counties Containing Federal Lands (Secure Payments) grant program (CFDA No. 10.665) is administered in Colorado by the Treasury. The objective of this program is to provide states containing national forests with a share of national forest timber receipts received by the federal government. States are required to use the funds for the benefit of public schools and public roads contained in the counties in which the national forests are situated.

The Forest Service, within the U.S. Department of Agriculture (USDA), calculates each state's share of Secure Payments program funds and notifies the affected states of the amounts they will receive. The Forest Service also advises affected states of each county's historic percentage of the state's payment, based on the county's national forest acreage. In Colorado, Treasury receives a payment from the USDA and distributes the money to the counties identified by USDA. The Department of Local Affairs provides technical assistance to counties and school districts in relation to the program. As the primary recipient of payments under the program, Treasury is required by federal regulations to ensure counties' compliance with all program requirements, including requirements for how the payments may be spent (earmarked).

The spending or earmarking, requirements vary depending on the payment methodology a county has selected and the amount it receives. Under federal regulations, counties must select one of two methodologies by which their share of Secure Payments program funds will be calculated. A county can elect to receive either a payment that is based on 25 percent of the current federal fiscal

year's timber sales or a "full" payment that is based on the average of the three highest timber payments made between federal fiscal years 1986 through 1999. A county that selected the 25 percent payment option must spend the entire payment for the benefit of public schools and public roads. A county that selected the full payment option is subject to the same spending restriction if the payment amount is less than \$100,000. If the payment amount is \$100,000 or more, a full payment county must spend at least 80 percent, but not more than 85 percent, of the payment on public roads and public schools. The remainder can be spent on search, rescue, and emergency services; community service work camps; easement purchases; forest-related educational opportunities; fire prevention and county planning; or community forestry projects. The remainder can also be spent to establish a forest-related reserve for special projects on federal lands or can be returned to the U.S. Treasury.

During our Fiscal Year 2009 audit, we determined that Treasury does not monitor counties' compliance with the Secure Payments program's spending requirements. As a result, Treasury cannot ensure that the counties are complying with the program's spending requirements and, accordingly, is at risk of federal sanctions for noncompliance.

(CFDA No. 10.665, Secure Payments for States and Counties Containing Federal Lands, Matching, Earmarking, and Level of Effort. Classification of Finding: Material Weakness.)

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### **Recommendation No. 149:**

The Office of the State Treasurer should implement procedures for monitoring counties' compliance with the earmarking requirements of the federal Secure Payments for States and Counties Containing Federal Lands program.

### **Office of the State Treasurer's Response:**

Partially agree. Implementation date: June 2010.

The Office of the State Treasurer agrees with the recommendation to monitor compliance with earmarking requirements but is not certain of the responsibility to implement procedures to achieve this. We are in discussions with the Department of Local Affairs to determine that responsibility.

The Treasury will address the recommendation as follows:

- The Treasury plans to hold discussions with the Department of Local Affairs to determine the appropriate agency to implement procedures to monitor compliance. Implementation date: February 2010.
  - The Treasury plans to provide the Office of the State Auditor with the results of these discussions. Implementation date: March 2010.
  - The appropriate agency plans to implement procedures for monitoring compliance. Implementation date: June 2010.
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# Department of Transportation

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The Colorado Department of Transportation (CDOT) is responsible for programs that impact all modes of transportation. The State Transportation Commission, composed of eleven members appointed by the Governor and confirmed by the Senate, governs its operations. Please refer to the introduction in the Department of Transportation chapter within the Financial Statement Findings section for additional background information.

## **Prior Recommendations Material Weakness or Significant Deficiency Not Remediated by the Department As of June 30, 2009**

The following recommendations relating to internal control deficiencies classified as material weaknesses or significant deficiencies were communicated to the Department in previous years and have not yet been remediated as of June 30, 2009. These recommendations can be found in the original report and the IV. Prior Recommendations Section of this Report.

<b>Current Rec. No.</b>	<b>Prior Report and Rec. No.</b>	<b>Recommendation/ Classification</b>	<b>Implementation Date Provided by Department</b>
2009 Single Audit Rec. No. 150	2008 Single Audit Rec. No. 109	Highway Planning and Construction Program - Subrecipient Monitoring <i>Significant Deficiency</i>	December 2009

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# Disposition of Prior Audit Recommendations

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The following audit recommendations are summarized from the Statewide Audit for Fiscal Years 2001 through 2008 and include only the recommendations not implemented as of June 30, 2008. The Statewide Audit includes both financial audit and Single Audit recommendations. The disposition is the implementation status as of June 30, 2009.

The classification of findings described in the I. Report Summary has been applied throughout the dispositions, as needed. If the disposition is “Implemented” the classification is not applicable; if the disposition references a current year recommendation, the classification will be with the current year finding. For other dispositions the classification of the findings are included in this section.

Report and Rec. No.	Recommendation	Disposition
<b>Department of Corrections</b>		
2008 Single Audit Rec. No. 1	Ensure that adequate supervisory review procedures are performed in connection with all aspects of the maintenance of Colorado Correctional Industries’ inventory system, including maintaining perpetual inventory records, conducting physical inventory counts, and costing inventory items.	Implemented.
<b>Office of the Governor</b>		
2008 Single Audit Rec. No. 2	Improve its internal controls over financial reporting by ensuring that exhibits are adequately reviewed by a supervisor prior to submission to the Office of the State Controller and any errors identified are corrected.	Implemented.
2008 Single Audit Rec. No. 3	Improve controls over expenditures by strengthening its supervisory review process to ensure that duplicate payments are not made and follow up on the duplicate payment identified during the audit.	Implemented.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 4	<p>The Governor's Office of Information Technology (OIT) should strengthen its controls over the State mainframe computer by (a) implementing audit recommendations related to network security and user access communicated to OIT in 2006 under separate cover, (b) periodically reviewing Top Secret security parameters to ensure compliance with best practices and OIT security policies, (c) ensuring password management controls are in compliance with State Cyber Security Policies, (d) setting Top Secret security parameters to ensure user IDs automatically suspend after 60 days of inactivity, (e) establishing policies and procedures for agency security administrators to follow when creating generic IDs, (f) restricting system administrator-level privileges to those who have a documented business need for such access, (g) ensuring all mainframe security administrators are properly trained and understand their roles and responsibilities, (h) overseeing the activities of agency security administrators to ensure compliance with established information system controls and security policies and procedures, and (I) researching instances identified during this audit where user IDs for terminated employees were used after the date of termination and taking action as appropriate.</p> <p style="text-align: center;"><b>Department of Health Care Policy and Financing</b></p>	<p>Deferred. The Department plans to fully implement this recommendation by the January 2010 implementation date.</p> <p>(Classification of Finding: Control Deficiency.)</p>
2008 Single Audit Rec. No. 5	<p>Ensure that calculation of allowance for doubtful accounts policies and procedures are clearly written and adequately documented and that the year-end allowance balance on the State's accounting system, COFRS, is appropriately adjusted.</p>	Implemented.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 53	Improve controls over its Medicare Supplementary Medical Insurance Benefit Program (SMIB) to ensure that federal reporting and reimbursements are accurate and properly supported by (a) documenting policies and procedures related to the SMIB program, including reporting and accounting responsibilities; (b) ensuring staff are cross-trained in program and accounting areas and that supervisors perform adequate reviews; (c) performing adequate testing of new systems to ensure they are operating as intended prior to implementation; and (d) working with the Centers for Medicare and Medicaid Services to resolve amounts that were overbilled to the federal government.	<p>a. Partially implemented. See current year Recommendation No. 70.</p> <p>b. and c. Not implemented. See current year Recommendation No. 70.</p> <p>d. Implemented.</p>
2008 Single Audit Rec. No. 54	Ensure that all program processing guidelines for eligibility are met by (a) initiating a Colorado Benefits Management System (CBMS) change request to ensure that the Exceeding Processing Guidelines report accurately reflects all cases exceeding program processing guidelines, (b) monitoring and utilizing CBMS reports to identify long-term-care cases exceeding processing guidelines, and (c) working with county departments of human/social services and Medical Assistance sites to improve the application processing timeliness to ensure that new cases and redeterminations for Medicaid and Children's Health Insurance Program are processed within state and federal guidelines.	<p>a. Implemented.</p> <p>b. Partially implemented. See current year Recommendation No. 64.</p> <p>c. Not implemented. See current year Recommendation No. 64.</p>
2008 Single Audit Rec. No. 55	Ensure that CBMS issues discussed in this finding are addressed and that Medicaid eligibility is terminated in a timely manner when individuals are no longer eligible for the program by (a) ensuring that county departments of human/social services and Medical Assistance sites address all CBMS alerts in a timely manner and (b) using existing eligibility determination monitoring procedures to identify additional inappropriate Medicaid payments related to timeliness of eligibility determination and following up on problems identified, as appropriate.	<p>a. Partially implemented. See current year Recommendation No. 58.</p> <p>b. Implemented and ongoing. The Department has substantially implemented this part of the recommendation.</p>

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 56	Ensure that case file documentation for the Medicaid and Children's Basic Health Plan programs is adequate to support all eligibility determinations by complying with established monitoring procedures to ensure that required eligibility information is contained in county case files and that CBMS accurately reflects the documents in the case file.	Not implemented. See current year Recommendation Nos. 53 and 59.
2008 Single Audit Rec. No. 57	Improve controls over Medicaid and Children's Basic Health Plan program eligibility determinations and data entry into CBMS by (a) requiring county departments of human/social services and Medical Assistance sites to institute effective supervisory review processes over data entry into CBMS and (b) using eligibility determination monitoring procedures currently in place to perform reviews of data input into CBMS at counties and Medical Assistance sites.	Not implemented. See current year Recommendation Nos. 54 and 62.
2008 Single Audit Rec. No. 58	Improve controls over Medicaid payments related to deceased individuals by (a) investigating and implementing automated links or matches on a regular basis between CBMS and other state or federal death record databases that would eliminate the manual processes of reporting and recording deaths of Medicaid beneficiaries that are currently required of caseworkers and facilities and (b) continue seeking reimbursement from providers for erroneous payments for services provided after date of death.	Partially implemented. See current year Recommendation No. 68.
2008 Single Audit Rec. No. 59	Ensure that county departments of human/social services are addressing Income, Eligibility, and Verification System (IEVS) data discrepancies within 45 days of receiving notification, including those related to Department of Labor and Employment data, as required by federal regulations and in accordance with its State Plan filed with the federal government.	Not implemented. See current year Recommendation Nos. 55 and 60.

Report and Rec. No.	Recommendation	Disposition
2008 Single Audit Rec. No. 60	Improve the Medicaid Eligibility Quality Control (MEQC) system by (a) ensuring that county departments of human/social services and Medical Assistance sites respond to findings and that corrective action plans adequately address deficiencies identified, (b) performing follow-up and recovery on any improper payments identified as a result of the MEQC process, and (c) ensuring that pilot program reporting requirements are met.	<p>a. and c. Partially implemented. The Department has substantially improved their MEQC process during Fiscal Year 2009. However, the Department needs to continue improvements within the corrective action process and reporting requirements. The Department did not provide a new implementation date.</p> <p>b. Implemented.</p> <p>(Classification of Finding: Control Deficiency.)</p>
2008 Single Audit Rec. No. 61	Improve user access controls over the Medicaid Management Information System (MMIS) by (a) evaluating MMIS user access profiles and identifying those profiles, or combinations of profiles, that are appropriate for different system users; (b) establishing a written procedure that HCPF IT security staff follow when MMIS access is requested; (c) ensuring that profiles or profile combinations that provide escalated system privileges are identified and tightly controlled, including the establishment of compensating controls; and (d) periodically reviewing MMIS user access levels for appropriateness and promptly removing access for terminated users, including comparing active MMIS users to termination information contained in the Colorado Personnel Payroll System (CPPS) and requiring business managers to annually verify the accuracy and relevance of access levels belonging to the MMIS users they supervise.	<p>a. and b. Not implemented. The Department plans to fully implement these parts of the recommendation by September 2009.</p> <p>c. Not implemented. The Department plans to fully implemented this part of the recommendation by August 2009.</p> <p>d. Not implemented. The Department plans to fully implement this part of the recommendation by September 2009.</p> <p>See also current year Recommendation No. 73.</p> <p>(Classification of Finding: Control Deficiency.)</p>

Report and Rec. No.	Recommendation	Disposition
2008 Single Audit Rec. No. 62	Improve controls over subrecipient monitoring for the Medicaid and the Children's Health Insurance programs by (a) implementing written policies and procedures for conducting and documenting reviews of subrecipients, (b) conducting timely and appropriate follow-up on all audit findings in subrecipient audit reports within six months after receipt of the reports, and (c) requiring all subrecipients with federal expenditures of \$500,000 or more within a fiscal year to provide annual audits performed in accordance with <i>Circular A-133</i> requirements.	<p>a. Implemented.</p> <p>b. Partially implemented. The Department is continuing to review audit reports and therefore, is planning to implement timeliness of review by October 2009.</p> <p>c. Not implemented. The Department obtained a legal opinion from the Colorado Attorney General's Office but we continue to be concerned that this appears to give the Department the option for requiring a subrecipient to file a required <i>A-133</i> audit report. This issue should be resolved by the U.S. Department of Health and Human Services.</p>
2008 Single Audit Rec. No. 63	Improve internal controls related to cash receipts by (a) developing and implementing written policies and procedures for receiving and depositing checks including stamping the date received on each check, developing a reconciliation process between checks received and amounts deposited with the Treasury, and establishing additional procedures to track checks received; (b) keeping the checks received at the front desk in a locked area; (c) restricting access to the mail room; and (d) depositing all checks in a timely manner, consistent with state requirements.	<p>(Classification of Finding: Control Deficiency.)</p> <p>a., b., and c. Implemented.</p> <p>d. Partially implemented. The Department received a fiscal rule waiver relating to timely deposits which was effective May 2009; therefore, the Department plans to fully implement this part of the recommendation by July 1, 2009.</p> <p>(Classification of Finding: Control Deficiency.)</p>

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 64	Improve controls over updating Medicaid provider licenses in MMIS by (a) ensuring that all Medicaid providers required to have a license have current license information entered into MMIS, (b) continuing to develop and implement a plan to automate the process for updating licenses for providers participating in the Medicaid program, and (c) developing a process for obtaining all current licenses for all out-of-state providers.	<p>a. Not implemented. See current year Recommendation No. 56.</p> <p>b. Deferred. The Department plans to fully implement this part of the recommendation by the December 2010 implementation date.</p> <p>c. Not implemented. See current year Recommendation No. 56.</p> <p>(Classification of Finding: Material Weakness.)</p>
2008 Single Audit Rec. No. 65	Improve its oversight of certifications required for nursing facilities and intermediate care facilities for the mentally retarded (ICF/MR) by (a) maintaining written notification of the Colorado Department of Public Health and Environment (CDPHE) recommendations to certify or terminate certifications, to document compliance with the interagency agreement and (b) developing and implementing a certification tracking mechanism to monitor and document recommendations for certifications and terminations of certifications.	<p>Partially implemented. The Department has started obtaining and maintaining certification information received from CDPHE and tracking the certifications within their database in February 2009. Because this process is performed once a year, we will follow-up in this area during our Fiscal Year 2010 audit.</p> <p>(Classification of Finding: Control Deficiency.)</p>
2008 Single Audit Rec. No. 66	Ensure the CMS-64 Quarterly Expense Report and the PSC-272 Quarterly Federal Cash Transaction Report are accurate and complete prior to submission to the federal government by (a) protecting all supporting spreadsheets from unauthorized access for these reports, (b) ensuring that formulas that are used to perform calculations are appropriate and accurate, and (c) ensuring an adequate review process is in place to review electronic spreadsheet support along with the final reports prior to submission to the federal government.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2008 Single Audit Rec. No. 67	Improve controls to ensure compliance with federal debarment and suspension requirements for all contracts and subawards by reviewing the federal Excluded Parties List System, including a clause regarding suspension or debarment in all Department contracts or obtaining a certification regarding suspension and debarment from the contractor.	Implemented.
2008 Single Audit Rec. No. 68	Reduce eligibility-determination errors for the Children's Basic Health Plan (CBHP) by improving oversight and training of eligibility sites. Specifically, the Department should (a) expand efforts to establish a comprehensive program for monitoring the CBHP eligibility-determination process, (b) expand CBHP training and technical assistance provided to eligibility sites to target the key issues identified through the Department's monitoring program, (c) require eligibility sites to improve their quality/supervisory review processes to ensure that workers correctly enter data into CBMS and review and approve CBHP eligibility determinations, and (d) investigate to determine the causes of the CBMS errors identified in the audit and modify CBMS as needed to correct the errors.	<p>a. Partially implemented. While the Department has obtained the majority of the improvement plans from eligibility sites to implement its comprehensive improvement program, it still has not identified and targeted high volume/high risk eligibility sites. The Department continues to establish this process. The Department plans to fully implement this part of the recommendation by September 2010. See also current year Recommendation No. 59.</p> <p>b. and c. Partially implemented. The Department is continuing its efforts in this area but has started to implement this recommendation by collecting Medical Eligibility Quality Improvement Plans from each eligibility site. The Department plans to fully implement these part of the recommendation by September 2010. See also current year Recommendation Nos. 59 and 62.</p> <p>d. Implemented.</p>

(Classification of Finding: Control Deficiency.)

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 69	<p>Improve its monitoring of application processing for the Children’s Basic Health Plan (CBHP) by eligibility sites to ensure eligibility decisions are made timely, in accordance with federal and state rules and guidelines. Specifically, the Department should (a) develop reports in CBMS and compile statistics on program performance with respect to timely processing of applications; (b) work with the eligibility sites to investigate the underlying factors contributing to processing delays, including the reasons CBHP applications, supporting documentation, or enrollment fees have not been entered or processed in CBMS; (c) further target training and technical assistance to address the underlying problems of late processing; and (d) consider the costs and benefits of expanding the eligibility and enrollment contract on either a permanent or temporary basis to reduce backlogs at the eligibility sites.</p>	<p>a. Implemented.</p> <p>b. Partially implemented. While the Department has obtained the majority of the improvement plans from eligibility sites, it still continues to investigate the underlying factors that contribute to processing delays. The Department plans to fully implement this part of the recommendation by September 2010. See also Current Year Recommendation No. 64.</p> <p>c. Partially Implemented. The Department has performed training; however, it is still working to address underlying problems. The Department plans to fully implement this part of the recommendation by September 2010. See also Current Year Recommendation No. 64.</p> <p>d. Deferred. The Department plans to fully implement this part of the recommendation by the July 2009 implementation date.</p>

(Classification of Finding: Control Deficiency.)

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 70	Improve the redetermination process and improve retention for the Children's Basic Health Plan program by (a) routinely calculating program retention rates and analyzing data on program retention; (b) modifying the redetermination application to clarify the requirements for documentation and reporting of changes in circumstances; (c) beginning to send reminders to families regarding the submission of their redetermination applications as soon as possible; and (d) considering the use of periodic surveys, focus groups, or review of existing research to identify barriers to reapplication, as well as other methods to remind families to reapply, such as those used by other Children's Health Insurance Programs.	<p>a. Partially implemented. Retention reports are not available. The Department will determine the best way to assess retention rate once the CBMS retention report is available. This report, in conjunction with the monthly reports from Affiliated Computer Systems will allow the Department to accurately assess retention rates and analyze the data. The Department plans to fully implement this part of the recommendation by December 2009.</p> <p>b. Not implemented. The Department is working with the Department of Human Services to modify CBMS system changes related to the redetermination notice. The Department plans to fully implement this part of the recommendation by March 2010.</p> <p>c. Not implemented. The Department has submitted CBMS changes; however, it continues to explore changes and how changes will impact the budget. The Department plans to fully implement this part of the recommendation by March 2010.</p> <p>d. Deferred. The Department plans to fully implement this part of the recommendation by the October 2009 implementation date.</p> <p>(Classification of Finding: Control Deficiency.)</p>

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 71	Ensure ineligible women and children are properly and timely disenrolled from CBHP. Specifically, the Department should (a) review the 885 individuals identified during our audit who were not disenrolled on time, ensure any ineligible individuals identified through the review have been properly disenrolled, and review and recover payments made for the ineligible individuals; (b) strengthen efforts to ensure that, until the planned changes to CBMS and MMIS are fully implemented and working properly, participants are disenrolled from CBHP as soon as their eligibility ends; and (c) prioritize changes to MMIS and CBMS to ensure disenrollments occur timely and accurately in the future.	<p>a. Implemented.</p> <p>b. Partially implemented. The Department has scheduled the CBMS to MMIS change and plans to fully implement this part of the recommendation by Fiscal Year 2012.</p> <p>c. Implemented.</p> <p>(Classification of Finding: Control Deficiency.)</p>
2008 Single Audit Rec. No. 72	Ensure its procedures for approving applicants for CBHP are consistent with federal regulations by continuing to work with the Centers for Medicare and Medicaid Services to ensure the corrective action plan, including both the temporary and permanent procedures for implementing the Deficit Reduction Act as it affects CBHP, is acceptable.	Not implemented. See current year Recommendation No. 63.

Report and Rec. No.	Recommendation	Disposition
2008 Single Audit Rec. No. 73	<p>Improve the accuracy of claims payments for the State Managed Care Network by (a) continuing to work with Anthem to assess the extent of payment errors, such as those identified in this audit and in the external contractor's review, in CBHP claims paid in Fiscal Years 2006 and 2007; (b) using this audit and the review recommended in part a to determine the total dollar amount of claims paid in error and seeking recovery of such payments; (c) implementing an on-site review process going forward to assess the Administrative Services Organization (ASO) contractor's: (1) controls to pay and deny claims in accordance with all applicable requirements, and (2) accuracy and timeliness in processing CBHP claims; (d) establishing a process to follow up with the ASO contractor on any problems identified from the on-site claims review process to ensure corrective action is taken; and (e) amending the ASO contract to include a liquidated damages provision for paying claims filed by providers after the established deadlines and paying claims without having negotiated with non-participating providers.</p>	<p>a. Partially implemented. The Department is still working with Anthem and a third-party auditor to assess the claims payment errors as noted in the recommendation. The Department plans to fully implement this part of the recommendation by December 2009.</p> <p>b. Implemented.</p> <p>c. Partially implemented. The Department revised its Administrative Services Organization contract to include controls and accuracy and timeline measures in July 2008. The Department plans to fully implement this part of the recommendation by the July 2010 implementation date.</p> <p>d. Implemented.</p> <p>e. Implemented.</p>
2007 Single Audit Rec. No. 56	<p>Improve controls over payments to laboratory providers for the Medicaid program by (a) ensuring edits to identify laboratory certification numbers are implemented and operating as intended in MMIS and (b) establishing a method to verify federally-issued certification numbers for laboratories.</p>	<p>(Classification of Finding: Control Deficiency.)</p> <p>Not implemented. See current year Recommendation No. 66.</p>

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2007 Single Audit Rec. No. 61	Improve internal controls over the indirect cost process by (a) developing and implementing a review process of the allocation of statewide indirect costs and Departmental indirect costs across programs and other areas, (b) ensuring that all spreadsheets used for tracking indirect costs are protected from unauthorized user modifications and formulas are calculating correctly, and (c) evaluating the need to amend the Departmental indirect cost allocation plan and complying with federal regulations annually by either submitting an amended indirect cost plan for approval or certifying to the federal government that the approved cost-allocation plan is not outdated.	Implemented.
<b>Department of Higher Education</b>		
<b>Colorado Historical Society</b>		
2008 Single Audit Rec. No. 6	Strengthen controls over travel expenditures by (a) ensuring that travel expenditures are appropriately approved, travel reimbursements are supported by adequate supporting documentation, travel expenditures are coded correctly on the State's accounting system, COFRS, and that all other State Fiscal Rules regarding travel are followed, (b) training staff and supervisors on state travel rules and policies; and (c) obtaining repayment from employees for excess mileage and lodging reimbursements.	a. and b. Not implemented. See current year Recommendation No. 10.  c. Implemented.
<b>Colorado State University - Pueblo</b>		
2008 Single Audit Rec. No. 74	Implement procedures to ensure that there is documented proof that the notifications to students and parents regarding disbursement of federal financial aid required by federal regulations is maintained.	Implemented.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
<b>University of Northern Colorado</b>		
2008 Single Audit Rec. No. 75	Improve procedures to ensure that pertinent data affecting the calculation for the return of Title IV funds is input correctly and the amount to be returned to the lender is computed accurately.	Implemented.
<b>Colorado School of Mines</b>		
2008 Single Audit Rec. No. 76	Verify that entities are not suspended or debarred or otherwise excluded from contracting for work involving Federal funds and documentation should be maintained to support such verification procedures for covered transactions.	Not implemented. See current year Recommendation No. 93.
2008 Single Audit Rec. No. 77	Ensure that its existing policy for documenting approval of cost transfers to federal research and development projects be strictly adhered to prior to recording accounting entries for such cost transfers.	Implemented.
2008 Single Audit Rec. No. 78	Ensure proper policies and procedures are in place to determine that data reported in the National Student Loan Data System Enrollment Timeline matches the students' academic files and if discrepancies are noted, that such discrepancies are reported timely.	Not implemented. See current year Recommendation No. 95.

Report and Rec. No.	Recommendation	Disposition
<b>Colorado Community College System</b>		
2008 Single Audit Rec. No. 79	Work with Colorado Northwestern Community College and Trinidad State Junior College to enhance procedures to comply with return of Title IV requirements by (a) ensuring all students who are subject to a postwithdrawal disbursement receive notification within the required time frame of 30 days, (b) requiring reviews of return of Title IV calculations, and (c) establishing procedures to ensure that withdrawal dates of students are determined timely and the return is made no later than 45 days after the date of this determination.	Implemented.
2008 Single Audit Rec. No. 80	Work with the Community College of Denver, Colorado Northwestern Community College, and Trinidad State Junior College to implement monitoring procedures over the verification process.	Implemented.
2008 Single Audit Rec. No. 81	Improve its subrecipient monitoring for the Perkins program by implementing policies, procedures, and controls to ensure compliance with Office of Management and Budget (OMB) <i>Circular A-133</i> . Specifically, Colorado Community College System should (a) develop a risk-based approach for monitoring subrecipients, including written policies and procedures, in compliance with the OMB <i>Circular A-133</i> ; (b) perform periodic site visits based upon the risk-based approach to ensure that the subrecipient administers federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved; (c) require all subrecipients to submit either their annual OMB <i>Circular A-133</i> audit or a statement attesting that they are not subject to OMB <i>Circular A-133</i> audit requirements; and (d) provide adequate oversight and supervisory review of the Perkins monitoring process.	Implemented.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2006 Single Audit Rec. No. 57	Improve its evaluation of new and renewal program applications by ensuring that programs provide students with entry-level skills, job readiness skills, or the ability to articulate to further training.	Implemented.
2006 Single Audit Rec. No. 61	Improve its oversight of Perkins grant subrecipients by developing and implementing a more systematic process for using local improvement plans.	Implemented.
2006 Single Audit Rec. No. 67	Improve its monitoring process for the federal Perkins program by (a) reassessing its monitoring schedule to ensure that it meets its commitment to monitor each subrecipient once every five years as provided in the State's Perkins plan, (b) expanding monitoring policies to include written policies that outline the number of schools and programs required for review during each program monitoring visit, and (c) ensuring that consortium administrators complete on-site monitoring visits in accordance with established procedures.	Implemented.
<b>Western State College</b>		
2007 Single Audit Rec. No. 78	Formalize its policies and procedures in a manual for Student Financial Aid staff to follow.	Implemented.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
<b>Department of Human Services</b>		
2008 Single Audit Rec. No. 7	Ensure that amounts reported on the State's accounting system, COFRS related to counties' administration of public assistance programs are accurate and complete by (a) documenting clear procedures for performing monthly reconciliations between the County Financial Management System (CFMS) and COFRS; (b) assigning responsibility to a specific employee for the monthly reconciliation process to identify and resolve discrepancies between CFMS and COFRS for amounts payable to and receivable from the counties; and (c) determining the cause of the discrepancies between the balances reported on CFMS and those reported on COFRS for amounts due to or from the counties at June 30, 2008, and making necessary adjustments.	Not implemented. See current year audit Recommendation No. 13.
2008 Single Audit Rec. No. 8	Establish adequate controls over benefit authorization and issuance data for the cash programs by (a) performing routine and comprehensive reconciliations among the CBMS, CFMS, the State's Electronic Benefits Transfer service provider, and COFRS to ensure that financial information is accurately and completely recorded; (b) ensuring that all reconciliations are reviewed by knowledgeable personnel not involved in preparing the reconciliations; and (c) making any necessary adjustments in a timely manner to the appropriate systems.	Deferred. The Department plans to fully implement this recommendation by the June 2010 implementation date.  (Classification of Finding: Significant Deficiency.)
2008 Single Audit Rec. No. 9	Ensure that capital construction expenditures are properly recorded during the construction phase and in accordance with generally accepted accounting principles and state regulations.	Implemented.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 10	Improve controls over the year-end preparation of the Exhibit M and the confirmation of funds held by commercial financial institutions by (a) adequately reviewing the returned confirmations and following up with the institution(s) on any information that is incorrect, incomplete, or not confirmed; (b) adequately reviewing the Exhibit M for completeness and accuracy prior to submission; and (c) ensuring that bank accounts are established in accordance with State Fiscal Rules.	Partially implemented. During Fiscal Year 2009 the Department significantly improved its process for the preparation of the Exhibit M by ensuring Department staff obtained and reviewed that bank confirmations contained the required information, the supervisory review improved ensuring a more accurate and complete Exhibit M, and that bank accounts were established in accordance with State Fiscal Rules. However, we still found confirmation and risk classification errors that were not detected through the Department's review process. The Department plans to fully implement this recommendation by August 2010.  (Classification of Finding: Control Deficiency.)
2008 Single Audit Rec. No. 11	Improve controls over Medicare Part D revenue, receipts, and expenditures at the Fort Logan and Pueblo Mental Health Institutes by (a) periodically reconciling Part D revenue and related accounts receivable balances in COFRS to calculated billings from the pharmacy subsystem, and making adjustments as appropriate and (b) properly recording revenues and expenditures on COFRS.	Not implemented. See current year Recommendation No. 14.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 12	Improve controls over the preparation of the Schedule of Federal Expenditures, or Exhibit K, by (a) developing formal, written procedures for the preparation of the Exhibit K, including steps required to prepare adequate supporting documentation and required fiscal year-end entries to offset federal program receivable and payable balances; (b) ensuring its supervisory review process over the Exhibit K includes a review of supporting documentation; and (c) providing training to staff preparing supporting reconciliations and the Exhibit K that addresses the format to be used for reconciliations, the required fiscal year-end federal grant accounting offset entries, and the importance of accurate information.	Partially implemented. See current year Recommendation No. 113.
2008 Single Audit Rec. No. 13	Improve controls over payroll by (a) reviewing adjustments to ensure they are calculated correctly, made timely, and supported by appropriate documentation; (b) ensuring that employee information is entered into CPPS in a timely manner; and (c) correcting all over and underpayments to employees identified in this audit.	a. and b. Implemented and ongoing. The Department has substantially implemented these parts of the recommendation. The Department took steps to ensure that payroll adjustments are calculated correctly, made timely, and supported by appropriate documentation. The Department's Payroll and Human Resource staff worked together to ensure that employee information is entered into CPPS in a timely manner.  c. Implemented.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 14	Improve its internal controls over purchasing cards by (a) completing implementation of the automated violation tracking system's reporting function and utilizing the system's reports to monitor the results of the Department's internal purchasing card audits and actions taken by approving authorities in response to cardholder violations, (b) continuing to train approving officials and cardholders on their responsibilities to ensure compliance with Department policy and consequences for policy violations, and (c) ensuring purchasing card accounts are closed in a timely manner upon employee termination.	Partially implemented. See current year Recommendation No. 120.
2008 Single Audit Rec. No. 15	Strengthen controls over travel expenditures by ensuring consistent compliance with existing State and Department travel policies.	Not implemented. See current year Recommendation No. 121.

Report and Rec. No.	Recommendation	Disposition
2008 Single Audit Rec. No. 16	<p>Strengthen controls over the Colorado Electronic Benefits Transfer (EBT) system by (a) developing a plan with established project milestones for implementing all User Control Considerations contained in the SAS 70 Report of JP Morgan’s EBT transaction processing; (b) working with JP Morgan to ensure EBT system password parameters comply with State Cyber Security Policies and Department requirements; (c) ensuring that only authorized EBT security administrators have the ability to add new users and that EBT users are only added after receipt of an authorized access request form; (d) updating Department procedures to require counties to immediately notify the EBT security administration group of all terminations and transfers; (e) performing periodic reviews of EBT users, in conjunction with the counties, to ensure terminated users are identified and access levels for current employees remain appropriate; (f) working with JP Morgan to identify and correct problems with its automated control for suspending inactive user accounts; and (g) working with JP Morgan to segregate the recipient eligibility and EBT card authorization and issuance functions at the 25 counties identified in the report.</p>	<p>a. Implemented.</p> <p>b. Deferred. The Department plans to fully implement this part of the recommendation by the October 2010 implementation date.</p> <p>c. Implemented.</p> <p>d. Implemented.</p> <p>e. Not implemented. The Department reports that it is in the process of identifying and retrieving the data needed to implement this part of the recommendation. The Department plans to implement this part of the recommendation by April 2010.</p> <p>f. Implemented.</p> <p>g. Implemented.</p> <p>(Classification of Finding: Control Deficiency.)</p>

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 82	Ensure that applications for Food Stamps/Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF)/Colorado Works benefits are processed within federal and state guidelines.	Partially implemented. The Department was substantially in compliance with state and federal regulations for processing applications in a timely manner for the TANF program. However, the Food Assistance Program (SNAP) continued to be out of compliance with the state and federal regulations for timely processing of applications. See current year Recommendation No. 101.
2008 Single Audit Rec. No. 83	Continue to work with the county departments of human/social services to ensure that they address Income, Eligibility, and Verification System (IEVS) data discrepancies for the TANF program within 45 days as required by federal and state regulations.	Implemented and ongoing. The Department has substantially implemented the recommendation by working with the county departments of human/social services to address IEVS discrepancies for the TANF program within 45 days as required.
2008 Single Audit Rec. No. 84	Ensure that case file documentation for the TANF program is adequate to support all benefit payments to recipients by (a) continuing to use existing monitoring procedures to ensure that required eligibility information is contained in county case files; (b) continuing to provide training to ensure that county departments of human/social services are aware of the types of eligibility information that should be maintained in case files; and (c) continuing to communicate timely to Department staff, as appropriate, changes in policies and procedures affecting required case documentation.	Partially implemented. See current year Recommendation No. 102.
2008 Single Audit Rec. No. 85	Ensure it has adequate management tools to monitor for compliance with federal requirements for the TANF program by (a) developing a reporting function for extracting and compiling information contained within CBMS for IEVS and accounting-related data and (b) reviewing reports monthly to identify discrepancies, monitor for federal compliance, and take appropriate action.	Implemented and ongoing. The Department has substantially implemented the recommendation by creating an IEVS report that is used in conjunction with their county monitoring function and reviewed on a monthly basis.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 86	Take immediate steps to correct the system problems related to inappropriate restoration payments and enforcement of sanctions in CBMS to lessen the risk of errors in benefit payments.	Deferred. The Department plans to fully implement this recommendation by the December 2009 implementation date.  (Classification of Finding: Material Weakness.)
2008 Single Audit Rec. No. 87	Ensure that Food Stamps (SNAP) redeterminations and Change Report Forms are processed within federal and state guidelines, as applicable.	Deferred. The Department plans to fully implement this recommendation by the December 2009 implementation date.  (Classification of Finding: Material Weakness.)
2008 Single Audit Rec. No. 88	Work with the county departments of human/social services to (a) ensure that they address IEVS data discrepancies for the Food Stamps Program (SNAP) within 45 days, as required by federal and state regulations and (b) properly dispose of or clear IEVS “hits” from CBMS system when caseworkers have fully investigated the IEVS discrepancies.	Partially implemented. See current year Recommendation No. 100.
2008 Single Audit Rec. No. 89	Strengthen controls over the Low Income Energy Assistance Program (LEAP) program by (a) ensuring that eligibility is determined in a timely manner and vendors are contacted when required; (b) ensuring that required documentation is obtained to support LEAP eligibility, benefit determination, and Estimated Home Heating Cost changes by performing a periodic review of case files; (c) strengthening supervisory review process over data entry by instituting an effective supervisory review process; and (d) instituting a programming change to the LEAP system documenting when a change occurs to Estimated Home Heating Cost by including record of the initial heat costs.	Deferred. The Department plans to fully implement this recommendation by the September 2009 implementation date.  (Classification of Finding: Significant Deficiency.)

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 90	Ensure it is in compliance with federal Disability Determination Services (DDS) reporting requirements by (a) ensuring that staff preparing federal DDS reports are adequately trained, (b) ensuring that adequate supervisory reviews are in place for all aspects of the federal reporting process to identify the kinds of errors we identified in our audit, and (c) improving communication between DDS program and accounting staff to ensure reports adhere to the Social Security Administration requirements.	Implemented.
2008 Single Audit Rec. No. 91	The Department of Health Care Policy and Financing and Department of Human Services should improve controls over CBMS user access by (a) identifying and documenting CBMS user profiles that, when combined, provide incompatible system privileges; (b) communicating the list of incompatible CBMS user profiles to the appropriate staff; (c) reviewing existing CBMS users and removing all unnecessary incompatible profiles; (d) implementing a process to periodically review and certify the appropriateness of CBMS user access levels; and (e) reviewing those IT staff with update access to CBMS production data to determine if such access is necessary.	<p>a. Implemented.</p> <p>b. Implemented.</p> <p>c. Deferred. The Department plans to fully implement this part of the recommendation by the December 2009 implementation date.</p> <p>d. Deferred. The Department plans to fully implement this part of the recommendation by the August 2009 implementation date.</p> <p>e. Implemented.</p> <p>(Classification of Finding: Control Deficiency.)</p>
2008 Single Audit Rec. No. 92	Strengthen controls over the Title IV-E Foster Care program by (a) conducting ongoing monitoring to ensure that county case files contain required information and adequately support eligibility determinations and (b) ensuring that county personnel are properly trained on Title IV-E case file documentation requirements and HB 06S-1023 requirements.	Partially implemented. See current year Recommendation No. 115.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 93	Improve oversight of child placement agencies for the foster care program by (a) establishing risk-based schedules for licensing and monitoring child placement agencies, (b) establishing and implementing policies to fully document all key areas reviewed during licensing and monitoring visits and to retain the supporting documentation, and (c) evaluating current licensing and monitoring procedures to identify and eliminate duplication.	Not implemented. See current year Recommendation No. 116.
2008 Single Audit Rec. No. 94	Improve the accuracy and completeness of eligibility determinations for the Colorado Child Care Assistance Program (CCCAP) made by county departments of human/social services by (a) clarifying to the counties that three months of income documentation are necessary to verify irregular income for CCCAP applicants, (b) ensuring that counties maintain complete documentation to support income and parental fee calculations, (c) developing a standard income and parent fee calculation form to be used by counties and providing training to implement the tool, (d) strengthening the Department's and counties' monitoring and supervisory review systems as outlined in Recommendation No. 97 in the 2008 report, and (e) implementing a rule requiring counties to verify county residency for CCCAP applicants.	a., b., c., and d. Deferred. The Department plans to fully implement these parts of the recommendation by the July 2009 implementation date.  e. Implemented.  (Classification of Finding: Control Deficiency.)

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 95	<p>Improve controls related to manual overrides of CCCAP eligibility determinations within the Child Care Automated Tracking System (CHATS) by (a) developing rules governing the acceptable reasons for overrides and documentation required at the counties to support them; (b) requiring that the counties establish supervisory review and approval for all overrides; (c) ensuring county case managers and supervisors are adequately trained in proper procedures for overrides; (d) building automatic supervisory review, approval, and reporting capabilities into the CHATS replacement system; (e) monitoring overrides through the use of reports that identify state and county trends and irregularities, and ensuring proper follow-up; and (f) following up on information provided to the Department from our audit on the high rate of overrides within one county.</p>	<p>a. Not implemented. See current year Recommendation No. 109.</p> <p>b. and c. Deferred. The Department plans to fully implement these parts of the recommendation by the July 2009 implementation date.</p> <p>d. Deferred. The Department plans to fully implement this part of the recommendation by the August 2010 implementation date.</p> <p>e. Not implemented. See current year Recommendation No. 109.</p> <p>f. Implemented.</p> <p>(Classification of Finding: Significant Deficiency.)</p>

Report and Rec. No.	Recommendation	Disposition
2008 Single Audit Rec. No. 96	Ensure that county departments of human/social services properly authorize child care for CCCAP participants by (a) promulgating rules to clarify that counties shall only authorize the amount of child care needed by CCCAP families based on their schedule of eligible activities, (b) working with counties to improve the counties' internal control systems, (c) improving its monitoring of the counties' CCCAP operations by revising its county case file review process to include developing a risk-based approach that reviews those counties that manage larger CCCAP caseloads and determines why counties make errors, and (d) requiring that counties submit corrective action plans to address problems identified in part (c) and following up on these plans as appropriate.	a. and b. Not implemented. See current year Recommendation No. 110.  c. and d. Deferred. The Department plans to fully implement these parts of the recommendation by the July 2009 implementation date.  (Classification of Finding: Significant Deficiency.)
2008 Single Audit Rec. No. 97	Ensure that county departments of human/social services do not pay CCCAP providers higher rates than those charged to private-pay customers by (a) working with the counties to develop policies and procedures for periodically checking whether providers are charging counties higher rates than the providers charge private-pay customers and monitoring implementation of these procedures and (b) requiring those counties identified to follow up with the providers at risk of receiving overpayments to determine if recoveries should be made from the providers.	Partially implemented. The Department has made some rule changes, but has not yet issued an agency letter. The Department plans to issue an agency letter by October 2009 and to make further rule changes with anticipated implementation by April 2010.  (Classification of Finding: Control Deficiency.)
2008 Single Audit Rec. No. 98	Improve the review of CCCAP provider attendance records by county departments of human/social services by (a) verifying that counties are conducting the reviews in accordance with Department regulations during the Department's monitoring reviews, (b) providing guidance to the counties on how to select samples of providers' attendance sheets for the reviews, and (c) revising Department regulations to require that counties implement a risk-based approach for conducting the reviews.	a. Deferred. The Department plans to fully implement this part of the recommendation by the July 2009 implementation date.  b. and c. Not implemented. See current year Recommendation No. 111.  (Classification of Finding: Significant Deficiency.)

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 99	<p>Improve its oversight of county-owned child care providers to ensure an arm's-length bargaining relationship between counties and their county-owned providers and to provide assurance that CCCAP payments are reasonable and necessary by (a) reviewing and approving all rates negotiated between the county department of human/social services and the county-owned provider, (b) requiring Prowers County to immediately renegotiate the current slot contract between Prowers County and its county-owned child care center to ensure that the contracts do not pay for more slots than are needed and that the slot rates do not exceed the center's private-pay rates and are reasonable, and (c) considering increasing its audit coverage of Prowers County using the Department's Audit Division and current resources until the problems with its county-owned child care center have been resolved.</p>	<p>a. Deferred. The Department plans to fully implement this part of the recommendation by the July 2009 implementation date.</p> <p>b. Implemented.</p> <p>c. Deferred. The Department plans to fully implement this part of the recommendation by the July 2009 implementation date.</p> <p>(Classification of Finding: Significant Deficiency.)</p>

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 100	<p>Improve controls over county slot contracts under CCCAP by (a) considering revising its method for measuring slot usage to better reflect the reasonableness of the amount of care being provided, (b) establishing methods to ensure that county departments of human/social services can pay providers multiple slot rates until and after CHATS is replaced, and (c) consistently following current Department policy to review and approve county slot contracts to verify that the rates meet federal and state requirements for reasonableness and do not exceed providers' private-pay rates.</p>	<p>a. Partially implemented. The Department made changes to the way it measures slot usage for school age children, but reports that this recommendation will not be fully implemented until the CHATS system replacement is complete by October 2010.</p> <p>b. Partially implemented. The Department made changes to the way slot usage for school age children is calculated, which serves as a temporary work-around until the CHATS system is replaced in October 2010. The Department plans to fully implement this recommendation by the October 2010 with the CHATS system replacement.</p> <p>c. Implemented.</p> <p>(Classification of Finding: Control Deficiency.)</p>

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 101	Improve its oversight of quality initiative spending by county departments of human/social services by (a) instituting a regular review of a sample of quality initiative transactions from all counties to determine if these transactions comply with all applicable requirements; (b) auditing the \$2.8 million transaction we identified as a potential questioned cost to ensure that the expenditure was made in accordance with all applicable requirements; (c) requiring counties to institute formal grant processes for distributing quality initiative funds to child care providers and reviewing the counties' grant processes to ensure that counties distribute and monitor funds appropriately; (d) ensuring that guidance given to counties about the allowability of types of quality initiative expenditures reflects current Department policy and federal requirements; and (e) clarifying whether administrative expenses and paying for the expenses of other programs like Head Start are appropriate uses of county quality initiative funds and, if so, establishing limits for these expenses.	a. Implemented.  b., c., d., and e. Not implemented. See current year Recommendation No. 112.
2007 Single Audit Rec. No. 12	Improve the process over signing bonuses at the Fitzsimons Nursing Home by (a) ensuring that standard language regarding the payment of bonuses and the terms under which repayment will be required is included in contracts for bonuses, and that the language is consistent with the Department's policies; (b) ensuring contracts are fully executed prior to making payments, and paying signing bonuses in accordance with contract terms; (c) recouping payments made to employees who have not fulfilled the terms stated in the contract; and (d) seeking repayment of the \$1,500 bonus that should have been reimbursed to the State.	Implemented.
2007 Single Audit Rec. No. 14	Improve controls over the preparation of fiscal year-end exhibits submitted to the Office of the State Controller by (a) continuing to ensure that staff preparing exhibits are adequately trained, yearly, on exhibit-preparation requirements and (b) enhancing the secondary review process over exhibits to include an in-depth, detailed review of all supporting documentation used to prepare the exhibits.	Partially implemented. See current year Recommendation No. 17.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2007 Single Audit Rec. No. 92	The Department of Human Services and the Department of Health Care Policy and Financing should strengthen disaster recovery procedures over CBMS by ensuring that the CBMS Hot Site at the State's Disaster Recovery Site is operating and functional and that a full disaster recovery test is performed.	Partially implemented. The Department continues to make progress on this recommendation and has recently procured the necessary hardware for the CBMS Hot Site. The Department plans to fully implement this recommendation as funding becomes available.  (Classification of Finding: Control Deficiency.)
2007 Single Audit Rec. No. 93	Strengthen controls over the Title IV-E Foster Care program by (a) ensuring that county personnel are properly trained on the requirements of Title IV-E and the claiming of IV-E funds in the Trails system, (b) training Trails Help Desk staff on the proper procedures for handling county requests to override system edits related to Title IV-E, (c) requiring that the counties implement procedures to ensure timely redetermination of Title IV-E eligibility, and (d) returning improperly claimed Title IV-E reimbursements identified during the audit to the federal government.	Implemented.
2007 Single Audit Rec. No. 94	Improve the county technical assistance review process for Title IV-E Foster Care by developing a formal written policy for county technical assistance reviews that specifies how often reviews will take place by county size and sets time frames for timely submission of the findings letter to the county once the review is complete.	Implemented.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2007 Single Audit Rec. No. 95	<p>Improve its oversight of the foster parent certification process by (a) requiring county departments of human/social services and child placement agencies to conduct periodic (e.g., annual) desk audits of their certified foster parents to ensure that the parents meet all applicable requirements and that their qualifications are documented in their files, (b) developing and applying sanctions when the Department finds discrepancies between county and child placement agency (CPA) attestations and actual foster parent qualifications, (c) requiring that county departments of human/social services provide Family Service Plan information to child placement agencies with which they have placed children and ensuring that county-certified foster parents also receive Family Service Plan information, and (d) working with county departments of human/social services to develop a solution for providing relevant child information to foster parents without violating confidentiality requirements.</p>	<p>a. Partially implemented. The Department requires county departments and CPAs to conduct periodic desk audits of their certified foster parents. The Department requires county departments, but not CPAs, to attest annually that all of their foster parents are qualified in accordance with applicable requirements. The Department did not provide a new implementation date.</p> <p>b Not implemented. The Department plans to fully implement this part of the recommendation by the June 2010 implementation date.</p> <p>c. Implemented.</p> <p>d. Partially implemented. The Department discussed this issue within the Child Welfare Advisory Group but no consensus was reached. The Department intends to seek guidance from the Attorney General's Office on this issue during Fiscal Year 2010.</p>

(Classification of Finding: Control Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 96	<p>Improve its oversight of institutional abuse or neglect (i.e., Stage I) investigations of children in foster care by (a) implementing a formalized and documented process to follow up with counties on disagreements between the conclusions of the Institutional Abuse Review Team and the county departments of human/social services regarding abuse or neglect investigations, (b) ensuring that the Institutional Abuse Review Team provides detailed recommendations to county departments of human/social services for corrective actions related to specific Stage I investigations and that Department staff follow up on the Review Team's recommendations to ensure that counties comply with them, and (c) requiring the Institutional Abuse Review Team to provide specific recommendations in its annual Child Abuse Prevention and Treatment Act report for correcting deficiencies identified during its review of county abuse or neglect investigations and ensuring that the recommendations are implemented.</p>	Implemented.
2007 Single Audit Rec. No. 97	<p>Strengthen its oversight of county foster care programs to ensure a high-quality foster care delivery system by (a) including specific strategies in its corrective action plans to address county noncompliance with federal foster care standards and state and federal requirements; (b) developing and implementing a system of ongoing or recurring corrective action and progressive sanctions, up to and including withholding reimbursement of county child welfare expenditures, to use when county departments of human/social services are noncompliant with statutory or regulatory requirements or federal standards; (c) improving the monitoring of counties' implementation of corrective action plans to ensure problems are corrected in a timely manner; and (d) modifying the procedures followed in periodic reviews of county foster care programs to focus more resources on case file reviews rather than on interviews and policy reviews.</p>	<p>a. Implemented.</p> <p>b. Partially implemented. The Department has drafted a policy, but it has not been approved yet. The Department plans to fully implement this part of the recommendation by April 2010.</p> <p>c. and d. Implemented.</p> <p>(Classification of Finding: Control Deficiency.)</p>

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2007 Single Audit Rec. No. 99	Track the timeliness of all federally mandated foster care case reviews by monitoring how long reviews are delayed once they have gone beyond the federal deadline.	Partially implemented. See current year Recommendation No. 119.
2007 Single Audit Rec. No. 100	Increase monitoring and oversight of Core Services programs provided by county departments of human/social services to ensure counties provide these services only to families with children at risk of out-of-home placement. Specifically, the Department should (a) implement procedures to review samples of county files during on-site visits to verify that counties are only providing Core Services to children and families that meet the imminent risk criteria; (b) develop written policies to impose fiscal sanctions and/or require repayment of funds from county departments of human/social services for cases in which Core Services eligibility has not been adequately documented; and (c) provide training and technical assistance to the counties to ensure that counties understand how to document eligibility for Core Services and that counties are aware of available Department sanctions if documentation is not sufficient.	<p>a. Not implemented. The Department plans to begin on-site reviews in April 2010.</p> <p>b. Not implemented. The Department intends to remove the rule allowing for fiscal sanctions if Core Services are provided to ineligible families by May 2010.</p> <p>c. Partially implemented. The Department has provided training to counties on Core Services eligibility documentation but not on the possible use of sanctions if Core Services' eligibility is not sufficiently documented. As noted in part (b) the Department does not intend to apply sanctions in these cases, as of May 2010.</p> <p>(Classification of Finding: Not classified – not an internal control issue.)</p>

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 101	<p>Improve accountability for child welfare expenditures and foster care rates to ensure funds are used cost-effectively by (a) analyzing the foster care rates being paid to providers, including county-certified providers, against provider costs and benchmark information on a periodic (e.g., annual) basis to determine if the rates being paid by county departments of human/social services are reasonable; (b) revising the formula for setting base administrative maintenance, administrative services, and child maintenance rates for child placement agencies and group homes and ensuring costs allocated to each component are accurate; (c) improving supervision and oversight of the counties' rate-setting and negotiating process by ensuring that counties submit documentation on their rate-setting practices, setting and implementing standards for reviewing county rate negotiation methodologies and rate levels, and following up to make sure that counties do not use their new rate negotiation methodologies until the Department determines that the new methodologies are acceptable; and (d) identifying and considering implementing alternative rate-setting methodologies that rely on objective cost data, such as benchmarks on child care and administrative costs, to pay for foster care services.</p>	<p>a. Partially implemented. The Department reported that it has implemented a procedure for reviewing a sample of county case files for rate information on a quarterly basis. It plans to fully implement this recommendation by March 2010.</p> <p>b. and c. Implemented.</p> <p>d. Partially implemented. The Department developed a Request for Proposal (RFP) to identify alternative rate-setting methodologies. The RFP did not go to bid because of budget issues.</p> <p>(Classification of Finding: Control Deficiency.)</p>
2007 Single Audit Rec. No. 102	<p>Ensure that county departments of human/social services pay foster care rates that reflect the foster child's level of care and service needs by (a) working with counties to develop and implement a validated, statewide level-of-care assessment tool; (b) updating the Trails system to include fields for recording the child's level of care and requiring counties to include this information in Trails whenever they enter new provider rates; and (c) conducting periodic file reviews at counties and analysis of actual rates paid by counties to ensure they are using level-of-care tools to assist with setting and negotiating appropriate foster care rates.</p>	<p>a. Partially implemented. See current year Recommendation No. 118.</p> <p>b. and c. Not implemented. See current year Recommendation No. 118.</p>

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 103	Improve information for evaluating county administrative and case management costs in the child welfare allocation model by (a) working with counties to identify and evaluate options for using or modifying existing systems to improve cost information and (b) using the improved cost information to analyze administrative and case management costs in the program services cost driver and considering allocating funds for administrative and case management costs in the child welfare allocation model separately.	<p>a. Deferred. The Department plans to fully implement this part of the recommendation by the October 2009 implementation date.</p> <p>b. Not applicable. The Department disagreed with this part of the recommendation and did not implement it.</p> <p>(Classification of Finding: Significant Deficiency.)</p>
2007 Single Audit Rec. No. 104	Ensure it is claiming Title IV-E–eligible reimbursements for foster care appropriately by (a) contacting the U.S. Department of Health and Human Services (DHHS) to determine whether all case management costs qualify for federal reimbursement and should be included as part of administrative maintenance costs; (b) ensuring Department staff and county departments of human/social services record and classify case management services in accordance with the direction provided by DHHS in Part (a); (c) implementing procedures for verifying that counties are entering rate information into Trails accurately, including bed reservation rates, and for ensuring that payments to counties reflect adjustments for any federal funds claimed incorrectly for reimbursement under Title IV-E; and (d) reviewing the incorrect payment allocations identified during our audit, requiring the affected counties to pay back any federal funds that did not qualify for Title IV-E reimbursement and making appropriate adjustments on reports to the federal government.	<p>a. Implemented in Fiscal Year 2008.</p> <p>b. Partially implemented. The Department received spending authority from the General Assembly to implement a Random Moment Sampling (RMS) system for child placement agencies that will allow the Department to claim more case management costs from the federal government. The Department intends to fully implement the RMS system by summer 2010.</p> <p>c. Not implemented. The Department plans to fully implement this part of the recommendation by the March 2010 implementation date.</p> <p>d. Implemented.</p> <p>(Classification of Finding: Control Deficiency.)</p>

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 105	Improve controls over administrative foster care funds expended by CPAs by (a) evaluating the substance of the relationship between counties and CPAs based on OMB <i>Circular A-133</i> criteria and concluding on whether CPAs should be considered vendors or subrecipients; (b) implementing requirements for audits of CPAs in accordance with the determination suggested in part (a) of the recommendation; (c) establishing procedures to review the CPA audits and follow up on any findings identified; (d) evaluating options for reviewing the allowability and appropriateness of CPA expenditures made with child welfare funds, which could include incorporating procedures into the periodic CPA monitoring visits conducted by the 24-Hour Monitoring Unit or having Field Audit staff participate on and provide support to the monitoring team; and (e) including examples of unallowable costs in regulations.	a. and b. Not implemented. See current year Recommendation No. 117.  c. Partially implemented. See current year Recommendation No. 117.  d. and e. Not implemented. See current year Recommendation No. 117.
2007 Single Audit Rec. No. 106	Ensure that CPAs pass along the correct child maintenance payments received from county departments of human/social services to foster parents by (a) implementing routine, periodic reviews of the payments made from CPAs to foster parents to ensure that they match the payments received from counties and (b) following up on identified over- or underpayments to foster parents to determine why the incorrect payments were made and to require that counties and CPAs rectify all incorrect payments.	a. Partially implemented. The Department has developed a new monitoring tool to review payments made to foster parents but has not begun using the tool during CPA monitoring visits. The Department plans to fully implement this part of the recommendation by May 2010.  b. Not implemented. The Department did not provide a new implementation date.  (Classification of Finding: Control Deficiency.)
2006 Single Audit Rec. No. 84	Ensure that county departments of human/social services address all of the CBMS alerts in a timely manner.	Partially implemented. See current year Recommendation No. 100.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2005 Single Audit Rec. No. 73	Improve controls over the Food Stamps/(SNAP) program to ensure compliance with federal and state regulations by (a) reinstating on-site management evaluation reviews of county Food Stamps/(SNAP) program activities, (b) completing review reports and citing counties for all instances of noncompliance with Food Stamp/(SNAP) policies and regulations within 60 days after the review, (c) ensuring corrective action plans for all areas of noncompliance are received from counties within 30 days of the issuance of the monitoring report, and (d) addressing the underlying causes of rising error rates to lower the rates and to ensure that the State does not incur future federal sanctions.	a. Implemented in Fiscal Year 2007. b. Partially implemented. See current year Recommendation No. 100. c. and d. Implemented in Fiscal Year 2007.
2005 Single Audit Rec. No. 74	Strengthen its controls over federal reporting and immediately address CBMS reporting deficiencies for the Food Stamps/(SNAP) program by (a) ensuring that validated reports are programmed into CBMS so that Department staff have the data necessary to accurately prepare federal Food Stamps/(SNAP) reports and perform routine accounting entries, (b) documenting specific procedures for the preparation of the Food Stamps Issuance Reconciliation Report and preparing the report timely, and (c) requiring that the Food Stamp Issuance Reconciliation Report be reviewed by knowledgeable personnel prior to submission to ensure accurate information is reported to the federal government.	a. Deferred. The Department plans to fully implement this part of the recommendation by the December 2009 implementation date. b. and c. Implemented in Fiscal Year 2007.  (Classification of Finding: Control Deficiency.)

### **Department of Labor and Employment**

2008 Single Audit Rec. No. 17	Implement a process to evaluate the accuracy and completeness of the liability to employers for overpayment of Unemployment Insurance taxes.	Partially implemented. See current year Recommendation No. 23.
2008 Single Audit Rec. No. 18	Implement more formal procedures for preparing, reviewing, and approving significant estimates including a detailed review of the relevant factors and assumptions used and a retrospective review of prior estimates compared to the current year.	Partially implemented. See current year Recommendation No. 24.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 19	Change the methodology for calculating the fund balance of the Petroleum Storage Tank Fund in accordance with statute and charge the appropriate environmental response surcharge fee.	Implemented.
2008 Single Audit Rec. No. 102	Establish procedures to ensure compliance and consistency with the Cash Management Improvement Act and federal grant cash management requirements.	Partially implemented. See current year Recommendation No. 143.
2008 Single Audit Rec. No. 103	Ensure time sheets for salaries and wages charged either directly or indirectly to federal programs are certified in accordance with federal regulations, State Personnel Rules, and Department policy by enforcing certifications by both the employee and supervisor prior to issuing payments.	Implemented.
2008 Single Audit Rec. No. 104	Improve controls over federal reporting by instituting a secondary review and approval process to ensure amounts recorded on reports to the U.S. Department of Labor are accurately reported and supported by source documentation.	Not implemented. See current year Recommendation No. 144.
2006 Single Audit Rec. No. 14	Improve controls over federal expenditure and revenue reporting and draw downs by implementing a periodic reconciliation process to identify and resolve discrepancies between the Financial Accounting and the Reporting System (FARS) and the Colorado Financial Reporting System (COFRS) in a timely manner and ensure that grant revenue and expenditures in COFRS are in agreement.	Implemented.

#### **Department of Law**

2008 Single Audit Rec. No. 20	Improve controls over the year-end closing process to ensure that required spending authority comparisons and related adjusting entries are made.	Implemented.
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**Report and  
Rec. No.**

**Recommendation**

**Disposition**

**Department of Local Affairs**

2008 Single Audit Rec. No. 21	Ensure that all appropriate parties approve Personnel Action Request created for new employees and for employees when their duties change.	Implemented.
2008 Single Audit Rec. No. 22	Strengthen its internal controls over purchasing and ensure proper segregation of duties by requiring adequate documentation for properly reviewing, approving, and recording expenditures during the year.	Implemented.
2007 Single Audit Rec. No. 18	Re-evaluate its policies and procedures in place to capture all expenditures in the correct accounting period.	Implemented.
2007 Single Audit Rec. No. 19	Continue the development of the current Business Continuity Plan by (a) identifying specific threats and the probability of those threats occurring and tailoring the Plan to address these threats; (b) obtaining appropriate management approval and finalizing the status of the Plan, removing confidential information if necessary; and (c) testing the Plan at least annually.	Partially implemented. The Department completed 95 percent of the Continuity of Operations plan. There are certain items such as key individuals and their contact information that needs to be finalized and the plan document needs to be signed. The Department plans to fully implement this recommendation by October 2009.
		(Classification of Finding: Not classified - not an internal control issue.)

**Report and  
Rec. No.**

**Recommendation**

**Disposition**

**Department of Military and Veterans Affairs**

2008 Single Audit  
Rec. No. 23

Continue to improve controls over the preparation of the Exhibit K by (a) ensuring that staff preparing exhibits are adequately trained, annually, on Exhibit K preparation requirements and (b) implementing a secondary review over exhibits that includes a detailed review of all supporting documentation used to prepare the exhibits.

Partially implemented. The individual responsible for preparation of the Exhibit K attended training but the Department did not implement a second level of review. However, we did not note any exceptions during our testing over the Exhibit. The Department plans to fully implement this recommendation by September 2010.

(Classification of Finding: Control Deficiency.)

2008 Single Audit  
Rec. No. 24

Improve controls over capital assets by (a) annually performing a reconciliation of the construction in progress account to identify costs for completed construction projects and reclassifying them to their respective capital asset accounts and (b) performing an annual inventory of all software, furniture, and equipment to identify discrepancies and follow up as needed and making adjustments to asset records as determined appropriate.

Implemented.

2008 Single Audit  
Rec. No. 25

Improve controls over procurement cards by (a) requiring the staff that have been issued procurement cards to complete procurement card training, (b) establishing a review process over purchases made by senior-level employees, (c) ensuring that procurement cards are not issued without proper authorization, and (d) improving the existing review process in place over procurement card purchases to ensure that purchases are reviewed and contain appropriate supporting documentation.

Implemented.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 26	Improve its controls over the implementation of statutory provisions that affect the Department accounting functions to ensure that all necessary steps are taken in a timely manner to fully implement the provisions.	Implemented and ongoing. The Department has substantially implemented this recommendation. The Department has established procedures for the review and implementation of new legislation. We did not note any instances during our audit in which the Department did not deposit checks timely or record revenue in the appropriate fiscal year.

### **Department of Natural Resources**

2008 Single Audit Rec. No. 26	Enforce its payroll policies and strengthen its controls over personnel and payroll activities by (a) reinforcing the importance of supervisory review of the accuracy of time sheet data to ensure employee payroll is correct and (b) implement procedures to require supervisory review of any pay rate changes occurring prior to posting of payroll to the State's accounting system, COFRS or reassign incompatible duties within the Payroll Accountants and Payroll Technician positions to other individuals.	Implemented.
2008 Single Audit Rec. No. 28	Improve its controls over capital expenditures by (a) reviewing the expenditures related to capital projects and construction in progress in a timely manner to ensure that all completed capital projects are properly capitalized and depreciation taken in the appropriate fiscal year and (b) ensuring that expenditures for capital asset projects are reviewed and recorded appropriately on COFRS in accordance with the State Fiscal Procedures Manual.	Implemented.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 29	The Colorado Division of Reclamation, Mining and Safety should strengthen its controls over performance bond account reconciliations by (a) creating and implementing policies and procedures related to the monthly and/or quarterly reconciliation of COFRS accounts to the Division's internal records and (b) implementing procedures to require supervisory review of monthly and/or quarterly reconciliation of its COFRS accounts, including making adjustments as needed.	Implemented.
2008 Single Audit Rec. No. 30	The Department of Natural Resources should work with the Division of Parks and Outdoor Recreation to establish adequate controls over the receipt and use of Great Outdoors Colorado (GOCO) moneys to ensure the State's financial statements are complete and accurate and to ensure assets are safeguarded. Specifically, the Department and the Division should (a) implement controls over the receipt of all GOCO funds to ensure that all related revenues, expenditures, capital assets, and other affected accounts are accurately and completely reflected in COFRS; (b) reconcile the Division's GOCO revenues recorded in COFRS to GOCO's records of amounts paid to the Division and make all necessary adjustments to COFRS; (c) perform a reconciliation from Fiscal Year 1993 through Fiscal Year 2008 of the Division's GOCO revenues recorded in COFRS to GOCO's records of amounts paid to the Division; and (d) ensure that the Division's list of capital assets is updated no less than annually and reflects capital purchases made with GOCO funds.	Implemented.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 31	<p>The Division of Parks and Outdoor Recreation should strengthen its controls over park pass and permit assignment and cash collection processes by (a) ensuring functions related to assigning passes and permits and collecting, recording, depositing, and preparing cash reconciliations and reports are performed by different employees; (b) controlling access to park passes and permits and cash by keeping them locked in a drawer during the day and locked in a safe at night; (c) reviewing all monthly reports and reconciliations submitted by the park and region offices for completeness and accuracy, including supporting documentation, prior to entering information into the State's accounting system; (d) developing written policies and procedures that address proper segregation of duties, cash handling, and reconciliation and reporting requirements; and (e) including requirements related to ensuring proper cash handling practices in job descriptions, performance plans, and evaluations for all employees responsible for cash collections; and taking appropriate disciplinary action when problems are found.</p>	Implemented.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 32	<p>The Division of Parks and Outdoor Recreation and the Department of Natural Resources should improve accountability and provide adequate oversight and monitoring of contract scope, deliverables, and payments. Specifically, the Division and Department should (a) define staff responsibilities for developing, reviewing, approving, or monitoring contract deliverables or payments in job descriptions and performance plans and evaluate performance of these duties during annual performance reviews; (b) provide contract monitoring staff with contract management training and ongoing supervision and guidance, including, but not limited to, proper procedures for defining contract scope of work, providing ongoing monitoring and review of contract work and deliverables, and approving and tracking payments; and (c) complete their investigation of the questions raised in our audit regarding three personal services contracts and take action as appropriate, including requiring repayment of state funds spent for work performed prior to contract execution or outside of the contract scope.</p>	Implemented.
2008 Single Audit Rec. No. 33	<p>The Department of Natural Resources and the Division of Parks and Outdoor Recreation should work together to improve controls over procurement cards (ProCards) by (a) ensuring that cardholders adequately document all purchases and that supervisors review and approve, as appropriate, all purchases monthly and (b) providing ProCard refresher training on a periodic basis determined by the Department and the Division to cardholders to ensure understanding of the rules on proper and allowable card use.</p>	Implemented.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 34	<p>Improve its oversight of the procurement cards (ProCard) program by (a) expanding the ProCard audit process to include a review of the areas in which problems were identified during our audit and regularly reviewing all relevant reports available from the State's ProCard vendor to identify violations of card use; (b) requiring that approving supervisory authorities report to the Department's procurement office on instances of errors or employee misuse of ProCards and on disciplinary or other actions taken related to the errors or misuse; (c) developing a system for tracking instances of card abuse by individual cardholders and establishing policies regarding the penalties that cardholders will incur, on the basis of the frequency and severity of the violations; and (d) reviewing information in the tracking system from Part c. and taking appropriate disciplinary action when abuses are found.</p>	Implemented.
2008 Single Audit Rec. No. 35	<p>The Division of Parks and Outdoor Recreation should ensure compliance with time keeping requirements for seasonal workers by making improvements by (a) reviewing and clarifying, where needed, existing time keeping policies and procedures, including the format in which time will be recorded; (b) disseminating clear policy directives throughout the park system, including the Division's administrative office, and training supervisors and others as appropriate on their responsibilities; and (c) holding supervisors responsible for compliance with policies and procedures through job descriptions, performance planning, and evaluations.</p>	Implemented.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 36	The Division of Parks and Outdoor Recreation should improve its controls over cabin inventory by instituting Division-wide policies for safeguarding cabin assets that address (a) the frequency of inventory checks, (b) items that should be included in each inventory check, (c) procedures for pursuing recovery for any items lost through theft or damage, (d) use of inventory tags to identify items as the property of the State, and (e) a method for communicating the policy on losses and damages to cabin visitors.	Implemented.
<b>Department of Personnel &amp; Administration</b>		
2008 Single Audit Rec. No. 37	Strengthen controls over payroll by (a) ensuring that an adequate review process is in place to identify and correct payroll adjustment errors and (b) ensuring that all documentation required for the hire of an employee is obtained at the time of hiring.	a. Partially implemented. See current year Recommendation No. 30. b. Implemented.
2008 Single Audit Rec. No. 38	Strengthen its oversight of the Colorado Personnel Payroll System (CPPS) user access controls by (a) immediately disabling CPPS user IDs belonging to terminated employees, (b) removing unnecessary generic and duplicate CPPS user IDs and implementing security policies specifying when such user IDs are appropriate, (c) working with the Governor's Office of Information Technology to ensure CPPS password parameters comply with State Cyber Security Policies, and (d) implementing existing controls regarding the segregation of personnel and payroll functions in CPPS.	a. Implemented. b. Implemented. c. Not implemented. The Department plans to fully implement this part of the recommendation by January 2010. d. Implemented.
(Classification of Finding: Control Deficiency.)		

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 39	Improve controls over accounting for capital assets by (a) improving the review process over capital asset transactions to ensure that all ancillary costs necessary to place assets in use, including freight charges, are capitalized and that any necessary capital assets accounting adjustments are made to the Colorado Automotive Reporting System (CARS) and the State's accounting system, COFRS and (b) ensuring that data essential to its annual building depreciation reconciliation is safeguarded by prohibiting access to this data by non-essential staff members.	a. Partially implemented. During our Fiscal Year 2009 audit, we did not identify instances in which ancillary costs or freight charges were not capitalized. However, we continued to identify problems with the Department's accounting for capital assets. See current year Recommendation No. 28.
		b. Implemented.
2007 Single Audit Rec. No. 26	Ensure the security of employee benefit information contained in Benefitsolver by establishing user administration procedural controls including (a) disabling or deleting user accounts in a timely manner, (b) performing periodic reviews of existing user access, and (c) ensuring that agencies have access only to the information related to the employees within their respective agencies.	Implemented.
2006 Single Audit Rec. No. 25	Improve controls over the Benefitsolver system by (a) requiring agency Benefitsolver administrators and their back-ups to attend training that includes training on requirements for the synchronization of employee data between CPPS and Benefitsolver, as well as the validation of employee and dependent data entered into Benefitsolver; (b) continuing to conduct monthly reconciliations of CPPS and Benefitsolver data and making adjustments to employee pay, as appropriate; (c) exploring ways to automate the synchronization of employee termination information in CPPS and Benefitsolver system; and (d) conducting insurability and eligibility audits on a regular basis.	a. Implemented.
		b. and c. Implemented in Fiscal Year 2007.
		d. Not implemented. The Department has been unable to secure the funding to perform insurability and eligibility audits. However, the Department reports that funding should be available to begin performing these audits by June 2010.

(Classification of Finding: Control Deficiency.)

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
<b>State Archives</b>		
2001 Single Audit Rec. No. 29	Convert the current cataloging system from a paper to an electronic format.	Partially implemented. See current year Recommendation No. 33.
<b>Department of Public Health and Environment</b>		
2008 Single Audit Rec. No. 105	Contact the United States Department of Agriculture, Food and Nutrition Services, to request that future grant funding award documents reflect the correct program.	Implemented.
2008 Single Audit Rec. No. 106	Ensure that future discrepancies in federal grant information are investigated and addressed and that any required changes are communicated timely to subrecipients.	Implemented.
2008 Single Audit Rec. No. 107	Thoroughly review subrecipient's Office of Management and Budget (OMB) <i>Circular A-133</i> audits and clearly document whether any deficiencies pose a risk to the Department's administration of federal grants.	Implemented.
2007 Single Audit Rec. No. 27	Segregate cash receipt responsibilities from the ability to credit customer accounts.	Implemented.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2007 Single Audit Rec. No. 116	<p>Improve controls over the certification survey process to ensure that surveyors identify all deficient practices and cite deficiencies at a level that accurately and sufficiently identifies the scope and severity of the deficiency, in accordance with federal requirements. Specifically, the Department should (a) ensure that survey staff follow established quality review procedures, including use of a standard review form to document and track all changes made to deficiency citations prior to their release to the nursing facility or the public; (b) explore ways to expand quality review processes to ensure the completion of required survey forms, the sufficiency of documentation in support of deficiency citations, and the overall survey file organization; (c) work with survey supervisors to ensure timely communication with survey teams throughout the survey process and increase the frequency with which supervisors are required to be on-site with survey teams; (d) implement a standard format for organizing certification survey files and relevant supporting documentation; (e) improve documentation standards and work with surveyors and supervisors to ensure that required forms are properly labeled and completed and that results from inquiries, team meetings, and the resolution of potential issues are clearly and sufficiently documented; and (f) provide surveyors with more training on general investigative skills and protocols, as well as on the regulatory and legal aspects of the survey process.</p>	Implemented.

**Report and  
Rec. No.**

**Recommendation**

**Disposition**

2007 Single Audit  
Rec. No. 117

Work to improve the prioritization and timeliness of nursing facility complaint investigations by (a) reviewing and updating the point schedules programmed in the Complaint Priority Assessment System to ensure the proper prioritization of nursing home complaints in accordance with current standards, practices, and relevant decision criteria; (b) establishing clear and consistent time frames within which each complaint investigation at a given priority level should begin; and (c) reviewing reports of complaints data on a routine basis to determine if nursing home complaint investigation time frames are being met, and take action as appropriate.

a. Implemented in Fiscal Year 2008.

b. Partially implemented. Dependent upon receiving additional state funding and resources to implement. The Department requires on-site investigation to start within two working days for Priority A complaints and to start within 10 working days for Priority B complaints. The Department revised the LTC Complaint Policy and implemented changes to reflect starting two and 10-day complaints by the second and tenth dates, respectively, and applied start dates for priority levels C, D, and E to 15 months within federal certified complaint guidelines. Establishing and adhering to investigation start time frames sooner than 15 months for Priorities C, D, and E Medicare/Medicaid and comparable state priority complaints will require additional state funding and resources. The Department has taken several steps toward preparation for proposed long-term care regulation changes that will be taken to the Board of Health for approval. The Department plans to fully implement this part of the recommendation by July 2010.

c. Implemented in Fiscal Year 2008.

(Classification of Finding: Control Deficiency.)

**Report and  
Rec. No.**

**Recommendation**

**Disposition**

**Department of Public Safety**

2008 Single Audit  
Rec. No. 40

Strengthen controls over travel expenditures by (a) ensuring that travel reimbursements contain a purpose for travel, reimbursements paid are supported by documentation, and all other State Fiscal Rules regarding travel are followed and (b) training staff and supervisors on state travel rules and policies.

a. Not implemented. See current year Recommendation No. 34.

b. Implemented.

(Classification of Finding: Control Deficiency.)

**Department of Regulatory Agencies**

2008 Single Audit  
Rec. No. 41

Strengthen controls over travel expenditures by (a) ensuring that travel expenditures are recorded accurately and appropriately on the State's accounting system, COFRS, that travel reimbursements are recorded in the proper period, and that all other state policies regarding travel are followed; (b) training staff and supervisors on state travel rules and policies; and (c) collecting the \$50 in overpayments identified in our audit from employees who were overpaid for travel expenditures.

Partially implemented. The Department has trained staff and supervisors on state travel rules and policies and is in the process of collecting overpayments identified in the Fiscal Year 2008 audit. The Department is continuing to make improvements to internal controls over travel expenditures to ensure that they meet state travel policies. The Department plans to fully implement this recommendation by July 2009.

(Classification of Finding: Control Deficiency.)

**Report and  
Rec. No.**

**Recommendation**

**Disposition**

**Department of Revenue**

2008 Single Audit  
Rec. No. 42

Improve controls over the processing of severance tax refunds by (a) reviewing the current system edits to determine if additional edits are necessary, (b) establishing a secondary review process for refunds released from manual review, and (c) reviewing its current established threshold for severance tax refunds for efficiency and accuracy.

a. Partially implemented. The Department incorporated all current system edits into the new Colorado Integrated Tax Architecture (CITA) system for severance tax. However, the Department needs to evaluate and introduce new edits to the CITA system. The Department plans to implement this part of the recommendation by December 2009. See also current year Recommendation No. 37.

b. Implemented.

c. Deferred. The Department plans to implement this part of the recommendation by the December 2009 implementation date.

(Classification of Finding: Significant Deficiency.)

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 43	<p>Improve internal controls over cash receipts, Motor Vehicle payments, and confidential data by (a) establishing a tracking process for the transfer of Motor Vehicle payments and other confidential documents between the Sherman Street Annex and the Pierce Street office which includes requiring multiple employee signoffs at each location and requiring that all bags transferred between locations be locked until they reach their destination; (b) implementing policies limiting the amount of cash that can be maintained in cashier drawers at driver's license offices, requiring a more timely collection of daily Motor Vehicle payments by an armored vehicle, and prohibiting driver's license staff from counting cash receipts at publicly accessible counters; (c) ensuring existing policies regarding physical access controls over secured areas and cash receipt drawers are followed; and (d) adding additional security at the driver's license offices, including locked safes and security cameras in offices where cash receipts are kept.</p>	<p>a. The Department disagreed with this part of the recommendation and did not implement it.</p> <p>b. and c. Implemented.</p> <p>d. Deferred. The Department indicates that lack of funding is an issue with purchasing safes and installing security cameras in offices where cash receipts are kept. The Department plans to fully implement this recommendation when funding becomes available.</p> <p>(Classification of Finding: Control Deficiency.)</p>

Report and Rec. No.	Recommendation	Disposition
2008 Single Audit Rec. No. 44	Strengthen its information systems controls over the Income Tax, Revenue Accounting, and Severance Tax Systems related to network configuration and management, application development and change management, and user access management by (a) immediately addressing the network and configuration management issues we identified in the audit and provided to the Department under separate cover; (b) developing and implementing a formalized application development and change management process for its mainframe-based applications; (c) performing regression and user acceptance testing on changes to source code prior to moving the code into production; (d) identifying the production libraries containing the source code for the mainframe-based applications and ensuring access to those libraries is limited; (e) requiring management to perform a periodic review of source code changes to ensure that only authorized and appropriate changes are implemented into production; and (f) developing and implementing a formalized user access management program, including periodically producing and reviewing a list of current system users and linking the human resources and user access management functions.	<p>a. Implemented.</p> <p>b. Deferred. The Department plans to fully implement this part of the recommendation by the June 2011 implementation date.</p> <p>c. Deferred. This recommendation was implemented for Severance Tax. The Department plans to fully implement this part of the recommendation by the June 2011 implementation date.</p> <p>d. Partially implemented. This recommendation was implemented for Severance Tax. The Department plans to fully implement this part of the recommendation by June 2011.</p> <p>e. Partially implemented. This recommendation was implemented for Severance Tax. The Department plans to fully implement this part of the recommendation by June 2012.</p> <p>f. Deferred. The Department plans to fully implement this part of the recommendation by the December 2009 implementation date.</p>
2008 Single Audit Rec. No. 45	Improve controls to ensure that data is safeguarded by prohibiting access to the data by nonessential staff members.	(Classification of Finding: Control Deficiency.) Implemented.

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 46	Strengthen controls over electronic fund transfer (EFT) payments by implementing a secondary review over the EFT reconciliation process, including supporting documentation, to identify and correct any errors in a timely manner.	Not implemented. See current year Recommendation No. 40.
2008 Single Audit Rec. No. 47	Ensure compliance with its policy requiring employees to sign and submit annual Statements of Understanding to the Department's Office of Human Resources by implementing an automated system for tracking signed Statements and continuing to improve its process for notifying supervisors of missing Statements.	Implemented.
2008 Single Audit Rec. No. 48	Improve controls over the preparation of fiscal year-end exhibits submitted to the Office of the State Controller by strengthening its review process over exhibits to include an in-depth, detailed review of all supporting documentation used to prepare the exhibits.	Partially Implemented. The Department has incorporated a review process over exhibits. However, we identified two exhibits with mathematical errors on supporting documentation that was not identified by the Department. The Department plans to fully implement the recommendation by September 2010.  (Classification of Finding: Control Deficiency.)
2008 Single Audit Rec. No. 49	Improve its internal controls over purchasing cards by ensuring that (a) required forms are obtained and completed prior to card issuance and (b) required supporting documentation is completed and has been properly reviewed and approved.	Implemented.
2007 Single Audit Rec. No. 30	Strengthen controls over the security of tax warrants by ensuring that its new tax information system is designed to allow the internal transfer of funds for the collection of costs associated with county and special district taxes.	Deferred. The Department plans to fully implement this recommendation by the November 2010 implementation date.  (Classification of Finding: Significant Deficiency.)

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2007 Single Audit Rec. No. 31	Improve controls over taxpayer accounts by instituting a secondary review and approval process over modifications of taxpayer information within the individual income and business tax systems.	Deferred. The Department plans to fully implement this recommendation by the November 2010 implementation date.  (Classification of Finding: Significant Deficiency.)
2007 Single Audit Rec. No. 32	Improve internal controls over warrants by restricting access to the outgoing mailroom.	Deferred. The Department plans to fully implement this recommendation by the September 2009 implementation date.  (Classification of Finding: Control Deficiency.)

Report and Rec. No.	Recommendation	Disposition
2007 Single Audit Rec. No. 34	Improve controls over taxpayer payments by (a) implementing proper segregation of duties over the creation of new business accounts and the processing of loose checks from business taxpayers, (b) restricting physical access to the Registration Control area to authorized personnel and locking up loose checks in a vault, and (c) implementing adequate record-keeping procedures over loose checks.	<p>a. The Department disagreed with this part of the recommendation and did not implement it.</p> <p>b. Partially implemented. All the locks on the Central Department Operations processing doors were changed in January 2008 to disallow the cleaning crew from accessing these sections once the Department employees lock up for the day. During Fiscal Year 2009, the Department pursued funding for proximity cards, but the request was not approved by the Joint Budget Committee. As a result, the Department did not fully implement this part of the recommendation. The Department plans to pursue funding in a future fiscal year.</p> <p>c. Not implemented. During Fiscal Year 2009, the Department pursued funding for the imaging system, but the request was not approved by the Office of State Planning and Budgeting. Therefore, the Department did not fully implement this part of the recommendation. The Department reports that at this time it does not plan to further pursue funding for imaging systems.</p>

(Classification of Finding: Control Deficiency.)

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2007 Single Audit Rec. No. 36	<p>Improve controls over information system security and access by (a) enforcing the policy that requires all employees to read the Department's Information Technology Security Standards and Policies document and sign a Statement of Compliance and ensuring that current Statements of Compliance are maintained in employee files and (b) ensuring that system access for terminated employees is revoked timely by improving communication between the Human Resources Section and the IT Security Administrator.</p>	<p>a. Implemented in Fiscal Year 2008.</p> <p>b. Partially implemented. The Department has implemented a new termination process but has not improved communication between the Human Resources Sections and IT Security administrator. The Department plans to fully implement this part of the recommendation by December 2009.</p> <p>(Classification of Finding: Control Deficiency.)</p>
2007 Single Audit Rec. No. 37	<p>Improve controls to adequately secure sensitive data sent via email by (a) revising its existing email policy to address the appropriateness of sharing sensitive taxpayer data via e-mail, (b) considering the implementation of an email encryption program and training employees on its proper use, and (c) training employees on the risks of and appropriate related procedures for using e-mail for data sharing.</p>	<p>a. Not implemented. The Department believes that existing State Cyber Security Policies are sufficient in that non-public data must be encrypted during transmission, including emails.</p> <p>b. Implemented.</p> <p>c. Implemented in Fiscal Year 2008.</p> <p>(Classification of Finding: Control Deficiency.)</p>

Report and Rec. No.	Recommendation	Disposition
2004 Single Audit Rec. No. 21	<p>Improve controls over processing severance tax returns by (a) following up with taxpayers who do not submit required supporting documents with returns; (b) entering all critical data from returns and supporting documents; (c) implementing additional math edits to match information from supporting documents to that reported on returns and to recalculate the tax liability owed, as well as penalties and interest due; (d) establishing more rigorous review procedures for returns that exceed that Department's internal threshold for refund requests; and (e) seeking statutory change to allow enforcement of the withholding requirement in cases where the producer fails to withhold and submit the statutorily required 1 percent of gross income from interest owners on a quarterly basis.</p>	<p>a. Implemented in Fiscal Year 2006.</p> <p>b. and c. Implemented in Fiscal Year 2007.</p> <p>d. Implemented in Fiscal Year 2005.</p> <p>e. Deferred. The Department had proposed legislation related to enforcement of withholding requirements prior to the State November 2008 election. Subsequent to their proposal, a ballot initiative that would have changed withholding requirements was placed on the November 2008 ballot but did not pass. Therefore, the Department plans to submit the legislative proposal for the 2010 legislation session.</p>

(Classification of Finding: Control Deficiency.)

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2002 Single Audit Rec. No. 18	Develop controls to ensure that future Taxpayers Bill of Rights (TABOR) credits are claimed and received only by eligible individuals by (a) identifying and billing individuals who were ineligible to claim TABOR credits; (b) implementing a methodology to verify taxpayers' federal adjusted gross income at the time a credit is claimed and to ensure that taxpayers are eligible for the credits taken; and (c) processing only complete returns, or evaluating alternative methods of ensuring that only qualifying credits are claimed, should the taxpayer fail to submit the required schedules.	<p>a. Implemented in Fiscal Year 2005.</p> <p>b. Implemented and ongoing. The Department has substantially implemented this part of the recommendation. The Department has modified the individual income tax form in Fiscal Year 2005 by adding a line for the taxpayer's federal adjusted gross income. This information will be used in conjunction with federal information to confirm eligibility for the TABOR credits. However, the Department indicated that they cannot verify the federal adjusted gross income at the time a TABOR credit is taken due to delays in receiving federal income tax returns.</p> <p>c. Implemented in Fiscal Year 2006.</p>
2002 Single Audit Rec. No. 20	Develop and implement procedures to review charitable contribution deductions claimed by taxpayers.	Implemented.

#### **Office of the State Treasurer**

2008 Single Audit Rec. No. 50	Clarify existing policies and procedures over unclaimed securities to address (a) how the best interest of the State is determined when making decisions about whether or not to sell unclaimed securities; (b) how reasonable action to sell a security will be documented, if a decision is made to sell a security; and (c) how often the inventory of unclaimed securities will be reviewed to determine if a security should be sold and how the review will be documented.	Implemented.
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<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2008 Single Audit Rec. No. 108	Ensure the Treasurer-State Agreement under the Cash Management Improvement Act (CMIA) accurately reflects programs subject to CMIA annually by ensuring programs in the same CFDA number are combined when evaluating expenditures against the required threshold.	Implemented.
2007 Single Audit Rec. No. 42	Improve internal controls over Unclaimed Property by (a) documenting policies and procedures that apply to the computer system operations; (b) cross-training staff, including management, on the functionality of the computer system and the documented policies and procedures above to allow efficient operations in the event of turnover or employee absences; and (c) ensuring that proper monitoring is performed by requiring that review of change reports be documented and performed timely by an individual not involved in making changes to the Unclaimed Property system.	a. and b. Implemented in Fiscal Year 2008.  c. Partially implemented. The Department has documented and implemented a review process over change reports; however, we found that the review is not being performed timely. The Department plans to fully implement this part of the recommendation by November 2009.  (Classification of Finding: Control Deficiency.)

### **Department of Transportation**

2008 Single Audit Rec. No. 51	Ensure the accounting system is properly applying deferred revenue against accounts receivable by reviewing all deferred revenue balances at fiscal year-end and making adjustments as necessary.	Implemented.
2008 Single Audit Rec. No. 52	Improve fiscal year-end procedures to ensure all grant revenue is properly recorded by providing additional staff training, and adequately supervising and reviewing staff's work.	Implemented.
2008 Single Audit Rec. No. 109	Track subrecipient activity based on payments made to subrecipients in each current year and obtain audits from subrecipients that have \$500,000 or more in federal funds as required by OMB <i>Circular A-133</i> .	Deferred. The Department plans to fully implement this recommendation by the December 2009 implementation date.  (Classification of Finding: Significant Deficiency.)

<b>Report and Rec. No.</b>	<b>Recommendation</b>	<b>Disposition</b>
2007 Single Audit Rec. No. 45	Improve year-end procedures to ensure all expenses and costs incurred prior to year-end are recorded.	Implemented.
2007 Single Audit Rec. No. 46	Ensure that its information systems are safeguarded by (a) updating its existing disaster recovery plan to address the Systems, Applications and Products in Data Processing system and (b) addressing current environmental hazards to the Department's information systems.	Implemented.
2007 Single Audit Rec. No. 47	Perform a comprehensive security risk assessment and a detailed review of current transaction access rights as implemented in the Department's Systems, Applications and Products in Data Processing system to identify all conflicting transaction access rights and modify existing access rights as appropriate.	Implemented.

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## STATE OF COLORADO

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December 18, 2009

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

Members of the Legislative Audit Committee:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Colorado, as of and for the year ended June 30, 2009, and have issued our report thereon dated December 18, 2009. These financial statements are the responsibility of the State's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units identified in Note 2 of the financial statements, which represent 100 percent of the total assets, 100 percent of the total net assets, and 100 percent of the total revenue of the aggregate discretely presented component units. In addition, we did not audit the financial statements of University Physicians, Inc., a blended component unit which represents 3 percent of assets, 4 percent of net assets, and 9 percent of revenue of Higher Education Institutions, a major enterprise fund, and 2 percent of the total assets, 4 percent of the net assets, and 6 percent of the total revenue of business-type activities. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts and disclosures included for those discretely presented component units and for University Physicians, Inc., are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as

discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the State of Colorado's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the State of Colorado's financial statements that is more than inconsequential will not be prevented or detected by the State of Colorado's internal control. We consider the deficiencies described in items number 3, 5-6, 10-14, 16-17, 19-25, 27-29, 34, 37, 39-40, 43-45, 50-51, 56-57, 65, 69-71, 85, 97-98, and 120-121 in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the State of Colorado's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider none to be a material weakness.

### Compliance

As part of obtaining reasonable assurance about whether the State of Colorado's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Governmental Auditing Standards*.

The State of Colorado's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the State of Colorado's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Legislative Audit Committee, management, specified legislative or regulatory bodies, 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, upon release by the Legislative Audit Committee this report is a public document.





## STATE OF COLORADO

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December 18, 2009, and  
January 26, 2010, see explanatory paragraph

### **Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133**

Members of the Legislative Audit Committee:

#### Compliance

We have audited the compliance of the State of Colorado 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 the State's major federal programs for the year ended June 30, 2009. The State of Colorado's major federal programs are identified in the Summary of Auditor's Results within the Report Summary section of this report. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the State of Colorado's management. Our responsibility is to express an opinion on the State of Colorado's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB *Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State of Colorado'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 on the State of Colorado's compliance with those requirements.

The federal Department of Education issued additional guidance for the State Fiscal Stabilization Fund program (CFDA Nos. 84.394 and 84.397) on December 24, 2009, subsequent to our Single Audit testwork. As a result, we performed additional testing of the program between December 24, 2009, and January 26, 2010, based on the guidance received.

As described in item numbers 53, 56-59, 61, 65-66, 85, 100, 133-134, and 149 in the accompanying Schedule of Findings and Questioned Costs, the State of Colorado did not comply with requirements

regarding the following: Matching, Level of Effort, Earmarking that is applicable to the Secure Payments for States and Counties Containing Federal Lands Program (CFDA No. 10.665); Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, and Subrecipient Monitoring that are applicable to the Supplemental Nutrition Assistance Program Cluster (CFDA Nos. 10.551 and 10.561); Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, and Subrecipient Monitoring that are applicable to the Children's Insurance Programs (CFDA No. 93.767), and Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Period of Availability, Program Income, Reporting, Subrecipient Monitoring, and Special Tests and Provisions that are applicable to the Medicaid Cluster (CFDA Nos. 93.777 and 93.778). Compliance with such requirements is necessary to meet requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Colorado complied, in all material respects, with the requirements referred to in the first paragraph above that are applicable to each of its major federal programs for the year ended June 30, 2009. 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 number 52, 54-55, 60, 62, 64, 68, 70, 81-82, 87-95, 98, 101-124, 135-148, and 150.

#### Internal Control Over Compliance

The management of the State of Colorado 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 audit, we considered the State of Colorado'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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Colorado's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items number 52-62, 64-71, 81-82, 85, 97, 99-101, 103-104, 109-114, 116-121, 124, 133-144, and 149-150 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items number 52-61, 65-66, 85, 97, 99-100, 133-134 and 149 to be material weaknesses.

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Colorado, as of and for the fiscal year ended June 30, 2009, which collectively comprise the State's basic financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the State of Colorado's basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB *Circular A-133* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied 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.

The State of Colorado's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the State of Colorado's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Legislative Audit Committee, management, specified legislative or regulatory bodies, 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, upon release by the Legislative Audit Committee this report is a public document.

A handwritten signature in black ink, appearing to read "Kelly Symanski". The signature is written in a cursive, flowing style.

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STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
A - UNCLUSTERED PROGRAMS								
*****								
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE								
PASS-THROUGH PROGRAMS FROM:								
Americorp/CCC								
Americorp				GTA	94	SUB	7,400	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							7,400	0
SUBTOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE							7,400	0
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
PASS-THROUGH PROGRAMS FROM:								
FIRST PIC CONSULTING								
Unclassified Grants and Contracts				GFE	14.000	/ .DEN-T0005	262,888	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							262,888	0
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							262,888	0
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION								
PASS-THROUGH PROGRAMS FROM:								
BALL AEROSPACE								
Unclassified Grants and Contracts				GFB	43.000	/ .PO 09DLB10028	118,369	0
Unclassified Grants and Contracts				GFB	43.000	/ .PO#05SAK0003	(1)	0
CALIFORNIA INSTITUTE OF TECHNOLOGY								
Unclassified Grants and Contracts				GFB	43.000	/ .65P-1086129	7,292	0
INVOCON, INC								
Unclassified Grants and Contracts				GFB	43.000	/ .IVC337-2007-07	17,792	0
JET PROPULSION LABORATORY								
Unclassified Grants and Contracts				GFB	43.000	/ .1287780	22,730	0
Unclassified Grants and Contracts				GFB	43.000	/ .1289339	(4,293)	0
Unclassified Grants and Contracts				GFB	43.000	/ .1291410	48,713	0
Unclassified Grants and Contracts				GFB	43.000	/ .1321268	197	0
Unclassified Grants and Contracts				GFB	43.000	/ .132505	58,281	0
Unclassified Grants and Contracts				GFB	43.000	/ .1325846	41,322	0
Unclassified Grants and Contracts				GFB	43.000	/ .1328394	27,719	0
Unclassified Grants and Contracts				GFB	43.000	/ .1349165	9,475	0
Unclassified Grants and Contracts				GFB	43.000	/ .1350080	41,060	0
Unclassified Grants and Contracts				GFB	43.000	/ .1350780	11,150	0
Unclassified Grants and Contracts				GFB	43.000	/ .1357273	72,376	0
Unclassified Grants and Contracts				GFB	43.000	/ .1357596	37,280	0
Unclassified Grants and Contracts				GFB	43.000	/ .1358120	55,087	0
Unclassified Grants and Contracts				GFB	43.000	/ .1358415	45,709	0
Unclassified Grants and Contracts				GFB	43.000	/ .1363347	116,943	0
Unclassified Grants and Contracts				GFB	43.000	/ .1364674	17,871	0
Unclassified Grants and Contracts				GFB	43.000	/ .1374788	733	0
LOCKHEED MARTIN								
Unclassified Grants and Contracts				GFB	43.000	/ .8100000527	41,306	0
MASSACHUSETTS INSTITUTE OF TECHNOLOGY								
Unclassified Grants and Contracts				GFB	43.000	/ .5710002568	1,008	0
MICHIGAN TECHNOLOGICAL UNIVERSITY								
Unclassified Grants and Contracts				GFB	43.000	/ .MTU 060456Z1	11,258	0
REDEFINE TECHNOLOGIES								
Unclassified Grants and Contracts				GFB	43.000	/ .7-07 NNAD7BC02C	57,346	0
Unclassified Grants and Contracts				GFB	43.000	/ .OCG51748	14,997	0
SCIENCE SYSTEMS & APPLICATIONS INC								
Unclassified Grants and Contracts				GFB	43.000	/ .2613-06-041	8,983	0
SETI INSTITUTE								
Unclassified Grants and Contracts				GFB	43.000	/ .SUB#00280-06-001	(408)	0
SOUTHWEST RESEARCH INSTITUTE								
Unclassified Grants and Contracts				GFB	43.000	/ .699035X	7,891	0
Unclassified Grants and Contracts				GFB	43.000	/ .699050X	46,332	0
Unclassified Grants and Contracts				GFB	43.000	/ .699052X	2,019	0
Unclassified Grants and Contracts				GFB	43.000	/ .799160X	824	0
Unclassified Grants and Contracts				GFB	43.000	/ .A99161JD	9,065	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
SPACE TELESCOPE SCIENCE INSTITUTE								
Unclassified Grants and Contracts				GFB	43.000 /	.45055	15,000	0
Unclassified Grants and Contracts				GFB	43.000 /	.HST-AR-11284.07-A	15,870	0
Unclassified Grants and Contracts				GFB	43.000 /	.HST-AR-11773.01-A	44,800	0
Unclassified Grants and Contracts				GFB	43.000 /	.HST-AR-11774.01-A	5,695	0
Unclassified Grants and Contracts				GFB	43.000 /	.HST-GO-10467.01-A	304	0
STANFORD UNIVERSITY								
Unclassified Grants and Contracts				GFB	43.000 /	.PR1469305	58,425	0
TUFTS UNIVERSITY								
Unclassified Grants and Contracts				GFB	43.000 /	.OCG4784B	26,167	0
UNIVERSITY CORP. FOR ATMOSPHERIC RESEARCH								
Unclassified Grants and Contracts				GFB	43.000 /	.S08-61999	78,244	0
Unclassified Grants and Contracts				GFB	43.000 /	.S09-65500	5,933	0
UNIVERSITY OF CALIFORNIA AT IRVINE								
Unclassified Grants and Contracts				GFB	43.000 /	.2005-1656	38,089	0
UNIVERSITY OF CALIFORNIA BERKLEY								
Unclassified Grants and Contracts				GFB	43.000 /	.6204	1,667	0
UNIVERSITY OF CALIFORNIA LOS ANGELES								
Unclassified Grants and Contracts				GFB	43.000 /	.0995 G GC318	7,921	0
UNIVERSITY OF CENTRAL FLORIDA								
Unclassified Grants and Contracts				GFB	43.000 /	.16296052-03	51,947	0
UNIVERSITY OF MARYLAND COLLEGE PARK								
Unclassified Grants and Contracts				GFB	43.000 /	.Z634019	26,114	0
Unclassified Grants and Contracts				GFB	43.000 /	.Z637901	9,005	0
UNIVERSITY OF MICHIGAN								
Unclassified Grants and Contracts				GFB	43.000 /	.OCG4908B/3000696016	43,151	0
Unclassified Grants and Contracts				GFB	43.000 /	.OCG4995B	35,107	0
UNIVERSITY OF MINNESOTA								
Unclassified Grants and Contracts				GFB	43.000 /	.X5336545103	788,672	0
UNIVERSITY OF NEW HAMPSHIRE								
Unclassified Grants and Contracts				GFB	43.000 /	.PZ07064	1,385,797	1,607,800
UNIVERSITY OF WASHINGTON								
Unclassified Grants and Contracts				GFB	43.000 /	.569755	69,887	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							3,654,221	1,607,800
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							3,654,221	1,607,800
SOCIAL SECURITY ADMINISTRATION								
PASS-THROUGH PROGRAMS FROM:								
VIRGINIA COMMONWEALTH UNIVERSITY								
Non-Research Grants and Contracts				GFE	96.NON /	.PT101757-SC101351	1,837	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							1,837	0
SUBTOTAL SOCIAL SECURITY ADMINISTRATION							1,837	0
SUBTOTAL							3,926,346	1,607,800
OFFICE OF NATIONAL DRUG CONTROL POLICY								
OFFICE OF NATIONAL DRUG CONTROL POLICY								
DIRECT FROM:								
OFFICE OF NATIONAL DRUG CONTROL POLICY								
HIDTA Grant CBI				RAA	07.G09RM0001A		110,668	0
HIDTA Grants CBI				RAA	07.PRMP515/580/511		166,933	0
HIDTA Grants CSP				RAA	07.PRMP518		170,274	0
SUBTOTAL DIRECT FROM:							447,875	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
PASS-THROUGH PROGRAMS FROM:								
Metro Gang Task Force					RAA	07.JAG, HIDTA & OCDEF	8,333	0
Metro Gang Task Force								
Organized Crime Drug Enforcement Task Forces					RAA	07.Federal Agency Investiga	3,346	0
OCDE Task Force Overtime								
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							11,679	0
SUBTOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY							459,554	0
SUBTOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY							459,554	0
-----								
DEPARTMENT OF AGRICULTURE								
AGRICULTURAL MARKETING SERVICE, DEPARTMENT OF AGRICULTURE								
DIRECT FROM:								
AGRICULTURAL MARKETING SERVICE, DEPARTMENT OF AGRICULTURE								
Market News					BAA	10.153 / 10.12-25-A-2114	25,570	0
Federal-State Marketing Improvement Program					BAA	10.156 / 10.12-25-G-0662	14,701	0
Federal-State Marketing Improvement Program					BAA	10.156 / 10.CA 12-25-G-0548	0	39,375
Federal-State Marketing Improvement Program					BAA	10.156 / 10. none	9,528	0
Market Protection and Promotion					BAA	10.163 / 10.12-25-A-4429	167,318	0
Market Protection and Promotion					BAA	10.163 / 10.12-25-A-4865	204,768	0
Market Protection and Promotion					BAA	10.163 / 10.12-25-A-4906	6,951	0
Market Protection and Promotion					BAA	10.163 / 10.12-25-A-4916	169,900	0
Market Protection and Promotion					BAA	10.163 / 10.12-25-A-4985	83,293	0
Market Protection and Promotion					BAA	10.163 / 10.12-25-A-5044	120,470	0
Specialty Crop Block Grant Program					BAA	10.169 / 10.12-25-B-0633	11,205	86,484
Specialty Crop Block Grant Program					BAA	10.169 / 10.12-25-B-0777	0	34,494
Specialty Crop Block Grant Program					BAA	10.169 / 10.12-25-B-0843	9,502	0
Specialty Crop Block Grant Program					BAA	10.169 / 10.12-25-G-0532	15,266	0
SUBTOTAL DIRECT FROM:							838,472	160,353
SUBTOTAL AGRICULTURAL MARKETING SERVICE, DEPARTMENT OF AGRICULTURE							838,472	160,353
ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE								
DIRECT FROM:								
ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE								
Plant and Animal Disease, Pest Control, and Animal Care					GGB	10.025	138,054	0
Plant and Animal Disease, Pest Control, and Animal Care					PBA	10.025	348,810	0
Plant and Animal Disease, Pest Control, and Animal Care					BAA	10.025 / 10.05-9708-1550-CA	157,352	0
Plant and Animal Disease, Pest Control, and Animal Care					BAA	10.025 / 10.07-9108-1148-CA	0	46,531
Plant and Animal Disease, Pest Control, and Animal Care					BAA	10.025 / 10.07-9708-1486-CA	44,192	0
Plant and Animal Disease, Pest Control, and Animal Care					BAA	10.025 / 10.08-8564-0013-CA	448,442	350,701
Plant and Animal Disease, Pest Control, and Animal Care					BAA	10.025 / 10.08-9708-1597-CA	37,838	0
Plant and Animal Disease, Pest Control, and Animal Care					BAA	10.025 / 10.08-9708-1780-CA	29,527	36,556
Plant and Animal Disease, Pest Control, and Animal Care					BAA	10.025 / 10.08-9708-1794-CA	70,000	0
Plant and Animal Disease, Pest Control, and Animal Care					BAA	10.025 / 10.08-9708-1821-CA	21,273	0
Plant and Animal Disease, Pest Control, and Animal Care					BAA	10.025 / 10.09-8564-0013-CA	51,487	0
Plant and Animal Disease, Pest Control, and Animal Care					BAA	10.025 / 10.09-9708-1780-CA	330	0
Plant and Animal Disease, Pest Control, and Animal Care					BAA	10.025 / 10.09-9708-1794-CA	17,141	0
Plant and Animal Disease, Pest Control, and Animal Care					BAA	10.025 / 10.09-9708-1893-CA	44,148	0
Plant and Animal Disease, Pest Control, and Animal Care					BAA	10.025 / 10.43-6395-6-0047	14,160	0
Plant and Animal Disease, Pest Control, and Animal Care					BAA	10.025 / 10.43-6395-K-09-0192	21,158	0
Wildlife Services					BAA	10.028 / 10.08-7308-5679-CA	16,010	0
Wildlife Services					BAA	10.028 / 10.09-7308-5679-CA	33,951	0
CSU ARCHIVING AND GENOTYPING COOPE					GGB	10.08-7100-0233-CA REV 08-1	108,799	0
EVALUATION OF BIOLOGICAL AND ENVIR					GGB	10.08-7488-0680(CA)	11,273	0
EVALUATION OF BIOLOGICAL AND ENVIR					GGB	10.09-7488-0680(CA)	17,213	0
SUBTOTAL DIRECT FROM:							1,631,158	433,788
SUBTOTAL ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE							1,631,158	433,788

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
DEPARTMENT OF AGRICULTURE								
DIRECT FROM:								
DEPARTMENT OF AGRICULTURE								
COUNTY PRESCRIBED BURN PARTICIPATI				GGB		10.07-CS-11021200-011 MOD	21,756	0
07CPG WFLC URB -USDA-USFS-FOREST R				GGB		10.07-DG-11020000-003 MOD 4	26,623	0
09 FOREST LEGACY- SNOW MOUNTAIN PH				GGB		10.09-DG-11020000-035	2,500,000	0
EFFECTS OF MOUNTAIN PINE BEETLE AN				GGB		10.09-JV-11221634-164	4,493	0
Creating of a Distance Learning System in Rural Western Colorado				GZA		10.CO 713-A16	3,435	0
SUBTOTAL DIRECT FROM:							2,556,307	0
SUBTOTAL DEPARTMENT OF AGRICULTURE							2,556,307	0
Department of Agriculture / Food and Nutrition Service								
DIRECT FROM:								
Department of Agriculture / Food and Nutrition Service					FAA	10.557	6,383,909	86,055,757
Special Supplemental Nutrition Program for Women, Infants, and Children					FAA	10.558	970,928	21,752,233
Child and Adult Care Food Program				*	IHA	10.558	153,384	0
Child and Adult Care Food Program					DAA	10.560	754,883	84,884
State Administrative Expenses for Child Nutrition				*	IHA	10.560	692,408	0
State Administrative Expenses for Child Nutrition				*	IHA	10.565	3,955,341	829,248
Commodity Supplemental Food Program					DAA	10.582	0	469,908
SUBTOTAL DIRECT FROM:							12,910,853	109,192,030
SUBTOTAL Department of Agriculture / Food and Nutrition Service							12,910,853	109,192,030
Department of Agriculture / Forest Service								
DIRECT FROM:								
Department of Agriculture / Forest Service					GWA	10.03-CS-11020407-0032	14,478	0
Cooperative Agreement					GGB	10.04-DG-11020000-054 MOD 3	538	0
04 FOREST HEALTH MONIT -USDA-USFS-					GSA	10.05-JV-11221617-096	15,481	0
JFS - Wildlife Protection Plans					PKA	10.05CA11021384	26,240	0
Forest Service Cost Share Mine Closures					GSA	10.06-CS-1021300-073	86,288	0
Forest Planning Course					GSA	10.06-CS-1021300-073	100,138	0
San Juan Plan Revision					GSA	10.06-CS-11021300-073Mod #3	6,069	0
CWPP Knowledge Transfer					GGB	10.06-PA-11021200-068	6,604	0
SAN JUAN CO PRES BURNS -USDA-USFS-					GGB	10.07-CS-11021000-035	17,366	0
FRONT RANGE FUELS TREATMENT SUPPOR					PIA	10.07CS1102-011	14,584	0
Forest Service Aavance FY08					PIA	10.07CS1102011	13,265	0
Forest Service Aavance FY09				*	PIA	10.07CS1102011	5,696	0
NATURAL RESOURCES PROGRAM SUPPORT					GGB	10.08-CR-11221611-014	19,285	0
FISHERIES AND WILDLIFE MANAGEMENT					GGB	10.08-CR-11221611-029	28,744	0
CONSERVATION SUPPORT AT FORT RICHA					GGB	10.08-CR-1221611-052	77,785	0
Forest Service Cost Share Mine Closures					PKA	10.11020400047	10,600	0
Forest Service Cost Share Mine Closures				*	PKA	10.11020900002	17,370	0
Forest Service Cost Share Mine Closures				*	PKA	10.11020900048	16,133	0
Forest Service Cost Share Mine Closures					PKA	10.11021011026	6,199	0
Forest Service Cost Share Mine Closures					PKA	10.11021200054	24,612	0
Forest Service Cost Share Mine Closures					PKA	10.11021200059	3,300	0
Forest Service Cost Share Mine Closures					PKA	10.11021200079	30,000	0
Forest Service Cost Share Mine Closures				*	PKA	10.11021501045	8,044	0
Forest Service Cost Share Mine Closures					PKA	10.11021503055	6,500	0
Forest Service Cost Share Mine Closures					PKA	10.11021510063	10,339	0
Bat Survey - BT07					PBA	10.AG82BHP06021	1,241	0
SUBTOTAL DIRECT FROM:							566,899	0
SUBTOTAL Department of Agriculture / Forest Service							566,899	0
Department of Agriculture / National Institute of Food and Agriculture								
DIRECT FROM:								
Department of Agriculture / National Institute of Food and Agriculture					GGB	10.206	4,104	0
Grants for Agricultural Research/Competitive Research Grants					GGB	10.210	72,119	0
Food and Agricultural Sciences National Needs Graduate Fellowship Grants					GJM	10.223	213,150	0
Hispanic Serving Institutions Education Grants					GJM	10.226	9,533	0
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants								

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
Cooperative Extension Service				GGB		10.500	4,245,413	0
SUBTOTAL DIRECT FROM:							4,544,319	0
PASS-THROUGH PROGRAMS FROM:								
KANSAS STATE UNIVERSITY								
Homeland Security_Agricultural				GGB		10.304 / 10.S08010	35,170	0
Cooperative Extension Service				GGB		10.500 / 10.S08101	24,282	0
UNIVERSITY OF CALIFORNIA AT DAVIS								
Integrated Programs				GGB		10.303 / 10.07-001492-CSU	1,496	0
UNIVERSITY OF GEORGIA								
Cooperative Extension Service				GGB		10.500 / 10.RE677-324/3840068	2,331	0
UNIVERSITY OF KENTUCKY								
Grants for Agricultural Research_Competitive Research Grants				GFB		10.206 / 10.3048105203-09-196	6,522	0
UNIVERSITY OF NEBRASKA								
Integrated Programs				GGB		10.303 / 10.25-6321-0113-007	7,420	0
UNIVERSITY OF VERMONT								
Cooperative Extension Service				GGB		10.500 / 10.21455 CO ST UNIV	9,148	0
UTAH STATE UNIVERSITY								
Grants for Agricultural Research, Special Research Grants				GGB		10.200 / 10.041535061	8,309	0
Grants for Agricultural Research, Special Research Grants				GGB		10.200 / 10.051687042	26,592	0
Grants for Agricultural Research, Special Research Grants				GGB		10.200 / 10.061553048	30,141	0
Cooperative Extension Service				GGB		10.500 / 10.080827004	26,068	0
VIRGINIA POLYTECHNIC INSTITUTE								
Higher Education Challenge Grants				GGB		10.217 / 10.CR-19019-320689	16,615	0
WASHINGTON STATE UNIVERSITY								
Cooperative Extension Service				GGB		10.500 / 10.G002210	18,926	0
Cooperative Extension Service				GGB		10.500 / 10.G002361	41,188	0
Cooperative Extension Service				GGB		10.500 / 10.G002367	17,410	0
Cooperative Extension Service				GGB		10.500 / 10.G002372	28,222	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							299,840	0
SUBTOTAL Department of Agriculture / National Institute of Food and Agriculture							4,844,159	0
Department of Agriculture / Natural Resources Conservation Service								
DIRECT FROM:								
Department of Agriculture / Natural Resources Conservation Service								
Colo Natural Areas Program				PJA		10.172-PMG	1,800	0
Pinon Mesa Gunnison Sage Grouse				PBA		10.6974826287	17,106	0
SUBTOTAL DIRECT FROM:							18,906	0
SUBTOTAL Department of Agriculture / Natural Resources Conservation Service							18,906	0
ECONOMIC RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE								
DIRECT FROM:								
ECONOMIC RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE								
Agricultural and Rural Economic Research				GGB		10.250	650,889	0
SUBTOTAL DIRECT FROM:							650,889	0
SUBTOTAL ECONOMIC RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE							650,889	0
FARM SERVICE AGENCY, DEPARTMENT OF AGRICULTURE								
DIRECT FROM:								
FARM SERVICE AGENCY, DEPARTMENT OF AGRICULTURE								
State Mediation Grants				BAA		10.435 / 10.5001840644739G1C07	13,761	0
State Mediation Grants				BAA		10.435 / 10.5001840644739G1Y06	12,477	0
SUBTOTAL DIRECT FROM:							26,238	0
SUBTOTAL FARM SERVICE AGENCY, DEPARTMENT OF AGRICULTURE							26,238	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE								
DIRECT FROM:								
FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE								
Food Distribution				*	IHA	10.550	755,265	0
SUBTOTAL DIRECT FROM:							755,265	0
SUBTOTAL FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE							755,265	0
FOOD SAFETY AND INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE								
DIRECT FROM:								
FOOD SAFETY AND INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE								
Meat, Poultry, and Egg Products Inspection					BAA	10.477 / 10.12-37-A-466	24,069	0
Food Safety Cooperative Agreements					BAA	10.479 / 10.FSIS-C-06-2008	195,948	0
SUBTOTAL DIRECT FROM:							220,017	0
SUBTOTAL FOOD SAFETY AND INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE							220,017	0
FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE								
DIRECT FROM:								
FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE								
Technical Agricultural Assistance					GGB	10.960	409,914	119,652
Cochran Fellowship Program-International Training - Foreign Participant					GGB	10.962	57,013	0
SUBTOTAL DIRECT FROM:							466,927	119,652
SUBTOTAL FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE							466,927	119,652
FOREST SERVICE, DEPARTMENT OF AGRICULTURE								
DIRECT FROM:								
FOREST SERVICE, DEPARTMENT OF AGRICULTURE								
Forestry Research					GGB	10.652	30,986	0
Cooperative Forestry Assistance					GGB	10.664	8,606,753	0
Cooperative Forestry Assistance					PJA	10.664	36,082	8,000
Rural Development, Forestry and Communities					GGB	10.672	1,168,082	0
Forest Legacy Program					GGB	10.676	10,762	0
Forest Land Enhancement Program					GGB	10.677	71,265	0
Forest Stewardship Program					GGB	10.678	951	0
Forest Health Protection					BAA	10.680 / 10.07-DG-11020000-039	24,731	70,934
Forest Health Protection					BAA	10.680 / 10.08-DG-11020000-031	47,899	170,775
SUBTOTAL DIRECT FROM:							9,997,511	249,709
SUBTOTAL FOREST SERVICE, DEPARTMENT OF AGRICULTURE							9,997,511	249,709
NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE								
DIRECT FROM:								
NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE								
Soil and Water Conservation					GGB	10.902	13,551	0
Soil and Water Conservation					PBA	10.902	161,529	0
Soil and Water Conservation					BAA	10.902 / 10.AG-8805-A-6-38	60,711	107,767
Soil and Water Conservation					BAA	10.902 / 10.AG-8805-A-6-54	69,617	44,822
Environmental Quality Incentives Program					GGB	10.912	23,762	0
Environmental Quality Incentives Program					BAA	10.912 / 10.AG-8805-A-7-31	10,666	0
Environmental Quality Incentives Program					BAA	10.912 / 10.NRCS 68-3A75-5-197	31,302	0
SUBTOTAL DIRECT FROM:							371,138	152,589
SUBTOTAL NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE							371,138	152,589

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY

MAJOR SUBDIVISION OF FEDERAL AGENCY

SOURCE TYPE (DIRECT OR PASS-THROUGH)

ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)

PROGRAM NAME

NONCASH  
INDICATOR

STATE<sup>1</sup>  
AGENCY

CFDA / OTHER ID NUMBER

DIRECT  
EXPENDITURES

PASSED TO  
SUBRECIPIENTS

RURAL BUSINESS-COOPERATIVE SERVICE, DEPARTMENT OF AGRICULTURE

DIRECT FROM:

RURAL BUSINESS-COOPERATIVE SERVICE, DEPARTMENT OF AGRICULTURE  
Rural Business Opportunity Grants

GJH

10.773

15,306

0

SUBTOTAL DIRECT FROM:

15,306

0

SUBTOTAL RURAL BUSINESS-COOPERATIVE SERVICE, DEPARTMENT OF AGRICULTURE

15,306

0

RURAL DEVELOPMENT, DEPARTMENT OF AGRICULTURE

DIRECT FROM:

RURAL DEVELOPMENT, DEPARTMENT OF AGRICULTURE  
Community Facilities Loans and Grants

CYA

10.766

25,000

0

SUBTOTAL DIRECT FROM:

25,000

0

SUBTOTAL RURAL DEVELOPMENT, DEPARTMENT OF AGRICULTURE

25,000

0

SUBTOTAL DEPARTMENT OF AGRICULTURE

35,895,045

110,308,121

DEPARTMENT OF COMMERCE

DEPARTMENT OF COMMERCE

PASS-THROUGH PROGRAMS FROM:

THE HDF GROUP  
Unclassified Grants and Contracts

GFB

11.000 / 11.OCG5030B

42,483

0

SUBTOTAL PASS-THROUGH PROGRAMS FROM:

42,483

0

SUBTOTAL DEPARTMENT OF COMMERCE

42,483

0

Department of Commerce / Economic Development Administration

DIRECT FROM:

Department of Commerce / Economic Development Administration  
Economic Development Technical Assistance  
Trade Adjustment Assistance for Firms

GFB

11.303

6,213

0

GFB

11.313

1,248,532

7,729

SUBTOTAL DIRECT FROM:

1,254,745

7,729

SUBTOTAL Department of Commerce / Economic Development Administration

1,254,745

7,729

Department of Commerce / National Oceanic and Atmospheric Administration (NOAA)

PASS-THROUGH PROGRAMS FROM:

TUFTS UNIVERSITY  
Climate and Atmospheric Research  
UNIVERSITY CORP. FOR ATMOSPHERIC RESEARCH  
Climate and Atmospheric Research

GFB

11.431 / 11.MFD373

39,312

0

UNIVERSITY OF ALASKA  
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes

GFB

11.431 / 11.S06-54898

159

0

UNIVERSITY OF ARIZONA  
Climate and Atmospheric Research

GFB

11.432 / 11.UAF 09-0051

119,962

0

GFB

11.431 / 11.Y482943

1,203

0

SUBTOTAL PASS-THROUGH PROGRAMS FROM:

160,636

0

SUBTOTAL Department of Commerce / National Oceanic and Atmospheric Administration (NOAA)

160,636

0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE								
DIRECT FROM:								
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE								
Measurement and Engineering Research and Standards				GFB	11.609		2,598,079	0
Measurement and Engineering Research and Standards				GGB	11.609		12,000	0
Measurement and Engineering Research and Standards				GLA	11.609 / 11.VARIOUS AWARDS		148,322	0
SUBTOTAL DIRECT FROM:							2,758,401	0
SUBTOTAL NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE							2,758,401	0
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE								
DIRECT FROM:								
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE								
Congressionally Identified Awards and Projects				GFB	11.469		46	0
SUBTOTAL DIRECT FROM:							46	0
PASS-THROUGH PROGRAMS FROM:								
UNIVERSITY OF ALABAMA HUNTSVILLE								
Environmental Sciences, Applications, Data, and Education				GFB	11.440 / 11.2008-156		17,999	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							17,999	0
SUBTOTAL NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE							18,045	0
NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION, DEPARTMENT OF COMMERCE								
DIRECT FROM:								
NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION, DEPARTMENT OF COMMERCE								
Public Safety Interoperable Communications Grant Program				ESA	11.555		1,169,695	4,521,750
SUBTOTAL DIRECT FROM:							1,169,695	4,521,750
SUBTOTAL NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION, DEPARTMENT OF COMMERCE							1,169,695	4,521,750
SUBTOTAL DEPARTMENT OF COMMERCE							5,404,005	4,529,479
DEPARTMENT OF DEFENSE								
AIR FORCE OFFICE OF SCIENTIFIC RESEARCH, HQ AIR FORCE MATERIAL COMMAND, DEPARTMENT OF THE AIR FORCE, DEPARTMENT OF DEFENSE								
DIRECT FROM:								
AIR FORCE OFFICE OF SCIENTIFIC RESEARCH, HQ AIR FORCE MATERIAL COMMAND, DEPARTMENT OF THE AIR FORCE, DEPARTMENT OF DEFENSE								
IPA				GGJ	12.IPA: 709		131,192	0
SUBTOTAL DIRECT FROM:							131,192	0
SUBTOTAL AIR FORCE OFFICE OF SCIENTIFIC RESEARCH, HQ AIR FORCE MATERIAL COMMAND, DEPARTMENT OF THE AIR FORCE, DEPARTMENT OF DEFENSE							131,192	0
DAHLGREN DIVISION, NAVAL SURFACE WARFARE CENTER, DEPARTMENT OF THE NAVY								
PASS-THROUGH PROGRAMS FROM:								
ZEL TECHNOLOGIES								
Basic and Applied Scientific Research				GFB	12.301 / 12.2803		80,518	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							80,518	0
SUBTOTAL DAHLGREN DIVISION, NAVAL SURFACE WARFARE CENTER, DEPARTMENT OF THE NAVY							80,518	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
DEPARTMENT OF ARMY U.S. ARMY RESEARCH AND MATERIAL COMMAND, DEPARTMENT OF DEFENSE						
DIRECT FROM:						
DEPARTMENT OF ARMY U.S. ARMY RESEARCH AND MATERIAL COMMAND, DEPARTMENT OF DEFENSE						
Military Medical Research & Development		GFE	12.420		158,853	0
Military Medical Research & Development		GGB	12.420		29,791	0
Pueblo Chemical Demilitarization		FAA	12.Cooperative Agreement		196,357	0
Pueblo Chemical Demilitarization		FAA	12.REIMS6-09-UCOL04739		1,083,924	0
Pueblo Chemical Demilitarization		FAA	12.REIMS6D-09-UCOL007		368	36,841
SUBTOTAL DIRECT FROM:					1,469,293	36,841
PASS-THROUGH PROGRAMS FROM:						
APTIMA, INC.						
Military Medical Research & Development		GFE	12.420 / 12.0522-1445		15,077	0
INDIANA UNIVERSITY						
Military Medical Research & Development		GFE	12.420 / 12.IND.UNIV #71287		92,203	0
UNIVERSITY OF ROCHESTER						
Military Medical Research & Development		GFE	12.420 / 12.P0413883-G		5,814	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					113,094	0
SUBTOTAL DEPARTMENT OF ARMY U.S. ARMY RESEARCH AND MATERIAL COMMAND, DEPARTMENT OF DEFENSE					1,582,387	36,841
DEPARTMENT OF DEFENSE						
DIRECT FROM:						
DEPARTMENT OF DEFENSE						
Unclassified Grants and Contracts		DAA	12.000		0	922,393
Unclassified Grants and Contracts		GFE	12.000		414,313	6,450
TECHNICAL ASSISTANCE TO THE FISH A		GGB	12.09059402		55	0
Fort Carson Seedling Tree Agreement		GGB	12.532362 W81XWH-08-2-0570		10,055	0
Cultural Resources Program Support at Fort Bragg		GGB	12.536420 W91XWH-05-2-0023		529,666	0
Lowry Privatization II Long Term Project		FAA	12.Contract 06 FEA 00020		160,320	0
CULTURAL RESOURCES MANAGEMENT ASSI		GGB	12.DAMD17-02-2-0008 DO 0006		59,018	0
611 CES/ALASKA CR SUPPORT 2005 GAL		GGB	12.DAMD17-02-2-0008 DO#0012		2,083	0
CULTURAL RESOURCES TECHNICAL SUPPO		GGB	12.DAMD17-02-2-0008 DO#0017		156,789	0
UPDATE ICRMP EARECKSON AIR STATION		GGB	12.DAMD17-02-2-0008 DO#0022		475	0
UPDATE ICRMP AIRCRAFT CONTROL AND		GGB	12.DAMD17-02-2-0008 DO#0023		44,442	0
DEVELOPING GIS PRODUCTS FOR BIAK T		GGB	12.IGA# 07-006		5,019	0
SPATIAL DATA DEVELOPMENT IN SUPPOR		GGB	12.IGA#06-008		11,808	0
CAMP RILEA WETLANDS SPATIAL DATA F		GGB	12.ISA# 08-006		3,928	0
CULTURAL RESOURCES PROGRAM SUPPORT		GGB	12.W81XWH-05-2-0023 --P0000		31,841	0
LEGACY RANGE IGNITION PROBABILITY		GGB	12.W912DY-07-2-0014		37,014	0
CULTURAL RESOURCES TECHNICAL ASSIS		GGB	12.W912DY-07-2-0044 P00001		23,408	0
RESEARCH & DEVELOP OF STORAGE TANK		GGB	12.W912DY-07-2-0044 P00005		3,842	0
CULTURAL AWARENESS FOR IN-THEATER		GGB	12.W912DY-07-2-0044 P00007		85,275	0
CULTURAL RESOURCES TECHNICAL ASSIS		GGB	12.W912DY-07-2-0044 P00007		156,412	0
ENVIRONMENTAL DIVISION PUBLIC REL		GGB	12.W912DY-07-2-0044 P00007		39,838	0
ENVIRONMENTAL SURVEYS FOR FUTURE		GGB	12.W912DY-07-2-0044 P00007		342,872	0
CULTURAL RESOURCES & ENVIRONMENTAL		GGB	12.W912DY-07-2-0044 P00008		46,509	0
CULTURAL RESOURCES GIS SUPPORT -DO		GGB	12.W912DY-07-2-0044 P00008		52,133	0
EVALUATION TESTING AT 25 ARCHAEOLO		GGB	12.W912DY-07-2-0044 P00008		858,856	0
UPDATE TRANSFORMER INVENTORY AT VA		GGB	12.W912DY-07-2-0044 P00008		86,529	0
CONSERVATIONIST/WILDLIFE AND FISHE		GGB	12.W912DY-07-2-0044 P00010		77,216	0
CULTURAL RESOURCES PROGRAM ARCHAEO		GGB	12.W912DY-07-2-0044 P00010		48,689	0
DISTURBANCE-DEPENDANCE PHASE III:		GGB	12.W912DY-07-2-0044 P00010		1,192	45,000
ENVIRONMENTAL SURVEYS FOR FUTURE		GGB	12.W912DY-07-2-0044 P00010		232,438	0
ENVIRONMENTAL COMPLIANCE STUDY -DO		GGB	12.W912DY-07-2-0044 P00010		56,537	0
ENVIRONMENTAL POLICY ACT SUPPORT A		GGB	12.W912DY-07-2-0044 P00010		307	0
STORMWATER & WASTEWATER DATABASES		GGB	12.W912DY-07-2-0044 P00010		3,183	0
UTILITIES SURVEY MASTER PLAN DIVIS		GGB	12.W912DY-07-2-0044 P00010		67,843	0
ENVIRONMENTAL DIVISION PUBLIC RELA		GGB	12.W912DY-07-2-0044 P00012		874	0
GIS TECHNICAL SUPPORT FOR ARE NATI		GGB	12.W912DY-07-2-0044 P00012		287	0
CULTURAL RESOURCES MANAGEMENT SUPP		GGB	12.W912DY-07-2-0044 P00013		24,298	0
CULTURAL RESOURCES TECHNICAL ASSIS		GGB	12.W912DY-07-2-0044 P1 & P1		3,330	0
CULTURAL RESOURCES TECHNICAL ASSIS		GGB	12.W912DY-07-2-0044 P1 & P8		205,907	0
FISH AND WILDLIFE MANAGEMENT TECHN		GGB	12.W912DY-07-2-0044 P1 & P8		86,455	0
CULTURAL RESOURCES TECHNICAL ASSIS		GGB	12.W912DY-07-2-0044 P1P10&P		47,672	0
CULTURAL RESOURCES TECHNICAL SUPPO		GGB	12.W912DY-07-2-0044 T0#1		132,041	0
SOIL AND VEGETATION SAMPLE COLLEC		GGB	12.W912DY-07-2-0044 T0#12		117,939	0
INSTALLATION HARZARDOUS WASTE MNGM		GGB	12.W912DY-07-2-0044 T0#13		190,074	0
POLLUTION PREVENTION EFFICIENCY ST		GGB	12.W912DY-07-2-0044 T0#14		34,448	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
MAJOR SUBDIVISION OF FEDERAL AGENCY								
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
INTREGATED NATURAL RESOURCES MANAG				GGB	12.W912DY-07-2-0044	T0#16	25,927	0
URBAN TREE MANAGEMENT PLAN AT KADE				GGB	12.W912DY-07-2-0044	T0#17	38,150	0
INTREGATED NATURAL RESOURCES MANAG				GGB	12.W912DY-07-2-0044	T0#18	38,650	0
PINON CANYON MANUEVER SITE RESEARC				GGB	12.W912DY-07-2-0044	T0#19	33,770	0
NATIONAL ENVIRONMENTAL POLICY ACT				GGB	12.W912DY-07-2-0044	T0#2	71,948	0
FOREST TREE MANAGEMENT PLAN AT MIS				GGB	12.W912DY-07-2-0044	T0#28	40,536	0
AQUATIC & FISHERIES PROJECT MANAGE				GGB	12.W912DY-07-2-0044	T0#29	104,222	0
ADMINISTRATIVE PROGRAM SUPPORT TO				GGB	12.W912DY-07-2-0044	T0#3	30,494	0
WILDLIFE, FISHERIES, & BOTANICAL				GGB	12.W912DY-07-2-0044	T0#4	70,340	0
FISH AND WILDLIFE MANAGEMENT PROGR				GGB	12.W912DY-07-2-0044	T0#5	32,339	0
FISH AND WILDLIFE MANAGEMENT PROGR				GGB	12.W912DY-07-2-0044	T0#6	40,241	0
FISH AND WILDLIFE MANAGEMENT PROGR				GGB	12.W912DY-07-2-0044	T0#7	(4)	0
IN THEATER HERTITAGE PLANNING & TR				GGB	12.W912DY-08-2-0007		87,848	0
DOD DEPUTY FEDERAL PRESERVATION OF				GGB	12.W912DY-09-2-0039		38,685	0
BELUGA WHALE RESEARCH & MONITORING				GGB	12.W9132T-05-2-0032		104,268	0
ENVIRONMENTAL ASSESSMENTS FOR MARI				GGB	12.W9132T-05-2-0032		163,652	0
FUEL MANAGEMENT AT POHAKULOA TRAIN				GGB	12.W9132T-05-2-0032		207,440	0
FULL-SCALE RANGE IGNITION PROBABIL				GGB	12.W9132T-05-2-0032		498	0
LARGE-SCALE FENCE UNIT CONSTRUCTION				GGB	12.W9132T-05-2-0032		643,468	0
MANAGEMENT OF NENE AT PAHAKULOA TR				GGB	12.W9132T-05-2-0032		28,184	16,176
RESOURCES THREAT MANAGEMENT AT POH				GGB	12.W9132T-05-2-0032		1,972,099	0
TODSEN'S PENNYROYAL (HEDEOMA TODSE				GGB	12.W9132T-05-2-0032		89	0
WILDLAND FIRE MANAGEMENT PLAN, ENV				GGB	12.W9132T-05-2-0032	P1	24,818	0
U.S. Army Operation, Fitzsimmons Facility Project				FAA	12.WP125F09P001		5,842	0
SUBTOTAL DIRECT FROM:							8,296,734	990,019
PASS-THROUGH PROGRAMS FROM:								
ALD NANOSOLUTIONS, INC.								
Unclassified Grants and Contracts				GFB	12.000 / 12.OCG4980B		704	0
BATTELLE, COLUMBUS DIVISION								
Unclassified Grants and Contracts				GFB	12.000 / 12.TCN 07116		1,567	0
BBNT SOLUTIONS LLC								
Unclassified Grants and Contracts				GFB	12.000 / 12.OCG4748B	PO 9500008	266,520	0
BLUE SUN BIODIESEL								
Unclassified Grants and Contracts				GFB	12.000 / 12.OCG5160B		67,384	0
BOOZ. ALLEN & HAMILTON, INC.								
ARMY NATIONAL GUARD COMMON INSTALL				GGB	12.93302CBS25	MOD #2	14,729	0
BOSTON COLLEGE								
Unclassified Grants and Contracts				GFB	12.000 / 12.587-1		53,836	0
CARNEGIE MELLON UNIVERSITY								
Unclassified Grants and Contracts				GFB	12.000 / 12.1150073-217631		37,022	0
COLDQUANTA, INC								
Unclassified Grants and Contracts				GFB	12.000 / 12.OCG4978B		9,459	0
Unclassified Grants and Contracts				GFB	12.000 / 12.OCG4985B		9,525	0
Unclassified Grants and Contracts				GFB	12.000 / 12.OCG5149B		8,751	0
CORNERSTONE RESEARCH GROUP								
Unclassified Grants and Contracts				GFB	12.000 / 12.7345		(1,614)	0
Unclassified Grants and Contracts				GFB	12.000 / 12.9471		46,195	0
FIRST RF CORPORATION								
Unclassified Grants and Contracts				GFB	12.000 / 12.PO 8632		29,548	0
GENERAL DYNAMICS CORPORATION								
ITAM PROGRAM SUPPORT TECHNICAL SIT				GGB	12.SD-DW-08-014	MOD #1	5,511	0
HONEYWELL INTERNATIONAL, INC.								
Unclassified Grants and Contracts				GFB	12.000 / 12.GPA A007443		(5,241)	0
IN SCOPE								
Unclassified Grants and Contracts				GFB	12.000 / 12.OCG5165B		25,000	0
L-3 COMMUNICATIONS CORPORATION								
Unclassified Grants and Contracts				GFB	12.000 / 12.C07-0308		243,464	0
MIDE TECHNOLOGY CORPORATION								
Unclassified Grants and Contracts				GFB	12.000 / 12.1016		1	0
MOSAIC AMT, INC.								
Unclassified Grants and Contracts				GFB	12.000 / 12.OCG4920B		108,795	0
RAYTHEON								
Unclassified Grants and Contracts				GFB	12.000 / 12.PO 4200148378		3,299	0
SIERRA NEVADA CORPORATION								
Unclassified Grants and Contracts				GFB	12.000 / 12.OCG5182B		10,711	0
SPONSOR NAME NOT FOUND FOR YMTH08 **								
CULTURAL RESOURCES MANAGEMENT PROG				GGB	12.TRRCD-CSU-01		416,609	0
SYNKERA TECHNOLOGIES, INC.								
Unclassified Grants and Contracts				GFB	12.000 / 12.OCG4739B		(4,366)	0
TDA RESEARCH INC.								
Unclassified Grants and Contracts				GFB	12.000 / 12.UCB08-01		15,004	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
Unclassified Grants and Contracts				GFB		12.000 / 12.UC808-02	29,638	0
TEXAS A&M UNIVERSITY				GFB		12.000 / 12.OCG5147B #A4011	27,790	0
Unclassified Grants and Contracts				GFB		12.000 / 12.PENDING-1545774	34,205	0
UNIVERSITY OF CALIFORNIA AT SAN DIEGO				GFB		12.000 / 12.2006-06418-01	13,973	0
Unclassified Grants and Contracts				GFB		12.000 / 12.SUBCONTRACT NO.3023	134	0
UNIVERSITY OF ILLINOIS				GFB		12.000 / 12.OCG4829B	(14,676)	0
Unclassified Grants and Contracts				GFB		12.000 / 12.ZTUOC011708	130,475	0
UNIVERSITY OF WASHINGTON								
Unclassified Grants and Contracts								
VESCENT PHOTONICS, INC.								
Unclassified Grants and Contracts								
ZONA TECHNOLOGY								
Unclassified Grants and Contracts								
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							1,583,952	0
SUBTOTAL DEPARTMENT OF DEFENSE							9,880,686	990,019
Department Of Defense / Department Of The Air Force, Materiel Command								
DIRECT FROM:								
Department Of Defense / Department Of The Air Force, Materiel Command								
Air Force Defense Research Sciences Program				GFC		12.800	388,926	0
SUBTOTAL DIRECT FROM:							388,926	0
PASS-THROUGH PROGRAMS FROM:								
MASSACHUSETTS INSTITUTE OF TECHNOLOGY								
Air Force Defense Research Sciences Program				GFE		12.800 / 12.5710002463/GM813931	168,309	0
NORTHWESTERN UNIVERSITY				GFB		12.800 / 12.0650 300 F416 427	(1,779)	0
Air Force Defense Research Sciences Program				GFB		12.800 / 12.23475-02131-S01	38,690	0
SYRACUSE UNIVERSITY				GFE		12.800 / 12.FA 3089-07-F-0467	98,759	0
Air Force Defense Research Sciences Program				GFE		12.800 / 12.GS-02F-0055M	101,061	1,650
U.S AIR FORCE								
Air Force Defense Research Sciences Program								
Air Force Defense Research Sciences Program								
UNIVERSITY OF CALIFORNIA BERKLEY				GFB		12.800 / 12.SA4391-32438PG	118,180	0
Air Force Defense Research Sciences Program								
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							523,220	1,650
SUBTOTAL Department Of Defense / Department Of The Air Force, Materiel Command							912,146	1,650
Department Of Defense / National Guard Bureau								
DIRECT FROM:								
Department Of Defense / National Guard Bureau								
Military Construction, National Guard				OAA		12.400	1,407,293	0
SUBTOTAL DIRECT FROM:							1,407,293	0
SUBTOTAL Department Of Defense / National Guard Bureau							1,407,293	0
NATIONAL GUARD BUREAU, DEPARTMENT OF DEFENSE								
DIRECT FROM:								
NATIONAL GUARD BUREAU, DEPARTMENT OF DEFENSE								
National Guard Military Operations & Maintenance (O&M) Projects				OAA		12.401	10,586,917	0
SUBTOTAL DIRECT FROM:							10,586,917	0
SUBTOTAL NATIONAL GUARD BUREAU, DEPARTMENT OF DEFENSE							10,586,917	0
NATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE								
DIRECT FROM:								
NATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE								
Mathematical Sciences Grants Program				GGB		12.901	15,489	0
SUBTOTAL DIRECT FROM:							15,489	0
SUBTOTAL NATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE							15,489	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY						
DIRECT FROM:						
OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY						
Basic & Applied Scientific Research		GFE	12.300		29,498	4,950
Basic & Applied Scientific Research		GGB	12.300		7,942	0
SUBTOTAL DIRECT FROM:					37,440	4,950
PASS-THROUGH PROGRAMS FROM:						
BAE SYSTEMS						
Basic & Applied Scientific Research		GFB	12.300 / 12.165974		59,164	0
S2 CORPORATION						
Basic & Applied Scientific Research		GFB	12.300 / 12.0CG4588B		(1,308)	0
UNIVERSITY OF WASHINGTON						
Basic & Applied Scientific Research		GFB	12.300 / 12.245906		270,801	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					328,657	0
SUBTOTAL OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY					366,097	4,950
OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY, DEPARTMENT OF DEFENSE						
DIRECT FROM:						
OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY, DEPARTMENT OF DEFENSE						
Flood Control Projects		WBA	12.106		0	4,946
State Memorandum of Agreement Program for the Reimbursement of Technical Services		FAA	12.113		723,840	0
Army Corps of Engineers Cost Share CH		PJA	12.DACW45033001		197,159	0
Army Corps of Engineers Cost Share CC		PJA	12.DACW45033002		55,385	0
Army Corps of Engineers Cost Share CT		PJA	12.DACW47033001		909,402	0
SUBTOTAL DIRECT FROM:					1,885,786	4,946
SUBTOTAL OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY, DEPARTMENT OF DEFENSE					1,885,786	4,946
OFFICE OF THE SECRETARY OF DEFENSE, DEPARTMENT OF DEFENSE						
PASS-THROUGH PROGRAMS FROM:						
NORTHROP GRUMMAN						
Basic, Applied, & Advanced Research in Science and Engineering		GFB	12.630 / 12.16112QDP45		(2)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					(2)	0
SUBTOTAL OFFICE OF THE SECRETARY OF DEFENSE, DEPARTMENT OF DEFENSE					(2)	0
U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND						
PASS-THROUGH PROGRAMS FROM:						
PURDUE UNIVERSITY						
Basic Scientific Research		GFB	12.431 / 12.531-0897-01		132,443	0
UNIVERSITY OF MARYLAND COLLEGE PARK						
Basic Scientific Research		GFB	12.431 / 12.Z918808		135,364	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					267,807	0
SUBTOTAL U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND					267,807	0
SUBTOTAL DEPARTMENT OF DEFENSE					27,116,316	1,038,406
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
DIRECT FROM:						
COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Emergency Shelter Grants Program		NAA	14.231		65,157	906,070
Supportive Housing Program		IHA	14.235		241,409	0
Shelter Plus Care		IHA	14.238		2,866,142	0
HOME Investment Partnerships Program		NAA	14.239		813,979	5,170,218
SUBTOTAL DIRECT FROM:					3,986,687	6,076,288

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
PASS-THROUGH PROGRAMS FROM:								
Co Coalition for the Homeless					GJL	14.235	75,552	0
Supportive Housing Program							-----	-----
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							75,552	0
SUBTOTAL COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							4,062,239	6,076,288
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
DIRECT FROM:								
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
College Housing Program					CSA	14.CH COL0 86D	16,964	0
Manufactured Housing Construction					NAA	14.DU100K900016684	9,963	0
SUBTOTAL DIRECT FROM:							26,927	0
PASS-THROUGH PROGRAMS FROM:								
C&C Denver/HUD								
HOPE VI - CC Denver					GTA	14.PO 66049	733	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							733	0
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							27,660	0
OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
DIRECT FROM:								
OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
Fair Housing Assistance Program: State and Local					SDA	14.401	505,852	0
SUBTOTAL DIRECT FROM:							505,852	0
PASS-THROUGH PROGRAMS FROM:								
COLORADO CIVIL RIGHTS DIVISION								
Fair Housing Assistance Program: State and Local					GFE	14.401 / 14.08-00050	45,538	9,350
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							45,538	9,350
SUBTOTAL OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							551,390	9,350
OFFICE OF HOUSING-FEDERAL HOUSING COMMISSIONER, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
DIRECT FROM:								
OFFICE OF HOUSING-FEDERAL HOUSING COMMISSIONER, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
Rehabilitation Mortgage Insurance					CMA	14.108	168,440	0
Supportive Housing for Persons with Disabilities					NAA	14.181	349,215	25,271
Housing Opportunities for Persons with AIDS					NAA	14.241	31,784	292,737
SUBTOTAL DIRECT FROM:							549,439	318,008
SUBTOTAL OFFICE OF HOUSING-FEDERAL HOUSING COMMISSIONER, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							549,439	318,008
OFFICE OF POLICY DEVELOPMENT AND RESEARCH, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
DIRECT FROM:								
OFFICE OF POLICY DEVELOPMENT AND RESEARCH, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
Community Outreach Partnership Center Program					GYA	14.511	100,329	0
Hispanic-Serving Institutions Assisting Communities					GJH	14.514	85,758	0
Hispanic-Serving Institutions Assisting Communities					GJM	14.514	428,536	0
Hispanic-Serving Institutions Assisting Communities					GYA	14.514	167,424	0
SUBTOTAL DIRECT FROM:							782,047	0
SUBTOTAL OFFICE OF POLICY DEVELOPMENT AND RESEARCH, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							782,047	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
DIRECT FROM:						
PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Section 8 Housing Choice Vouchers			IHA	14.871	16,561,185	0
Section 8 Housing Choice Vouchers			NAA	14.871	16,242,481	1,566,156
SUBTOTAL DIRECT FROM:					32,803,666	1,566,156
SUBTOTAL PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					32,803,666	1,566,156
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					38,776,441	7,969,802
-----						
DEPARTMENT OF THE INTERIOR						
BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR						
DIRECT FROM:						
BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR						
Oversight & Review of Anvil Points Facility - Bureau of Land Management, De			FAA	15.1422 CAA040014	8,184	0
COLORADO RURAL FIRE DEPARTMENT ASS			GGB	15.1422 CAA040017 M03	2,546	0
BLM R9 Red Zone Support			GSA	15.1422 CAA060028	1,365	0
BO COUNTY FUELS RED -DOI-BLM-BUREA			GGB	15.1422CAA050015 MOD 4	51,393	0
Cooperative Inspection Agreements with States & Tribes			PBA	15.222	155,247	0
Cooperative Inspection Agreements with States & Tribes			PKA	15.222	207,690	0
Cultural Resource Management			GCA	15.224	39,778	0
Cultural Resource Management			PKA	15.224	218,258	0
Recreation Resource Management			GZA	15.225	109,382	0
Distribution of Receipts to State and Local Governments			GJR	15.227	332,955	0
Fish, Wildlife and Plant Conservation Resource Management			PBA	15.231	41,460	0
Wildland Fire Research and Studies Program			GZA	15.232	9,712	0
Small Reclamation Projects			PBA	15.503	53,665	0
Bat Surveys-Dolores River Canyon-II			PBA	15.CAA060005	2,241	0
Bat Data on Abandoned Mines			PBA	15.CAA060006	706	0
Archeological Inventory			GSA	15.11470050627	6,394	0
Effects of Gas Well Compressor Noise			GSA	15.135A041008	57	0
SRR OREGON PILOT EXTERNAL REVIEW -			GGB	15.L08PX05452	10,000	0
Royalties Mgmt			WBA	15.Unknown	226,414,707	0
Sale of Public Land			WBA	15.Unknown	0	47,067
Taylor Grazing			WBA	15.Unknown	0	166,369
SUBTOTAL DIRECT FROM:					227,665,740	213,436
SUBTOTAL BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR					227,665,740	213,436
BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR						
DIRECT FROM:						
BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR						
Coop Agreement			GCA	15.00-FC-40-3880	915	0
CATALOGING & STORAGE OF ARCHAEOLOG			GGB	15.03FC601857 MOD 006	10,128	0
Russel Lakes O&M			PBA	15.04FC402203	62,740	0
Maint of 4 Western Colo Reservoirs			PJA	15.05FC402274	481,764	0
Navajo Water System COOP Agreement			PJA	15.05FC601983	662,052	0
Close Basin Project			PEA	15.05PG400107	19,989	0
Williams Fork Operations and Maintenance- BOR			PEA	15.06FC402455	7,085	0
Lone Dome Wetlands Area O & M			PBA	15.09FC402855	5,018	0
Upper Colorado and San Juan River Basins Endangered Fish Recovery Programs			PBA	15.529	217	0
Take Pride in America			GCA	15.98FG810024	(250)	0
Lone Dome Wetlands Area Cooperative Agreement			PBA	15.99-FC-40-1110	5,012	0
Western Slope Rehabilitation			PJA	15.B605FC402431	11,717	0
SUBTOTAL DIRECT FROM:					1,266,387	0
SUBTOTAL BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR					1,266,387	0
DEPARTMENT OF THE INTERIOR						
DIRECT FROM:						
DEPARTMENT OF THE INTERIOR						
Unclassified Grants and Contracts			GFE	15.000	66,871	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY

MAJOR SUBDIVISION OF FEDERAL AGENCY

SOURCE TYPE (DIRECT OR PASS-THROUGH)

ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)

PROGRAM NAME

NONCASH  
INDICATOR

STATE<sup>1</sup>  
AGENCY

CFDA / OTHER ID NUMBER

DIRECT  
EXPENDITURES

PASSED TO  
SUBRECIPIENTS

Unclassified Grants and Contracts		TAA	15.000	603,913	0
Rocky Flats Nat Res Damage Restoration Plan		LAA	15.Unknown	13,327	0
SUBTOTAL DIRECT FROM:				684,111	0
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF ALASKA					
Unclassified Grants and Contracts		GFB	15.000 / 15.UAF 08-0034	6,116	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				6,116	0
SUBTOTAL DEPARTMENT OF THE INTERIOR				690,227	0
Department of the Interior / Bureau of Land Management					
DIRECT FROM:					
Department of the Interior / Bureau of Land Management					
Environmental Quality and Protection Resource Management		PIA	15.236	10,687	0
SUBTOTAL DIRECT FROM:				10,687	0
SUBTOTAL Department of the Interior / Bureau of Land Management				10,687	0
Department of the Interior / Bureau of Reclamation					
DIRECT FROM:					
Department of the Interior / Bureau of Reclamation					
Water Desalination Research and Development Program		BAA	15.506 / 15.04-FC-40-2156	95,628	2,875,838
SUBTOTAL DIRECT FROM:				95,628	2,875,838
SUBTOTAL Department of the Interior / Bureau of Reclamation				95,628	2,875,838
Department of the Interior / Fish and Wildlife Service					
DIRECT FROM:					
Department of the Interior / Fish and Wildlife Service					
Fish and Wildlife Management Assistance		PBA	15.608	1,472	0
Cooperative Endangered Species Conservation Fund		PBA	15.615	36,744	13,491
Cooperative Endangered Species Conservation Fund		PJA	15.615	21,038	7,937
Sportfishing and Boating Safety Act		PBA	15.622	0	5,625
State Wildlife Grants		PBA	15.634	3,040,790	70,011
Wildlife Without Borders- Latin America and the Caribbean		GGB	15.640	20,627	0
SUBTOTAL DIRECT FROM:				3,120,671	97,064
PASS-THROUGH PROGRAMS FROM:					
NATIONAL FISH AND WILDLIFE FOUNDATION					
Fish and Wildlife Management Assistance		GFB	15.608 / 15.2008-0058-003	5,999	0
WORLD WILDLIFE FUND					
Wildlife Without Borders- Latin America and the Caribbean		GGB	15.640 / 15.RJ64	4,723	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				10,722	0
SUBTOTAL Department of the Interior / Fish and Wildlife Service				3,131,393	97,064
Department of the Interior / National Park Service					
DIRECT FROM:					
Department of the Interior / National Park Service					
GeoPhys Prosp & Eval Testing		GSA	15.CA-6000A9003, Mod 009	1,790	0
INTEGRATED PEST MANAGEMENT PLAN AN		GGB	15.H1200040001 CSURM-45	174	0
Gun Grouse Pop Demo & Hab Use		PBA	15.H1379070054	(7,525)	0
STATUS AND TRENDS OF IMPAIRED, THR		GGB	15.H2380040001 TO J2380050	266,448	0
TECHNICAL ASSISTANCE TO THE NPS WI		GGB	15.H2380040001 J2340070017	183,232	0
DEVELOP, VERIFY, MAINTAIN, & DOCUM		GGB	15.H2380040001 J2370080044	32,559	0
GIS Curriculum		GSA	15.J1492070082/FLC-06	1,634	0
National Park Intern Support		GSA	15.J1496060030	3,460	0
Hydrology Study for Aztec Ruins		GSA	15.J7380050008	10,644	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY

MAJOR SUBDIVISION OF FEDERAL AGENCY

SOURCE TYPE (DIRECT OR PASS-THROUGH)

ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)

PROGRAM NAME

NONCASH  
INDICATOR

STATE<sup>1</sup>  
AGENCY

CFDA / OTHER ID NUMBER

DIRECT  
EXPENDITURES

PASSED TO  
SUBRECIPIENTS

NPS Interns		GZA	15.SponsorAward J2118070022	12,611	0
SUBTOTAL DIRECT FROM:				505,027	0
SUBTOTAL Department of the Interior / National Park Service				505,027	0
Department of the Interior / Office of Surface Mining					
DIRECT FROM:					
Department of the Interior / Office of Surface Mining					
Abandoned Mine Land Reclamation (AMLR) Program		PAA	15.252	5,326	0
Abandoned Mine Land Reclamation (AMLR) Program		PKA	15.252	4,737,367	25,000
SUBTOTAL DIRECT FROM:				4,742,693	25,000
SUBTOTAL Department of the Interior / Office of Surface Mining				4,742,693	25,000
Department of the Interior / U.S. Geological Survey					
DIRECT FROM:					
Department of the Interior / U.S. Geological Survey					
CONFERENCE SUPPORT FOR 2008 CONFER		GGB	15.08FTSA0033	1,500	0
Mapping		GWA	15.R#0789297020	10,342	0
SUBTOTAL DIRECT FROM:				11,842	0
SUBTOTAL Department of the Interior / U.S. Geological Survey				11,842	0
GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR					
Assistance to State Water Resources Research Institutes		GGB	15.805	15,342	73,720
U.S. Geological Survey: Research & Data Acquisition		GFE	15.808	4,410	0
U.S. Geological Survey: Research & Data Acquisition		PIA	15.808	53,445	0
SUBTOTAL DIRECT FROM:				73,197	73,720
PASS-THROUGH PROGRAMS FROM:					
SOUTHERN CALIFORNIA EARTHQUAKE CENTER					
Earthquake Hazards Reduction Program		GFB	15.807 / 15.PO# 127565	9,674	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				9,674	0
SUBTOTAL GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR				82,871	73,720
NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR					
National Park Service Centennial Challenge		GGB	15.406	9,636	0
Historic Preservation Fund Grants-In-Aid		GCA	15.904	646,341	110,905
National Historic Landmark		GFE	15.912	5,782	0
Outdoor Recreation: Acquisition, Development and Planning		PJA	15.916	232,774	260,705
Native American Graves Protection and Repatriation Act		GCA	15.922	18,513	0
Save America's Treasures		GFE	15.929	28,157	0
SUBTOTAL DIRECT FROM:				941,203	371,610
SUBTOTAL NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR				941,203	371,610
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, DEPARTMENT OF THE INTERIOR					
Regulation of Surface Coal Mining & Surface Effects of Underground Coal Mining		PAA	15.250	20,406	0
Regulation of Surface Coal Mining & Surface Effects of Underground Coal Mining		PKA	15.250	2,235,431	0
Applied Science Program Cooperative Agreements Related to Coal Mining and Reclamation		PKA	15.255	24,857	0
SUBTOTAL DIRECT FROM:				2,280,694	0
SUBTOTAL OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, DEPARTMENT OF THE INTERIOR				2,280,694	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY

MAJOR SUBDIVISION OF FEDERAL AGENCY

SOURCE TYPE (DIRECT OR PASS-THROUGH)

ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)

PROGRAM NAME

NONCASH  
INDICATOR

STATE<sup>1</sup>  
AGENCY

CFDA / OTHER ID NUMBER

DIRECT  
EXPENDITURES

PASSED TO  
SUBRECIPIENTS

U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR

DIRECT FROM:

U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR

Landowner Incentive Program

Migratory Bird Monitoring, Assessment and Conservation

Colorado Breeding Bird Atlas

PBA

15.633

(350)

0

PBA

15.655

14,153

0

GSA

15.Agree# 601818G428

5,000

0

SUBTOTAL DIRECT FROM:

18,803

0

SUBTOTAL U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR

18,803

0

U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR

DIRECT FROM:

U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR

National Spatial Data Infrastructure Competitive Cooperative Agreements Program

National Cooperative Geologic Mapping Program

National Cooperative Geologic Mapping Program

National Cooperative Geologic Mapping Program

EGB

15.809

4,031

0

GZA

15.810

3,420

0

PTA

15.810

225,893

0

GZA

15.810 / 15.05HQAG0036

12,509

0

SUBTOTAL DIRECT FROM:

245,853

0

PASS-THROUGH PROGRAMS FROM:

LOUISIANA STATE UNIVERSITY

National Spatial Data Infrastructure Competitive Cooperative Agreements Program

GFB

15.809 / 15.R141730

(1,376)

0

SUBTOTAL PASS-THROUGH PROGRAMS FROM:

(1,376)

0

SUBTOTAL U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR

244,477

0

SUBTOTAL DEPARTMENT OF THE INTERIOR

241,687,672

3,656,668

DEPARTMENT OF JUSTICE

BUREAU OF JUSTICE ASSISTANCE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE

DIRECT FROM:

BUREAU OF JUSTICE ASSISTANCE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE

Prisoner Reentry Initiative Demonstration (Offender Reentry)

Prisoner Reentry Initiative Demonstration (Offender Reentry)

Edward Byrne Memorial Formula Grant Program

Residential Substance Abuse Treatment for State Prisoners

State Criminal Alien Assistance Program

Bulletproof Vest Partnership Program

Community Prosecution and Project Safe Neighborhoods

Edward Byrne Memorial Justice Assistance Grant Program

Criminal and Juvenile Justice and Mental Health Collaboration Program

Criminal and Juvenile Justice and Mental Health Collaboration Program

RAA

16.202

18,791

211,704

CAA

16.202 / 16.2006-RE-CX-0020

103,411

0

RAA

16.579

0

3,314

RAA

16.593

158,977

14,839

CAA

16.606

4,532,393

0

RAA

16.607

2,115

0

RAA

16.609

75,890

133,144

RAA

16.738

1,311,577

1,297,027

JAA

16.745 / 16.2006-MO-BX-0025

49,783

0

JAA

16.745 / 16.2008-MO-BX-0003

74,194

0

SUBTOTAL DIRECT FROM:

6,327,131

1,660,028

SUBTOTAL BUREAU OF JUSTICE ASSISTANCE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE

6,327,131

1,660,028

BUREAU OF JUSTICE STATISTICS, DEPARTMENT OF JUSTICE

DIRECT FROM:

BUREAU OF JUSTICE STATISTICS, DEPARTMENT OF JUSTICE

State Justice Statistics Program for Statistical Analysis Centers

National Criminal History Improvement Program (NCHIP)

RAA

16.550

51,678

0

RAA

16.554

224,693

117,974

SUBTOTAL DIRECT FROM:

276,371

117,974

SUBTOTAL BUREAU OF JUSTICE STATISTICS, DEPARTMENT OF JUSTICE

276,371

117,974

DEPARTMENT OF JUSTICE

DIRECT FROM:

DEPARTMENT OF JUSTICE

Unclassified Grants and Contracts

ARRA-Victims Assistance Formula Grant

CAA

16.000 / 16.C0022135C

20,999

0

RAA

16.801

24,802

0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH		STATE <sup>1</sup>	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER		
SOURCE TYPE (DIRECT OR PASS-THROUGH)				ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)				
PROGRAM NAME								
ARRA-Victims Compensations Formula Grant				RAA	16.802		2,138	0
ARRA-Justice Assistance Grant				RAA	16.803		14,743	0
SUBTOTAL DIRECT FROM:							62,682	0
PASS-THROUGH PROGRAMS FROM:								
City & County of Denver								
Democratic National Convention				PBA	16.DNC-1		53,827	0
Metropolitan Police Department of Washington DC				RAA	16.MOU		129,399	0
56th Presidential Inauguration				RAA	16.ICF Award #C02008-CF10		5,000	0
Rocky Mountain Information Network							188,226	0
RMIN Conference								
SUBTOTAL PASS-THROUGH PROGRAMS FROM:								
							250,908	0
SUBTOTAL DEPARTMENT OF JUSTICE								
Department of Justice / Bureau Of Justice Assistance								
DIRECT FROM:								
Department of Justice / Bureau Of Justice Assistance								
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program				RAA	16.580		6,205	0
Protecting Inmates and Safeguarding Communities Discretionary Grant Program				CAA	16.735 / 16.2006-RP-BX-0045		200,462	0
SUBTOTAL DIRECT FROM:							206,667	0
PASS-THROUGH PROGRAMS FROM:								
7th Judicial District Drug Task Force								
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program				RAA	16.580		1,076	0
City & County of Denver								
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program				NAA	16.580 / 16. 2008-DD-BX-0155		6,687	0
City and County of Denver								
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program				RAA	16.580 / 16.08-779		1,521,757	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							1,529,520	0
SUBTOTAL Department of Justice / Bureau Of Justice Assistance							1,736,187	0
Department of Justice / Office Of Community Oriented Policing Services								
DIRECT FROM:								
Department of Justice / Office Of Community Oriented Policing Services								
Public Safety Partnership and Community Policing Grants				RAA	16.710		308,706	54,844
SUBTOTAL DIRECT FROM:							308,706	54,844
SUBTOTAL Department of Justice / Office Of Community Oriented Policing Services							308,706	54,844
Department of Justice / Office Of Juvenile Justice And Delinquency Prevention								
DIRECT FROM:								
Department of Justice / Office Of Juvenile Justice And Delinquency Prevention								
Anti-Gang Initiative				RAA	16.744		88,181	293,967
SUBTOTAL DIRECT FROM:							88,181	293,967
SUBTOTAL Department of Justice / Office Of Juvenile Justice And Delinquency Prevention							88,181	293,967
Department of Justice / Violence Against Women Office								
DIRECT FROM:								
Department of Justice / Violence Against Women Office								
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus				GFE	16.525		15,997	0
Supervised Visitation, Safe Havens for Children				RAA	16.527 / 16.DEA Overtime		58,186	0
ARRA-Violence Against Women				RAA	16.588		34,327	0
Violence Against Women Formula Grants				RAA	16.588		217,516	1,541,608
Grants to Encourage Arrest Policies and Enforcement of Protection Orders				JAA	16.590 / 16.2004-WE-AX-0003		135,419	0
SUBTOTAL DIRECT FROM:							461,445	1,541,608
SUBTOTAL Department of Justice / Violence Against Women Office							461,445	1,541,608

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
FEDERAL BUREAU OF INVESTIGATION, DEPARTMENT OF JUSTICE						
DIRECT FROM:						
FEDERAL BUREAU OF INVESTIGATION, DEPARTMENT OF JUSTICE						
Metro Gang						
Joint Terrorism Task Force						
		RAA		16.Safe Streets	34,316	0
		RAA		16.Task Force File #66F-DN-	8,137	0
SUBTOTAL DIRECT FROM:					42,453	0
SUBTOTAL FEDERAL BUREAU OF INVESTIGATION, DEPARTMENT OF JUSTICE					42,453	0
NATIONAL INSTITUTE OF CORRECTIONS, FEDERAL PRISONS SYSTEM, DEPARTMENT OF JUSTICE						
DIRECT FROM:						
NATIONAL INSTITUTE OF CORRECTIONS, FEDERAL PRISONS SYSTEM, DEPARTMENT OF JUSTICE						
Corrections: Training & Staff Development						
		CAA		16.601 / 16.07K94GJT5	15,624	0
SUBTOTAL DIRECT FROM:					15,624	0
SUBTOTAL NATIONAL INSTITUTE OF CORRECTIONS, FEDERAL PRISONS SYSTEM, DEPARTMENT OF JUSTICE					15,624	0
NATIONAL INSTITUTE OF JUSTICE, DEPARTMENT OF JUSTICE						
DIRECT FROM:						
NATIONAL INSTITUTE OF JUSTICE, DEPARTMENT OF JUSTICE						
National Institute of Justice Research, Evaluation, and Development Project Grants						
		GFE		16.560	288,910	0
National Institute of Justice Research, Evaluation, and Development Project Grants						
		RAA		16.560	645,799	0
National Institute of Justice Research, Evaluation, and Development Project Grants						
		CAA		16.560 / 16.2006-IJ-CX-0015	78,682	0
SUBTOTAL DIRECT FROM:					1,013,391	0
PASS-THROUGH PROGRAMS FROM:						
7th Judicial District Drug Task Force						
National Institute of Justice Research, Evaluation, and Development Project Grants						
		RAA		16.560 / 16.JAG,OCDEFF & Byrne	248,985	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					248,985	0
SUBTOTAL NATIONAL INSTITUTE OF JUSTICE, DEPARTMENT OF JUSTICE					1,262,376	0
NATIONAL INSTITUTE OF JUSTICE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE						
DIRECT FROM:						
NATIONAL INSTITUTE OF JUSTICE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE						
Paul Coverdell Forensic Sciences Improvement Grant Program						
		RAA		16.742	75,056	47,958
Forensic Casework DNA Backlog Reduction Program						
		RAA		16.743	98,915	0
SUBTOTAL DIRECT FROM:					173,971	47,958
SUBTOTAL NATIONAL INSTITUTE OF JUSTICE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					173,971	47,958
OFFICE FOR VICTIMS OF CRIME, DEPARTMENT OF JUSTICE						
DIRECT FROM:						
OFFICE FOR VICTIMS OF CRIME, DEPARTMENT OF JUSTICE						
Crime Victim Assistance						
		RAA		16.575	631,258	5,429,843
Crime Victim Compensation						
		RAA		16.576	122,325	3,616,840
SUBTOTAL DIRECT FROM:					753,583	9,046,683
SUBTOTAL OFFICE FOR VICTIMS OF CRIME, DEPARTMENT OF JUSTICE					753,583	9,046,683
OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE						
DIRECT FROM:						
OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE						
Nat'l Institute of Justice						
		GGJ		16.20060DBX0475	176	0
SUBTOTAL DIRECT FROM:					176	0
SUBTOTAL OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					176	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY

MAJOR SUBDIVISION OF FEDERAL AGENCY

SOURCE TYPE (DIRECT OR PASS-THROUGH)

ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)

PROGRAM NAME

NONCASH  
INDICATOR

STATE<sup>1</sup>  
AGENCY

CFDA / OTHER ID NUMBER

DIRECT  
EXPENDITURES

PASSED TO  
SUBRECIPIENTS

OFFICE OF JUSTICE PROGRAMS, OFFICE FOR VICTIMS OF CRIME, DEPARTMENT OF JUSTICE

DIRECT FROM:

OFFICE OF JUSTICE PROGRAMS, OFFICE FOR VICTIMS OF CRIME, DEPARTMENT OF JUSTICE

Services For Trafficking Victims  
Antiterrorism Emergency Reserve

RAA 16.320  
RAA 16.321

154,583  
0

0  
61,911

SUBTOTAL DIRECT FROM:

154,583

61,911

SUBTOTAL OFFICE OF JUSTICE PROGRAMS, OFFICE FOR VICTIMS OF CRIME, DEPARTMENT OF JUSTICE

154,583

61,911

OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE

DIRECT FROM:

OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE

Juvenile Accountability Block Grants  
Juvenile Justice & Delinquency Prevention: Allocation to States  
Title V: Delinquency Prevention Program  
Enforcing Underage Drinking Laws Program  
Drug Prevention Program

RAA 16.523  
RAA 16.540  
RAA 16.548  
TAA 16.727  
SJS 16.728

195,760  
358,979  
2,614  
507,982  
172,622

435,291  
591,042  
93,795  
0  
0

SUBTOTAL DIRECT FROM:

1,237,957

1,120,128

PASS-THROUGH PROGRAMS FROM:

WeId County  
Juvenile Accountability Block Grants

JAA 16.523 / 16.26-JB-L-19-13

7,663

0

SUBTOTAL PASS-THROUGH PROGRAMS FROM:

7,663

0

SUBTOTAL OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE

1,245,620

1,120,128

SUBTOTAL DEPARTMENT OF JUSTICE

13,097,315

13,945,101

DEPARTMENT OF LABOR

BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR

DIRECT FROM:

BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR  
Labor Force Statistics  
Compensation & Working Conditions

KAA 17.002  
FAA 17.005 / 17.W9J78108 8Q

1,601,588  
32,254

0  
0

SUBTOTAL DIRECT FROM:

1,633,842

0

SUBTOTAL BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR

1,633,842

0

DEPARTMENT OF LABOR

DIRECT FROM:

DEPARTMENT OF LABOR  
Unclassified Grants and Contracts  
HEALTH AND SAFETY CONSULTATION -DO  
HEALTH AND SAFETY CONSULTATION -DO

GFE 17.000  
GGB 17.E9F8-0980  
GGB 17.E9F8-0980 CS16654CS8

2,044,319  
234,896  
88,994

98,050  
0  
0

SUBTOTAL DIRECT FROM:

2,368,209

98,050

SUBTOTAL DEPARTMENT OF LABOR

2,368,209

98,050

Department of Labor / Employment Training Administration

DIRECT FROM:

Department of Labor / Employment Training Administration  
UI ARRA (Note B)  
Unemployment Insurance  
Senior Community Service Employment Program  
H-1B Job Training Grants  
Community Based Job Training Grants

KAA 17.225  
KAA 17.225  
IHA 17.235  
KAA 17.268  
GJH 17.269

97,553,485  
1,079,491,332  
1,049,330  
171,435  
254,775

0  
59,957  
0  
5,196,862  
0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY

MAJOR SUBDIVISION OF FEDERAL AGENCY

SOURCE TYPE (DIRECT OR PASS-THROUGH)

ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)

PROGRAM NAME

NONCASH  
INDICATOR

STATE<sup>1</sup>  
AGENCY

CFDA / OTHER ID NUMBER

DIRECT  
EXPENDITURES

PASSED TO  
SUBRECIPIENTS

Community Based Job Training Grants		GJM	17.269	402,368	0
Community Based Job Training Grants		KAA	17.269	161,297	620,824
Reintegration of Ex-Offenders		RAA	17.270	4,175	24,469
Permanent Labor Certification for Foreign Workers		KAA	17.272	170,427	0
SUBTOTAL DIRECT FROM:				1,179,258,624	5,902,112
SUBTOTAL Department of Labor / Employment Training Administration				1,179,258,624	5,902,112
EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR					
DIRECT FROM:					
EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR					
Trade Adjustment Assistance		KAA	17.245	2,120,966	51,399
WIA Pilots, Demonstrations, and Research Projects		KAA	17.261	239,446	493,205
Work Incentive Grants		GFE	17.266	9,266	0
Work Incentive Grants		KAA	17.266	830,452	708,889
Incentive Grants-WIA Section 503		KAA	17.267	(5,278)	(2,401)
Reed Act Administration		KAA	17.999	472,628	0
UI FECA (UCFE, UCX)		KAA	17.Unknown	13,077,272	0
SUBTOTAL DIRECT FROM:				16,744,752	1,251,092
PASS-THROUGH PROGRAMS FROM:					
Chamber Metro					
WIA Pilots, Demonstrations, and Research Projects		GJD	17.261	75,822	0
City of Denver					
Workforce Investment Act		GJD	17.255	53,697	0
METRO DENVER ECONOMIC DEVELOPMENT CORPORATION					
WIA Pilots, Demonstrations, and Research Projects		GFE	17.261 / 17.WIRED	22,156	0
Metro Denver WIRED Initiative					
WIA Pilots, Demonstrations, and Research Projects		GJL	17.261	225,274	0
SPONSOR NAME NOT FOUND FOR YHME02 **					
WIA Pilots, Demonstrations, and Research Projects		GGB	17.261 / 17.08097505	80,732	0
WIA Pilots, Demonstrations, and Research Projects		GGB	17.261 / 17.08267405	668	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				458,349	0
SUBTOTAL EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR				17,203,101	1,251,092
MINE SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR					
DIRECT FROM:					
MINE SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR					
Mine Health & Safety Grants		PKA	17.600	255,000	0
Brookwood-Sago Grant		PKA	17.603	57,454	0
SUBTOTAL DIRECT FROM:				312,454	0
SUBTOTAL MINE SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR				312,454	0
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR					
DIRECT FROM:					
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR					
Consultation Agreements		GGB	17.504	642,209	0
SUBTOTAL DIRECT FROM:				642,209	0
SUBTOTAL OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR				642,209	0
OFFICE OF THE ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR					
DIRECT FROM:					
OFFICE OF THE ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR					
Veterans' Employment Program		GFE	17.802	55,173	0
SUBTOTAL DIRECT FROM:				55,173	0
SUBTOTAL OFFICE OF THE ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR				55,173	0
SUBTOTAL DEPARTMENT OF LABOR				1,201,473,612	7,251,254

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
<hr/>						
DEPARTMENT OF STATE						
DEPARTMENT OF STATE						
PASS-THROUGH PROGRAMS FROM:						
SPONSOR NAME NOT FOUND FOR YMW005 **						
2009 IRAQ YOUNG LEADERS EXCHANGE P		GGB	19.08319804		1,129	0
2009 IRAQ YOUNG LEADERS EXCHANGE P		GGB	19.09081402		813	0
IRAQI YOUNG LEADERS EXCHANGE PROGR		GGB	19.IYLEUG SUB-AWARD #002		101,285	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					103,227	0
SUBTOTAL DEPARTMENT OF STATE					103,227	0
SUBTOTAL DEPARTMENT OF STATE					103,227	0
<hr/>						
DEPARTMENT OF TRANSPORTATION						
DEPARTMENT OF TRANSPORTATION						
DIRECT FROM:						
DEPARTMENT OF TRANSPORTATION						
Unclassified Grants and Contracts		TAA	20.000		153,620	0
TRIBAL TECHNICAL ASSISTANCE PROGRA		GGB	20.DTFH61-04-H-00006 AMEND		61,541	0
SUBTOTAL DIRECT FROM:					215,161	0
PASS-THROUGH PROGRAMS FROM:						
NATIONAL ACADEMY OF SCIENCE						
Unclassified Grants and Contracts		GFB	20.000 / 20.HR 20-59(24)		13,386	28,504
UNIVERSITY OF ARKANSAS						
University Transportation Centers Program		GFB	20.701 / 20.SA0901006		5,481	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					18,867	28,504
SUBTOTAL DEPARTMENT OF TRANSPORTATION					234,028	28,504
Drug Enforcement Administration-Department of Justice						
PASS-THROUGH PROGRAMS FROM:						
Front RangeTask Force						
Front RangeTask Force		RAA	20.218 / 20.HIDTA & OCDETF		4,795	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					4,795	0
SUBTOTAL Drug Enforcement Administration-Department of Justice					4,795	0
FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION						
DIRECT FROM:						
FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION						
Airport Improvement Program		HAA	20.106		265,950	0
SUBTOTAL DIRECT FROM:					265,950	0
SUBTOTAL FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					265,950	0
FEDERAL MOTOR CARRIER ADMINISTRATION, DEPARTMENT OF TRANSPORTATION						
DIRECT FROM:						
FEDERAL MOTOR CARRIER ADMINISTRATION, DEPARTMENT OF TRANSPORTATION						
National Motor Carrier Safety		RAA	20.218		3,572,399	0
SUBTOTAL DIRECT FROM:					3,572,399	0
SUBTOTAL FEDERAL MOTOR CARRIER ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					3,572,399	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION								
DIRECT FROM:								
FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION								
Federal Transit: Metropolitan Planning Grants					HAA	20.505	0	6,607,411
Formula Grants for Other Than Urbanized Areas					HAA	20.509	250,415	9,865,666
SUBTOTAL DIRECT FROM:							250,415	16,473,077
SUBTOTAL FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION							250,415	16,473,077
PIPELINE AND HAZARDOUS MATERIAL SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION								
DIRECT FROM:								
PIPELINE AND HAZARDOUS MATERIAL SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION								
Pipeline Safety Program Bass Grants					SCA	20.700	539,535	0
Interagency Hazardous Materials Public Sector Training and Planning Grants					NAA	20.703	95,999	124,670
SUBTOTAL DIRECT FROM:							635,534	124,670
SUBTOTAL PIPELINE AND HAZARDOUS MATERIAL SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION							635,534	124,670
SUBTOTAL DEPARTMENT OF TRANSPORTATION							4,963,121	16,626,251
DEPARTMENT OF TREASURY								
DEPARTMENT OF TREASURY								
DIRECT FROM:								
DEPARTMENT OF TREASURY								
Counterdrug					OAA	21.UNKNOWN	117,063	0
Treasury Equitable sharing program APPR T57					TAA	21.court awards	404	0
SUBTOTAL DIRECT FROM:							117,467	0
SUBTOTAL DEPARTMENT OF TREASURY							117,467	0
SUBTOTAL DEPARTMENT OF TREASURY							117,467	0
OFFICE OF PERSONNEL MANAGEMENT								
OFFICE OF PERSONNEL MANAGEMENT								
DIRECT FROM:								
OFFICE OF PERSONNEL MANAGEMENT								
Intergovernmental Personnel Act (IPA) Mobility Program					GFE	27.011	420,542	0
Intergovernmental Personnel Act (IPA) Mobility Program					GGB	27.011	1,698,238	0
SUBTOTAL DIRECT FROM:							2,118,780	0
SUBTOTAL OFFICE OF PERSONNEL MANAGEMENT							2,118,780	0
SUBTOTAL OFFICE OF PERSONNEL MANAGEMENT							2,118,780	0
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION								
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION								
DIRECT FROM:								
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION								
Employment Discrimination: State and Local Fair Employment Practices Agency Contracts					SDA	30.002	273,278	0
SUBTOTAL DIRECT FROM:							273,278	0
SUBTOTAL EQUAL EMPLOYMENT OPPORTUNITY COMMISSION							273,278	0
SUBTOTAL EQUAL EMPLOYMENT OPPORTUNITY COMMISSION							273,278	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
<hr/>								
GENERAL SERVICES ADMINISTRATION								
GENERAL SERVICES ADMINISTRATION								
DIRECT FROM:								
GENERAL SERVICES ADMINISTRATION								
Election Reform Payments					VAA	39.011	249,448	0
							-----	-----
SUBTOTAL DIRECT FROM:							249,448	0
							-----	-----
SUBTOTAL GENERAL SERVICES ADMINISTRATION							249,448	0
							-----	-----
SUBTOTAL GENERAL SERVICES ADMINISTRATION							249,448	0
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LIBRARY OF CONGRESS								
LIBRARY OF CONGRESS								
DIRECT FROM:								
LIBRARY OF CONGRESS								
Teaching with Primary Sources					GKA	42.10/10/2006	444,505	24,684
Library of Congress - TPS Colorado					GTA	42.GA08C0012	378,930	0
Library of Congress - TPS Regional					GTA	42.GA08C0018	115,167	0
							-----	-----
SUBTOTAL DIRECT FROM:							938,602	24,684
							-----	-----
PASS-THROUGH PROGRAMS FROM:								
NATIONAL SPACE BIOMEDICAL RESEARCH INSTITUTE								
Government Publications Sales and Distribution					GFB	42.002 / 42.E001507	202,496	0
							-----	-----
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							202,496	0
							-----	-----
SUBTOTAL LIBRARY OF CONGRESS							1,141,098	24,684
							-----	-----
SUBTOTAL LIBRARY OF CONGRESS							1,141,098	24,684
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NATIONAL AERONAUTICS AND SPACE ADMINISTRATION								
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION								
DIRECT FROM:								
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION								
Aerospace Education Services Program					GFB	43.001	15,160	0
Aerospace Education Services Program					GFC	43.001	2,061	0
Technology Transfer					GFB	43.002	585,436	165,406
							-----	-----
SUBTOTAL DIRECT FROM:							602,657	165,406
							-----	-----
PASS-THROUGH PROGRAMS FROM:								
ARIZONA STATE UNIVERSITY								
Aerospace Education Services Program					GFE	43.001 / 43.ASU 08-867	6,232	0
Technology Transfer					GFB	43.002 / 43.01-079	15,620	0
BALL AEROSPACE								
Technology Transfer					GFB	43.002 / 43.97BSM00005	733,673	0
Technology Transfer					GFB	43.002 / 43.99BSM00007	1,400,580	0
Technology Transfer					GFB	43.002 / 43.P0# 05SAK00003	1,670,299	0
BOSTON UNIVERSITY								
Technology Transfer					GFB	43.002 / 43.GC 189636 NGA	44	0
Technology Transfer					GFB	43.002 / 43.GC 198394 NGA	(49,262)	0
Technology Transfer					GFB	43.002 / 43.GC 202355 NGA	2,695,755	89,505
Technology Transfer					GFB	43.002 / 43.GC203862 NGA	40,789	0
BRIGHAM YOUNG UNIVERSITY								
Technology Transfer					GFB	43.002 / 43.04-0127/PO#292	37,636	0
CALIFORNIA INSTITUTE OF TECHNOLOGY								
Technology Transfer					GFB	43.002 / 43.448-1080550	969	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
MAJOR SUBDIVISION OF FEDERAL AGENCY						
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
CARNEGIE INSTITUTE OF WASHINGTON						
Technology Transfer		GFB	43.002	/ 43.9-3226-01	4,480	0
Technology Transfer		GFB	43.002	/ 43.DTM-3250-01 PHASE E	316,810	0
HAMPTON UNIVERSITY						
Technology Transfer		GFB	43.002	/ 43.10-Mar	1,309,895	446,769
JET PROPULSION LABORATORY						
Technology Transfer		GFB	43.002	/ 43.1225700	59,840	0
Technology Transfer		GFB	43.002	/ 43.1259025	104,683	0
Technology Transfer		GFB	43.002	/ 43.1259168	3,538	0
Technology Transfer		GFB	43.002	/ 43.1259515	52,522	0
Technology Transfer		GFB	43.002	/ 43.1261405	27,508	0
Technology Transfer		GFB	43.002	/ 43.1269163	179,039	77,051
Technology Transfer		GFB	43.002	/ 43.1275592	4	0
Technology Transfer		GFB	43.002	/ 43.1276931	2	0
Technology Transfer		GFB	43.002	/ 43.1276945	(1,199)	0
Technology Transfer		GFB	43.002	/ 43.1278036	200	0
Technology Transfer		GFB	43.002	/ 43.1279178	471,877	46,833
Technology Transfer		GFB	43.002	/ 43.1283568	80,505	0
Technology Transfer		GFB	43.002	/ 43.1285530	204	0
Technology Transfer		GFB	43.002	/ 43.1287918	26,983	0
Technology Transfer		GFB	43.002	/ 43.1310776	18,904	0
Technology Transfer		GFB	43.002	/ 43.1325933	82,263	0
Technology Transfer		GFB	43.002	/ 43.1326747	19,549	0
Technology Transfer		GFB	43.002	/ 43.1329564	35,302	0
Technology Transfer		GFB	43.002	/ 43.1343127	18,694	0
Technology Transfer		GFB	43.002	/ 43.1353301	25,982	0
Technology Transfer		GFB	43.002	/ 43.1358154	755,822	206,664
Technology Transfer		GFB	43.002	/ 43.1365794	22,447	0
JOHNS HOPKINS UNIVERSITY						
Aerospace Education Services Program		GFB	43.001	/ 43.919299	23,148	0
Technology Transfer		GFB	43.002	/ 43.893472	43,121	0
NATIONAL SPACE BIOMEDICAL RESEARCH INSTITUTE						
Technology Transfer		GFB	43.002	/ 43.HFP00002	23,958	0
NORTHWEST RESEARCH ASSOCIATES INC						
Technology Transfer		GFB	43.002	/ 43.NWRA-08-S-106	103,291	0
OREGON STATE UNIVERSITY						
Technology Transfer		GFB	43.002	/ 43.NS194A-A	20,359	0
PENNSYLVANIA STATE UNIVERISTY						
Technology Transfer		GFB	43.002	/ 43.3636-UC-NASA-K15G	21,532	0
ROCHESTER INSTITUTE OF TECHNOLOGY						
Aerospace Education Services Program		GFB	43.001	/ 43.30832-01	18,965	0
RUTGERS UNIVERSITY						
Technology Transfer		GFB	43.002	/ 43.3508/PO# S1086764	11,855	0
SOUTHWEST RESEARCH INSTITUTE						
Technology Transfer		GFB	43.002	/ 43.278985Q	117,588	0
Technology Transfer		GFB	43.002	/ 43.299449Q	56,736	0
Technology Transfer		GFB	43.002	/ 43.499877Q	(581)	0
Technology Transfer		GFB	43.002	/ 43.499942Q	13,498	0
Technology Transfer		GFB	43.002	/ 43.599791Q	314,854	0
Technology Transfer		GFB	43.002	/ 43.599795X	8,812	0
Technology Transfer		GFB	43.002	/ 43.899080JD	52,085	0
Technology Transfer		GFB	43.002	/ 43.899103JD	6,301	0
Technology Transfer		GFB	43.002	/ 43.A99141M0	25,348	0
Technology Transfer		GFB	43.002	/ 43.PO #431541E	1,441	0
SPACE TELESCOPE SCIENCE INSTITUTE						
Technology Transfer		GFB	43.002	/ 43.45132	14,088	0
Technology Transfer		GFB	43.002	/ 43.HST-AR-10645.02-A	3,533	0
Technology Transfer		GFB	43.002	/ 43.HST-AR-10650.01-A	8,861	0
Technology Transfer		GFB	43.002	/ 43.HST-AR-10956.01-A	27,669	0
Technology Transfer		GFB	43.002	/ 43.HST-AR-11743.01-A	25,943	0
Technology Transfer		GFB	43.002	/ 43.HST-EO-10241.05-A	15,364	0
Technology Transfer		GFB	43.002	/ 43.HST-EO-10650.05-A	24,692	0
Technology Transfer		GFB	43.002	/ 43.HST-GO-06593.01-A	1,688	0
Technology Transfer		GFB	43.002	/ 43.HST-GO-09506.01-A	2,362	0
Technology Transfer		GFB	43.002	/ 43.HST-GO-10489.01-A	1,253	0
Technology Transfer		GFB	43.002	/ 43.HST-GO-10496.08-A	7,097	0
Technology Transfer		GFB	43.002	/ 43.HST-GO-10925.01-A	1,439	0
Technology Transfer		GFB	43.002	/ 43.HST-GO-11336.01-A	7,667	0
UNIVERSITIES SPACE RESEARCH ASSOCIATION						
Technology Transfer		GFB	43.002	/ 43.07605-003-053	(2)	(13,261)
Technology Transfer		GFB	43.002	/ 43.08521-07	2,127	0
UNIVERSITY CORP. FOR ATMOSPHERIC RESEARCH						
Technology Transfer		GFB	43.002	/ 43.S05-50919	165	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
UNIVERSITY OF ARIZONA								
Technology Transfer				GFB		43.002 / 43.Y402819	224,622	0
Technology Transfer				GFB		43.002 / 43.Y432803	208,393	0
UNIVERSITY OF CALIFORNIA AT IRVINE								
Technology Transfer				GFB		43.002 / 43.2008-2042	67,934	0
UNIVERSITY OF CALIFORNIA BERKLEY								
Technology Transfer				GFB		43.002 / 43.SA3649-26326	388,384	0
Technology Transfer				GFB		43.002 / 43.SA4585-10331	6,904	0
Technology Transfer				GFB		43.002 / 43.SA4890-26309	75,974	0
Technology Transfer				GFB		43.002 / 43.SA5650-26309	51,451	0
UNIVERSITY OF CALIFORNIA LOS ANGELES								
Technology Transfer				GFB		43.002 / 43.2090 G KB390	35,875	0
UNIVERSITY OF CALIFORNIA SANTA CRUZ								
Aerospace Education Services Program				GFB		43.001 / 43.SC071050	2,319	0
UNIVERSITY OF CENTRAL FLORIDA								
Technology Transfer				GFB		43.002 / 43.16296044	297,798	0
UNIVERSITY OF WISCONSIN								
Technology Transfer				GFB		43.002 / 43.G074863	10,044	0
United Negro								
Aerospace Education Services Program				GJD		43.001	58,376	72,412
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							12,602,520	925,973
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							13,205,177	1,091,379
National Aeronautics and Space Administration								
DIRECT FROM:								
National Aeronautics and Space Administration								
FINGERPRINTING NATIVE AND NON-NATI				GGB		43.NNG04GR36G	149,495	0
INTEGRATION OF GLAS AND AIRBORNE L				GGB		43.NNG05GQ05H	13,993	0
SUBTOTAL DIRECT FROM:							163,488	0
PASS-THROUGH PROGRAMS FROM:								
NATIONAL SPACE BIOMEDICAL RESEARCH INST.								
ASSOCIATE TEAM LEADER FOR RADIATIO				GGB		43.5600283624 PROJ. RE01701	6,260	0
SPONSOR NAME NOT FOUND FOR YCKR02 **								
CHROMATID PAINTING FOR CHROMOSOMAL				GGB		43.08186402	16,650	0
University of Tennessee								
NAI-MIRS				GGJ		43.unknown	7,153	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							30,063	0
SUBTOTAL National Aeronautics and Space Administration							193,551	0
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							13,398,728	1,091,379
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NATIONAL ENDOWMENT FOR THE HUMANITIES								
INSTITUTE OF MUSEUM AND LIBRARY SERVICES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES								
DIRECT FROM:								
INSTITUTE OF MUSEUM AND LIBRARY SERVICES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES								
Grants to States				DAA		45.310	2,290,327	253,482
National Leadership Grants				GSA		45.312 / 45.H7700077005	1,063	0
SUBTOTAL DIRECT FROM:							2,291,390	253,482
PASS-THROUGH PROGRAMS FROM:								
JOHNS HOPKINS UNIVERSITY								
Laura Bush 21st Century Librarian Program				GFE		45.313 / 45.2000010548	602	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							602	0
SUBTOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES							2,291,992	253,482

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
NATIONAL ENDOWMENT FOR THE ARTS, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES								
DIRECT FROM:								
NATIONAL ENDOWMENT FOR THE ARTS, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES								
Promotion of the Arts- Grants to Organizations and Individuals				GKA	45.024		10,000	0
Promotion of the Arts- Partnership Agreements				EDB	45.025 / 45.08-96100-2058		733,900	0
We the People				GCA	45.GM-50264-04		123,539	0
SUBTOTAL DIRECT FROM:							867,439	0
SUBTOTAL NATIONAL ENDOWMENT FOR THE ARTS, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES							867,439	0
NATIONAL ENDOWMENT FOR THE HUMANITIES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES								
DIRECT FROM:								
NATIONAL ENDOWMENT FOR THE HUMANITIES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES								
Promotion of the Humanities; Division of Preservation and Access				GGB	45.149		20,047	48,369
Promotion of the Humanities_Professional Development				GKA	45.163		64,862	0
SUBTOTAL DIRECT FROM:							84,909	48,369
PASS-THROUGH PROGRAMS FROM:								
COLORADO ENDOWMENT FOR THE HUMANITIES								
Promotion of the Humanities; Federal/State Partnership				GFB	45.129 / 45.P144-0907-0845		7,500	0
CORNELL UNIVERSITY								
Promotion of the Humanities; Division of Preservation and Access				GGB	45.149 / 45.49503-8229		42,270	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							49,770	0
SUBTOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES							134,679	48,369
National Endowment For The Humanities								
DIRECT FROM:								
National Endowment For The Humanities								
Promotion of the Humanities_Public Programs				GFE	45.164		419	0
Promotion of the Humanities_Public Programs				GGJ	45.164 / 45.LS-50140-08		1,413	0
Promotion of the Humanities_Public Programs				GGJ	45.164 / 45.LT-50084-09		989	0
SUBTOTAL DIRECT FROM:							2,821	0
SUBTOTAL National Endowment For The Humanities							2,821	0
SUBTOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES							3,296,931	301,851
NATIONAL SCIENCE FOUNDATION								
NATIONAL SCIENCE FOUNDATION								
DIRECT FROM:								
NATIONAL SCIENCE FOUNDATION								
Mathematical and Physical Sciences				GFB	47.049		1,399	0
Mathematical and Physical Sciences				GFE	47.049		468,545	24,438
Mathematical and Physical Sciences				GGB	47.049		84,380	0
Mathematical and Physical Sciences				GZA	47.049		41,276	0
Geosciences				GZA	47.050		5,677	0
Computer and Information Science and Engineering				GFB	47.070		2,667	0
Computer and Information Science and Engineering				GFE	47.070		12,862	0
Biological Sciences				GFE	47.074		1,580	0
Biological Sciences				GGB	47.074		89,442	0
Biological Sciences				GZA	47.074		23,272	0
Biological Sciences				GZA	47.074 / 47.DEB-0346736		586	0
Social, Behavioral, and Economic Sciences				GFB	47.075		252,451	0
Education and Human Resources				GFB	47.076		613,533	0
Education and Human Resources				GFC	47.076		121,852	0
Education and Human Resources				GFE	47.076		2,437,058	1,040,502
Education and Human Resources				GGB	47.076		1,197,158	236,811
Education and Human Resources				GGJ	47.076		126,844	0
Education and Human Resources				GKA	47.076		206,915	14,100
Education and Human Resources				GTA	47.076		32,102	0
Education and Human Resources				GZA	47.076		134,256	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
MAJOR SUBDIVISION OF FEDERAL AGENCY								
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
Education and Human Resources					GSA	47.076 / 47.DUE - 0422337	35,591	0
International Science and Engineering (OISE)					GGB	47.079	23,763	0
RIVERWEBS: OPTIMIZING A DOCUMENTAR					GGB	47.08145502	24,482	0
RIVERWEBS: OPTIMIZING A DOCUMENTAR					GGB	47.09011501	9,203	0
SUBTOTAL DIRECT FROM:							5,946,894	1,315,851
PASS-THROUGH PROGRAMS FROM:								
ABILENE CHRISTIAN UNIVERSITY								
Unclassified Grants and Contracts					GFB	47.000 / 47.OCG4783B	8,936	0
AGRIHOUSE								
Engineering Grants					GFB	47.041 / 47.OCG5008B	1,166	0
ALD NANOSOLUTIONS, INC.								
Unclassified Grants and Contracts					GFB	47.000 / 47.OCG4903B	(8,301)	0
ALFRED UNIVERSITY								
Geosciences					GFB	47.050 / 47.OCG5134B	9,464	0
AMERICAN EDUCATIONAL RESEARCH ASSOCIATION								
Unclassified Grants and Contracts					GFB	47.000 / 47.OCG4988B	7,174	0
ARIZONA STATE UNIVERSITY								
Social, Behavioral, and Economic Sciences					GFB	47.075 / 47.06-636	25,926	0
BOSTON UNIVERSITY								
Geosciences					GFB	47.050 / 47.GC177055NGA	346,287	0
BRANDEIS UNIVERSITY								
Unclassified Grants and Contracts					GFB	47.000 / 47.CNS-0551615	15,466	0
CARNEGIE MELLON UNIVERSITY								
Engineering Grants					GFB	47.041 / 47.1120523-152253	(6,502)	0
CASE WESTERN RESERVE UNIVERSITY								
Mathematical and Physical Sciences					GFE	47.049 / 47.RESS02673	115,057	0
CLEMSON UNIVERSITY								
Education and Human Resources					GFB	47.076 / 47.1.25176E+17	14,500	0
COLUMBIA UNIVERSITY								
Unclassified Grants and Contracts					GFB	47.000 / 47.1 5-24306/SP0574966	26,177	0
COMPUTING RESEARCH ASSOCIATION								
Education and Human Resources					GFB	47.076 / 47.110	7,093	0
CORNELL UNIVERSITY								
Engineering Grants					GFB	47.041 / 47.44771-8945	156,716	0
Mathematical and Physical Sciences					GGB	47.049 / 47.SPS# 48722-7992	142	0
Geosciences					GFB	47.050 / 47.49130-8301	16,344	0
EVOLUTIONARY GENOMICS								
Engineering Grants					GFE	47.041 / 47.NSF-0450627	26,819	0
FLORIDA STATE UNIVERSITY								
Geosciences					GFB	47.050 / 47.R01049	36,623	0
INDIANA UNIVERSITY								
Biological Sciences					GFE	47.074 / 47.MCB-0703467_AMD01	41,480	0
INPHASE TECHNOLOGIES								
Unclassified Grants and Contracts					GFB	47.000 / 47.OCG3037B	187,135	0
INSTITUTE FOR COMPLEX ADAPTIVE MATTER								
Unclassified Grants and Contracts					GFB	47.000 / 47.ICAMIMP-00005	3,922	0
Unclassified Grants and Contracts					GFB	47.000 / 47.OCG5126B	13,807	0
Unclassified Grants and Contracts					GFB	47.000 / 47.OCG5152B	12,667	0
Mathematical and Physical Sciences					GFB	47.049 / 47.OCG5111B	18,113	0
International Science and Engineering (OISE)					GFB	47.079 / 47.ICAMIMP-01005	17,632	0
LOUISIANA STATE UNIVERSITY								
Mathematical and Physical Sciences					GFB	47.049 / 47.SUB AWARD #19529	22,089	0
NATIONAL ECOLOGICAL OBSERVATORY NETWORK								
Unclassified Grants and Contracts					GFB	47.000 / 47.03.08.0003	183,098	0
NATIONAL OPTICAL ASTRONOMY OBSERVATORY								
Unclassified Grants and Contracts					GFB	47.000 / 47.C10568A	13,605	0
NATIONAL RADIO ASTRONOMY OBSERVATORY								
Unclassified Grants and Contracts					GFB	47.000 / 47.GSSP09-0003/PO90003	8,063	0
NETWORK FOR EARTHQUAKE ENGINEERING SIMULATION								
Engineering Grants					GFB	47.041 / 47.OMSA-2006-SSL-UC0B	(8,226)	0
Engineering Grants					GFB	47.041 / 47.OMSA-2007-SSL-UC0B	135,811	0
Engineering Grants					GFB	47.041 / 47.OMSA-2008-SSL-UC0B	302,713	0
NEW YORK UNIVERSITY								
Computer and Information Science and Engineering					GFB	47.070 / 47.F6682-01/PO#P137871	28,626	0
NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE U								
Computer and Information Science and Engineering					GFB	47.070 / 47.260064K	11,025	0
NORTHWEST RESEARCH ASSOCIATES INC								
Unclassified Grants and Contracts					GFB	47.000 / 47.NWRA-06-S-098	52,534	0
Unclassified Grants and Contracts					GFB	47.000 / 47.NWRA-08-S-110	28,026	0
OHIO STATE UNIVERSITY RESEARCH FOUNDATION								
Mathematical and Physical Sciences					GFB	47.049 / 47.746336PO#RF00981315	(3,716)	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
Polar Programs (B) -		GFB	47.078	/ 47.GRT8213500/60000263	(5,182)	0
PENNSYLVANIA STATE UNIVERISTY		GFB	47.075	/ 47.3383-UC-NSF-7888	12,859	0
Social, Behavioral, and Economic Sciences		GGB	47.076	/ 47.206DRE031	37,725	0
PORTLAND STATE UNIVERSITY		GFE	47.041	/ 47.CMS-0556007	963	0
Education and Human Resources		GFB	47.000	/ 47.OCG50268	4,230	0
PUBLIC ENTITY RISK INSTITUTE		GFB	47.070	/ 47.R3A594/CNS 0634516	24,057	0
Engineering Grants		GFB	47.049	/ 47.39745/1055595	42,289	0
QUEST PRODUCT DEVELOPMENT CORPORATION		GFB	47.076	/ 47.#52270AP16237802211	3,550	0
Unclassified Grants and Contracts		GFB	47.076	/ 47.52270AP16237802211	4,202	0
RICE UNIVERSITY		GFB	47.078	/ 47.53678A P1529 7804	20,601	0
Computer and Information Science and Engineering		GFB	47.000	/ 47.618780	105,127	0
RSCH FDN STATE UNIVERSITY OF NEW YORK		GFB	47.074	/ 47.UCB-EF0526747	218,223	0
Mathematical and Physical Sciences		GFB	47.000	/ 47.A991173D	5,670	0
SAN DIEGO STATE UNIVERSITY FOUNDATION		GFE	47.076	/ 47.SP000359	32,236	0
Education and Human Resources		GGB	47.074	/ 47.S-00000139	2,570	0
Education and Human Resources		GFB	47.050	/ 47.03-000027	22,624	0
Polar Programs (B) -		GFB	47.070	/ 47.SUBAWARD 527032-01	13,944	0
SANDIA NATIONAL LABORATORIES		GFB	47.000	/ 47.4200	1,910	0
Unclassified Grants and Contracts		GFB	47.000	/ 47.4205	2,980	0
SANTA FE INSTITUTE		GFB	47.049	/ 47.S05-39607	103,436	59,464
Biological Sciences		GFB	47.050	/ 47.P0 858104	9,914	0
SOUTHWEST RESEARCH INSTITUTE		GFB	47.050	/ 47.P0 975661	8,397	0
Unclassified Grants and Contracts		GFB	47.050	/ 47.S06-58156	61,207	0
SPACE SCIENCE INSTITUTE		GFB	47.050	/ 47.S08-70419	1,997	0
Education and Human Resources		GFB	47.070	/ 47.S03-36368	14,936	0
SPONSOR NAME NOT FOUND FOR YUCA12 **		GFB	47.074	/ 47.S08-59396	25,687	0
Biological Sciences		GFB	47.074	/ 47.S08-68183	44,073	0
SRI INTERNATIONAL		GFB	47.074	/ 47.SUBAWARD#S07-61944	12,466	0
Geosciences		GFB	47.076	/ 47.S04-47899	270	0
STEVENS INSTITUTE OF TECHNOLOGY		GFB	47.076	/ 47.S08-60846	1,464	0
Computer and Information Science and Engineering		GFB	47.000	/ 47.2008-157	13,000	0
TERC		GFB	47.041	/ 47.G5065	2,087	0
Unclassified Grants and Contracts		GFB	47.078	/ 47.09-0011/PO FP900894	4,368	0
UNIVERSITY CORP. FOR ATMOSPHERIC RESEARCH		GFB	47.078	/ 47.UAF 07-0106	67,538	0
Mathematical and Physical Sciences		GFB	47.050	/ 47.P0# Y414431	45,330	0
Geosciences		GFB	47.076	/ 47.P0 Y502624	8,902	0
Geosciences		GFB	47.070	/ 47.2003-1352	27,545	0
Geosciences		GFB	47.000	/ 47.10257353	17,755	0
Computer and Information Science and Engineering		GFB	47.041	/ 47.10255042	67,897	0
UNIVERSITY OF CALIFORNIA AT IRVINE		GFB	47.075	/ 47.P0 #10278213	68,368	0
UNIVERSITY OF CALIFORNIA AT SAN DIEGO		GFB	47.000	/ 47.OCG52258	893	0
Unclassified Grants and Contracts		GFB	47.000	/ 47.SA5920-11779	116,473	0
Engineering Grants		GFB	47.049	/ 47.SA5876-11815	170,804	0
Social, Behavioral, and Economic Sciences		GFB	47.076	/ 47.6424	56,238	0
UNIVERSITY OF CALIFORNIA BERKLEY		GFB	47.076	/ 47.34522	15,718	0
Unclassified Grants and Contracts		GFB	47.078	/ 47.34252-C	88,914	0
UNIVERSITY OF CHICAGO		GFE	47.049	/ 47.UF07130/CHE-0718007	62,872	0
Education and Human Resources		GFB	47.000	/ 47.OCG4961B/UM-5668	15,494	0
Polar Programs (B) -						
UNIVERSITY OF FLORIDA						
Mathematical and Physical Sciences						
UNIVERSITY OF MAINE						
Unclassified Grants and Contracts						

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
UNIVERSITY OF MIAMI								
Geosciences				GFB		47.050 / 47.66380G	3,009	0
Social, Behavioral, and Economic Sciences				GFB		47.075 / 47.66080C	1,666	0
UNIVERSITY OF MINNESOTA								
Mathematical and Physical Sciences				GFE		47.049 / 47.A528605642	19,090	0
Geosciences				GFB		47.050 / 47.T5366216009	41,694	0
UNIVERSITY OF MISSOURI-COLUMBIA								
International Science and Engineering (OISE)				GFB		47.079 / 47.C00014827-2	21,296	0
UNIVERSITY OF MONTANA								
Biological Sciences				GFB		47.074 / 47.PG09-65956-01	32,868	0
UNIVERSITY OF TEXAS AT EL PASO								
Unclassified Grants and Contracts				GFB		47.000 / 47.26-1007-1761	54,861	0
UNIVERSITY OF WASHINGTON								
Education and Human Resources				GFE		47.076 / 47.DRL-0822373	10,604	0
UNIVERSITY OF WISCONSIN								
Mathematical and Physical Sciences				GFB		47.049 / 47.F082353	(2,830)	0
Biological Sciences				GFB		47.074 / 47.X260256/144-LL26	1,898	0
Education and Human Resources				GFB		47.076 / 47.X260271	24,502	0
Education and Human Resources				GFB		47.076 / 47.X496252/144QS58	182,891	0
UNIVERSITY OF WYOMING								
Geosciences				GFB		47.050 / 47.NSF44316SUB	19,145	0
US CIVILIAN RESEARCH/DEVELOPMENT FDN								
Social, Behavioral, and Economic Sciences				GFE		47.075 / 47.GEB2-3344-TB-06	2,304	0
International Science and Engineering (OISE)				GFB		47.079 / 47.ESE2-2899-TL-07	10,033	0
International Science and Engineering (OISE)				GFB		47.079 / 47.RUB1-2863-MO-07	(27)	0
VANDERBILT UNIVERSITY								
Social, Behavioral, and Economic Sciences				GFB		47.075 / 47.18494	87,041	0
WAYNE STATE UNIVERSITY								
Mathematical and Physical Sciences				GFE		47.049 / 47.WSU07077	20,398	0
WESTED								
Education and Human Resources				GFB		47.076 / 47.5436 S07-081	74,369	0
WESTERN MICHIGAN UNIVERSITY								
Education and Human Resources				GFB		47.076 / 47.5889	23,025	0
WOODS HOLE OCEANOGRAPHIC INSTITUTION								
Engineering Grants				GFB		47.041 / 47.A100384/37122357	20,357	0
ZENWA, INC.								
Unclassified Grants and Contracts				GFB		47.000 / 47.OCG51148	119,818	0
Unclassified Grants and Contracts				GFB		47.000 / 47.SUB# OCG4879B	(3,677)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							4,316,447	59,464
SUBTOTAL NATIONAL SCIENCE FOUNDATION							10,263,341	1,375,315
SUBTOTAL NATIONAL SCIENCE FOUNDATION							10,263,341	1,375,315
-----								
SMALL BUSINESS ADMINISTRATION								
SBA								
DIRECT FROM:								
SBA								
				EDA		59.037	1,339,256	0
SUBTOTAL DIRECT FROM:							1,339,256	0
SUBTOTAL SBA							1,339,256	0
SUBTOTAL SMALL BUSINESS ADMINISTRATION							1,339,256	0
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STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
DEPARTMENT OF VETERANS AFFAIRS								
DEPARTMENT OF VETERANS AFFAIRS								
DIRECT FROM:								
DEPARTMENT OF VETERANS AFFAIRS								
Unclassified Grants and Contracts				GJA	64.000		288,781	0
VET				GJB	64.21.4206		4,402	0
Vet Affairs-Reporting Fee				GJJ	64.Unknown		9,049	0
SUBTOTAL DIRECT FROM:							302,232	0
SUBTOTAL DEPARTMENT OF VETERANS AFFAIRS							302,232	0
Department of Veterans Affairs / VA Health Administration Center								
DIRECT FROM:								
Department of Veterans Affairs / VA Health Administration Center								
Grants to States for Construction of State Home Facilities				IHA	64.005		1,977,862	0
SUBTOTAL DIRECT FROM:							1,977,862	0
SUBTOTAL Department of Veterans Affairs / VA Health Administration Center							1,977,862	0
VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS								
DIRECT FROM:								
VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS								
Burial Expenses Allowance for Veterans				OBA	64.101		60,900	0
Veteran's Recording Fee				GGJ	64.unknown		1,902	0
SUBTOTAL DIRECT FROM:							62,802	0
SUBTOTAL VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS							62,802	0
VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS								
DIRECT FROM:								
VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS								
Veterans Nursing Home Care				IHA	64.010		124,273	0
Veterans State Domiciliary Care				IHA	64.014		214,621	0
Veterans State Nursing Home Care				IHA	64.015		10,483,992	0
Sharing Specialized Medical Resources				GFE	64.018		2,073,477	0
SUBTOTAL DIRECT FROM:							12,896,363	0
SUBTOTAL VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS							12,896,363	0
SUBTOTAL DEPARTMENT OF VETERANS AFFAIRS							15,239,259	0
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ENVIRONMENTAL PROTECTION AGENCY								
CPCESU, Bureau of Reclamation								
DIRECT FROM:								
CPCESU, Bureau of Reclamation								
Animas LaPlata Monitoring				GSA	66.516 / 66.Coop Agree08-FC-40-27		30,372	0
SUBTOTAL DIRECT FROM:							30,372	0
SUBTOTAL CPCESU, Bureau of Reclamation							30,372	0
ENVIRONMENTAL PROTECTION AGENCY								
DIRECT FROM:								
ENVIRONMENTAL PROTECTION AGENCY								
Surveys, Studies, Investigations and Special Purpose Grants (B) -				FAA	66.606		(105)	0
Environmental Information Exchange Network Grant Program and Related Assistance				FAA	66.608		480,780	0
SUBTOTAL DIRECT FROM:							480,675	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
PASS-THROUGH PROGRAMS FROM:								
Eastern Research Group					FAA	66.EP-C-06080 (EPA)	12,482	0
AIR ERG and EPA Study								
MISSISSIPPI STATE UNIVERSITY					GGB	66.606 / 66.080600-331712-22	73,926	0
Surveys, Studies, Investigations and Special Purpose Grants (B) -								
SPONSOR NAME NOT FOUND FOR YCIC01 **					GGB	66.PO# 26BL00534	(186)	0
CONTRIBUTING AUTHOR FOR SYNTHESIS								
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							86,222	0
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY							566,897	0
Environmental Protection Agency / Office of Air and Radiation								
DIRECT FROM:								
Environmental Protection Agency / Office of Air and Radiation					FAA	66.034	308,494	64,861
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the					FAA	66.040	27,125	0
ARRA-Diesel State Grant Program					FAA	66.040	2,671	0
State Clean Diesel Grant Program								
SUBTOTAL DIRECT FROM:							338,290	64,861
PASS-THROUGH PROGRAMS FROM:								
NATL JEWISH HOSPITAL					GFE	66.034 / 66.NJH 22098501	12,165	0
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the								
UNIVERSITY OF MINNESOTA					GFC	66.034 / 66.R3969069102	11,774	0
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the								
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							23,939	0
SUBTOTAL Environmental Protection Agency / Office of Air and Radiation							362,229	64,861
Environmental Protection Agency / Office of Enforcement and Compliance Assurance								
DIRECT FROM:								
Environmental Protection Agency / Office of Enforcement and Compliance Assurance					FAA	66.709	26,955	0
Multi-Media Capacity Building Grants for States and Tribes								
SUBTOTAL DIRECT FROM:							26,955	0
SUBTOTAL Environmental Protection Agency / Office of Enforcement and Compliance Assurance							26,955	0
Environmental Protection Agency / Office of Pollution Prevention and Toxics Substances								
DIRECT FROM:								
Environmental Protection Agency / Office of Pollution Prevention and Toxics Substances					GGB	66.714	14,068	0
Pesticide Environmental Stewardship Regional Grants								
SUBTOTAL DIRECT FROM:							14,068	0
PASS-THROUGH PROGRAMS FROM:								
El Paso County Health Dept.					FAA	66.716	4,651	0
Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies								
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							4,651	0
SUBTOTAL Environmental Protection Agency / Office of Pollution Prevention and Toxics Substances							18,719	0
Environmental Protection Agency / Office of Research and Development								
DIRECT FROM:								
Environmental Protection Agency / Office of Research and Development					GFB	66.514	10,286	0
Science To Achieve Results (STAR) Fellowship Program					GGB	66.514	2,151	0
Science To Achieve Results (STAR) Fellowship Program					GSA	66.516 / 66.Grant # SU 83392001	7,040	0
P3 Award: National Student Design Competition for Sustainability								
SUBTOTAL DIRECT FROM:							19,477	0
PASS-THROUGH PROGRAMS FROM:								
ST CLOUD STATE UNIVERSITY					GFB	66.509 / 66.PO 117225	69,534	0
Science To Achieve Results (STAR) Research Program								

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY							
MAJOR SUBDIVISION OF FEDERAL AGENCY							
SOURCE TYPE (DIRECT OR PASS-THROUGH)							
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)							
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS		
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				69,534	0		
SUBTOTAL Environmental Protection Agency / Office of Research and Development				89,011	0		
Environmental Protection Agency / Office of Solid Waste and Emergency Response							
DIRECT FROM:							
Environmental Protection Agency / Office of Solid Waste and Emergency Response							
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements		FAA	66.802	9,539,430	531,845		
Underground Storage Tank Prevention, Detection and Compliance Program		KAA	66.804	123,500	0		
Leaking Underground Storage Tank Trust Fund Corrective Action Program		KAA	66.805	592,217	0		
State and Tribal Response Program Grants		FAA	66.817	688,335	10,000		
Brownfields Assessment and Cleanup Cooperative Agreements		KAA	66.818	89,673	0		
SUBTOTAL DIRECT FROM:				11,033,155	541,845		
SUBTOTAL Environmental Protection Agency / Office of Solid Waste and Emergency Response				11,033,155	541,845		
Environmental Protection Agency / Office of Water							
DIRECT FROM:							
Environmental Protection Agency / Office of Water							
Water Pollution Control State, Interstate, and Tribal Program Support		FAA	66.419	195,543	58,702		
State Underground Water Source Protection		PHA	66.433	103,252	0		
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section		FAA	66.436	26,800	0		
Water Quality Management Planning		FAA	66.454	58,097	27,516		
Nonpoint Source Implementation Grants		FAA	66.460	23,486	1,697,785		
Regional Wetland Program Development Grants		PBA	66.461	57,926	191,177		
Regional Wetland Program Development Grants		PAA	66.461 / 66.CD998004110	0	32,014		
State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs		FAA	66.471	43,954	88,945		
Water Protection Grants to the States		FAA	66.474	160,305	0		
SUBTOTAL DIRECT FROM:				669,363	2,096,139		
PASS-THROUGH PROGRAMS FROM:							
CO Water Res & Power Dev.							
Capitalization Grants for Clean Water State Revolving Funds		FAA	66.458 / 66.FS-998832	5,573,954	697,246		
Colorado Water Resource Power Development Authority							
Capitalization Grants for Clean Water State Revolving Funds		NAA	66.458	50,000	0		
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				5,623,954	697,246		
SUBTOTAL Environmental Protection Agency / Office of Water				6,293,317	2,793,385		
Environmental Protection Agency / Office of the Administrator							
DIRECT FROM:							
Environmental Protection Agency / Office of the Administrator							
Performance Partnership Grants		FAA	66.605	7,753,663	294,013		
Performance Partnership Grants		BAA	66.605 / 66.BG-97819601	417,609	29,167		
SUBTOTAL DIRECT FROM:				8,171,272	323,180		
SUBTOTAL Environmental Protection Agency / Office of the Administrator				8,171,272	323,180		
Environmental Protection Agency / Office of the Chief Financial Officer							
DIRECT FROM:							
Environmental Protection Agency / Office of the Chief Financial Officer							
Congressionally Mandated Projects		FAA	66.202	64,882	0		
SUBTOTAL DIRECT FROM:				64,882	0		
SUBTOTAL Environmental Protection Agency / Office of the Chief Financial Officer				64,882	0		

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY								
PASS-THROUGH PROGRAMS FROM:								
MALCOLM PIRNIE								
Environmental Protection-Consolidated Research				GFB		66.500 / 66.1700-035	3,151	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							3,151	0
SUBTOTAL OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY							3,151	0
OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE, ENVIRONMENTAL PROTECTION AGENCY								
DIRECT FROM:								
OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE, ENVIRONMENTAL PROTECTION AGENCY								
Brownfield Pilots Cooperative Agreements (B) -				FAA		66.811	36,249	0
SUBTOTAL DIRECT FROM:							36,249	0
SUBTOTAL OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE, ENVIRONMENTAL PROTECTION AGENCY							36,249	0
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY							26,696,209	3,723,271
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NUCLEAR REGULATORY COMMISSION								
Nuclear Regulatory Commission								
DIRECT FROM:								
Nuclear Regulatory Commission								
NRC HEALTH PHYSICS FELLOWSHIP PROG				GGB		77.NRC-38-07-701	6,071	0
SUBTOTAL DIRECT FROM:							6,071	0
SUBTOTAL Nuclear Regulatory Commission							6,071	0
SUBTOTAL NUCLEAR REGULATORY COMMISSION							6,071	0
-----								
DEPARTMENT OF ENERGY								
DEPARTMENT OF ENERGY								
DIRECT FROM:								
DEPARTMENT OF ENERGY								
Petroleum Violation Escrow				EFA		81.Ct Order 180 Exxon	600,000	0
Petroleum Violation Escrow				EFA		81.Ct Order 182 Strpr Well	794,159	0
Petroleum Violation Escrow				EFA		81.Ct Order 223 Texaco	145,895	0
SUBTOTAL DIRECT FROM:							1,540,054	0
PASS-THROUGH PROGRAMS FROM:								
AERODYNE RESEARCH, INC.								
Unclassified Grants and Contracts				GFB		81.000 / 81.10420-4	10,648	0
Unclassified Grants and Contracts				GFB		81.000 / 81.ARI 10531-1	33,000	0
Unclassified Grants and Contracts				GFB		81.000 / 81.ARI 10548-5	3,200	0
ALD NANOSOLUTIONS, INC.								
Unclassified Grants and Contracts				GFB		81.000 / 81.OCG51208	40,001	0
Alliance for Sustainability Energy, LLC								
NREL Ethanol Testing				FAA		81.JFT-8-77678-01	144,474	0
BATTTELLE MEMORIAL INST PACIFIC NORTHWEST LAB								
Unclassified Grants and Contracts				GFB		81.000 / 81.79501	42,567	0
Unclassified Grants and Contracts				GFB		81.000 / 81.83839	98,128	0
BATTTELLE MEMORIAL INSTITUTE								
Unclassified Grants and Contracts				GFB		81.000 / 81.37317	264	0
Unclassified Grants and Contracts				GFB		81.000 / 81.37396	13	0
Unclassified Grants and Contracts				GFB		81.000 / 81.46479	29	0
Unclassified Grants and Contracts				GFB		81.000 / 81.69357	27,576	0
BERKELEY NATIONAL LABORATORY								
Unclassified Grants and Contracts				GFE		81.000 / 81.DE-AC02-05CH11231	12,005	0
CLEMSON UNIVERSITY RESEARCH FOUNDATION								
Unclassified Grants and Contracts				GFB		81.000 / 81.07-01-SR126	100,449	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
MIDWEST RESEARCH INSTITUTE - NREL						
MOU- SERVICES OF DAVID HILLER -ALL			GGB	81.07887304	53,269	0
NATIONAL RENEWABLE ENERGY LABORATORY						
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-18		40,404	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-19		105,844	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-20		106,385	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-21		5,840	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-25		16,134	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-27		43,298	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-28		68,026	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-29		49,998	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-30		50,038	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-38		22,584	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-41		16,277	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-42		10,468	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXEA-3-33606-45		16,903	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXFE-9-99004-02		3,958	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXFE-9-99004-03		47,785	0
Unclassified Grants and Contracts		GFB	81.000 / 81.KXFE-9-99004-04		45,680	0
Unclassified Grants and Contracts		GFB	81.000 / 81.NFT-8-88527-01		122,151	0
Unclassified Grants and Contracts		GFB	81.000 / 81.OCG50048		1	0
Unclassified Grants and Contracts		GFB	81.000 / 81.OCG50058		37	0
Unclassified Grants and Contracts		GFB	81.000 / 81.XCO-6-66421-01		(8,118)	0
Unclassified Grants and Contracts		GFB	81.000 / 81.XEE-7-77554-01		68,266	0
Unclassified Grants and Contracts		GFB	81.000 / 81.XEE-8-89007-01		118,880	0
Unclassified Grants and Contracts		GFB	81.000 / 81.XEE-9-99404-01		84,427	0
Unclassified Grants and Contracts		GFB	81.000 / 81.ZCO-7-77431-01		138,512	0
Unclassified Grants and Contracts		GFB	81.000 / 81.ZFT-8-88537-01		195,845	0
NORTH CAROLINA STATE UNIVERSITY						
Unclassified Grants and Contracts		GFB	81.000 / 81.2005-0993-01		18,896	0
NORTHERN ARIZONA UNIVERSITY						
Unclassified Grants and Contracts		GFB	81.000 / 81.MPC35TB-A2		88,917	0
Nat'l Renewable Energy Lab						
Organic Semiconductors		GTA	81.XEJ-6-66145-01		36,293	0
New Mexico Tech						
Carbon Sequestration		PIA	81.FC2605N42591		23,637	0
RSCH FDN STATE UNIVERSITY OF NEW YORK						
Unclassified Grants and Contracts		GFB	81.000 / 81.08-53/1072243-1-469		15,342	0
SANDIA NATIONAL LABORATORIES						
Unclassified Grants and Contracts		GFB	81.000 / 81.740745, PO# A0357		65,932	0
Unclassified Grants and Contracts		GFB	81.000 / 81.885317		10,413	0
STRATTON PARK ENGINEERING COMPANY INC						
Unclassified Grants and Contracts		GFB	81.000 / 81.08-1009JTA		24,725	0
UNIVERSITY OF CALIFORNIA, MERCED						
Unclassified Grants and Contracts		GFB	81.000 / 81.DE-FC02-07ER64457		69,970	0
UNIVERSITY OF MINNESOTA						
Unclassified Grants and Contracts		GFB	81.000 / 81.X5186780101		51,300	0
UT BATTELLE LLC						
Unclassified Grants and Contracts		GFB	81.000 / 81.4000065088		44,939	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					2,385,610	0
SUBTOTAL DEPARTMENT OF ENERGY					3,925,664	0

Department of Energy

DIRECT FROM:

Department of Energy						
State Energy Program		EFA	81.041 / 81.NT43196	008/05	742,662	0
ARRA-WX		EFA	81.042 / 81.DE-EE0000079	080-083	1,019,764	0
Weatherization Assistance for Low-Income Persons		EFA	81.042 / 81.R830001	80	5,985,634	0
Conservation Research and Development		GGB	81.086		108,730	0
Conservation Research and Development		EFA	81.086 / 81.NT43013	07	73,789	0
Renewable Energy Research and Development		GFE	81.087		411,409	0
Office of Environmental Waste Processing		FAA	81.104 / 81.DE-FC01-98GJ79476		31,895	0
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis		EFA	81.117 / 81.G047002	01	2,350	0
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis		EFA	81.117 / 81.G048021	04	5,406	0
State Energy Program Special Projects		EFA	81.119 / 81.NT05554	07	333,704	0
State Energy Program Special Projects		EFA	81.119 / 81.R806101	06	159,500	0
State Energy Program Special Projects		EFA	81.119 / 81.R806701	07	7,825	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY

MAJOR SUBDIVISION OF FEDERAL AGENCY

SOURCE TYPE (DIRECT OR PASS-THROUGH)

ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)

PROGRAM NAME

NONCASH  
INDICATOR

STATE<sup>1</sup>  
AGENCY

CFDA / OTHER ID NUMBER

DIRECT  
EXPENDITURES

PASSED TO  
SUBRECIPIENTS

State Energy Program Special Projects  
State Energy Program Special Projects

EFA 81.119 / 81.R806801 07 40,460  
EFA 81.119 / 81.R807401 07 14,931

0  
0

SUBTOTAL DIRECT FROM:

8,938,059 0

PASS-THROUGH PROGRAMS FROM:

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

Office of Science Financial Assistance Program

GFB 81.049 / 81.5710001810 423

0

Office of Science Financial Assistance Program

GFB 81.049 / 81.5710002340 63,585

0

NATIONAL RENEWABLE ENERGY LABORATORY

Renewable Energy Research and Development

GFB 81.087 / 81.XAT-5-33636-01 (8,474)

14,184

NATL JEWISH HOSPITAL

Epidemiology and Other Health Studies Financial Assistance Program

GFE 81.108 / 81.NJH 22085404 24,126

0

Epidemiology and Other Health Studies Financial Assistance Program

GFE 81.108 / 81.NJH 22085405 199,006

0

NORTHERN ARIZONA UNIVERSITY

Office of Science Financial Assistance Program

GFB 81.049 / 81.MPC 35UT-01 100,846

0

Office of Science Financial Assistance Program

GFB 81.049 / 81.MPC35TV-01 11,121

0

OAK RIDGE ASSOCIATED UNIVERSITIES

Epidemiology and Other Health Studies Financial Assistance Program

GFE 81.108 / 81.06-12526 12-12526 (19)

0

Epidemiology and Other Health Studies Financial Assistance Program

GFE 81.108 / 81.12-12526 236,528

0

SANDIA NATIONAL LABORATORIES

Renewable Energy Research and Development

GFB 81.087 / 81.P0177989 (227)

0

UNIVERSITY OF OREGON

Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis

GFB 81.117 / 81.234151-1 32,644

0

UNIVERSITY OF UTAH

Office of Scientific and Technical Information

GFB 81.064 / 81.2403133/PO#124856 32,942

0

UT BATTELLE LLC

Office of Scientific and Technical Information

GFB 81.064 / 81.4000038129 60,107

0

Western Governors Assn.

Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed So

FAA 81.106 / 81.DE-FC04-90AL65416 169,828

56,371

SUBTOTAL PASS-THROUGH PROGRAMS FROM:

922,436 70,555

SUBTOTAL Department of Energy

9,860,495 70,555

OFFICE OF DEFENSE PROGRAMS, DEPARTMENT OF ENERGY

DIRECT FROM:

OFFICE OF DEFENSE PROGRAMS, DEPARTMENT OF ENERGY

National Resource Center for Plutonium

FAA 81.110 232,596

0

SUBTOTAL DIRECT FROM:

232,596 0

SUBTOTAL OFFICE OF DEFENSE PROGRAMS, DEPARTMENT OF ENERGY

232,596 0

OFFICE OF ENERGY RESEARCH, DEPARTMENT OF ENERGY

DIRECT FROM:

OFFICE OF ENERGY RESEARCH, DEPARTMENT OF ENERGY

Student Field Assistant CO2 Sequestration Study

CSA 81.P0# DE-08NT0004548 2,250

0

SUBTOTAL DIRECT FROM:

2,250 0

SUBTOTAL OFFICE OF ENERGY RESEARCH, DEPARTMENT OF ENERGY

2,250 0

SUBTOTAL DEPARTMENT OF ENERGY

14,021,005 70,555

FEDERAL EMERGENCY MANAGEMENT AGENCY

FEDERAL EMERGENCY MANAGEMENT AGENCY

PASS-THROUGH PROGRAMS FROM:

City of Montrose

FEMA

PIA 83.FEMA-Montrose 496

0

SUBTOTAL PASS-THROUGH PROGRAMS FROM:

496 0

SUBTOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY

496 0

SUBTOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY

496 0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
<hr/>						
DEPARTMENT OF EDUCATION						
ASSISTANT SECRETARY FOR EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT, DEPARTMENT OF EDUCATION						
DIRECT FROM:						
ASSISTANT SECRETARY FOR EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT, DEPARTMENT OF EDUCATION						
Ready to Teach			GZA	84.286	3,101	0
Twenty-First Century Community Learning Centers			DAA	84.287	425,207	7,872,795
					-----	-----
SUBTOTAL DIRECT FROM:					428,308	7,872,795
					-----	-----
SUBTOTAL ASSISTANT SECRETARY FOR EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT, DEPARTMENT OF EDUCATION					428,308	7,872,795
DEPARTMENT OF EDUCATION						
DIRECT FROM:						
DEPARTMENT OF EDUCATION						
Unclassified Grants and Contracts			DAA	84.000	198,285	0
National Writing Project Model			GCJ	84.928	48,492	0
EDUCATIONAL OPPORTUNITY CENTER -US			GGB	84.P066A080301	442,578	0
Teacher Quality Enhance			GWA	84.P336B040001	1,209,797	0
Academic Competitiveness Grant			GSA	84.P375A085271	69,473	0
Smart Grant			GSA	84.P376S085271	93,184	0
Fed TEACH			GTA	84.P379T091205	131,500	0
					-----	-----
SUBTOTAL DIRECT FROM:					2,193,309	0
PASS-THROUGH PROGRAMS FROM:						
ARIZONA STATE UNIVERSITY						
Unclassified Grants and Contracts			GFB	84.000 / 84.07-811/P0#SC34107M0	60,257	0
American Foundation for the Blind						
DOED - Web Based Distance Ed			GKA	84.Nat'l Literacy Ctr (NLC)	11,334	0
Greeley Dream Team, Inc						
DOED -Bright Futures			GKA	84.10/10/00	173	0
NATIONAL WRITING PROJECT						
National Writing Project Model			GFE	84.928 / 84.00-C002	47,169	0
National Writing Project Model			GGB	84.928 / 84.03-C003	38,935	0
National Writing Project Model			GFE	84.928 / 84.PN200808-072	60,280	0
Sys Chg Proj to Expand Emp Opp for Individuals with Mental or Physical Disabilities			GFE	84.989 / 84.00-C002	1,832	0
Nat'l Writing Project Corporation						
National Writing Project Model			GKA	84.928 / 84.Sub-contract #04-C004	49,549	0
State of Kansas						
Educational Interpreting Certificate Program			GKA	84.652-08-1508	21,000	0
UNIVERSITY OF ILLINOIS						
Unclassified Grants and Contracts			GFB	84.000 / 84.2007-05169-05-00	148,219	0
					-----	-----
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					438,748	0
					-----	-----
SUBTOTAL DEPARTMENT OF EDUCATION					2,632,057	0
Department of Education / Office Of Educational Research And Improvement						
PASS-THROUGH PROGRAMS FROM:						
UNIVERSITY OF CALIFORNIA LOS ANGELES						
Education Research, Development and Dissemination			GFB	84.305 / 84.0070 G CC911	(2,725)	0
Education Research, Development and Dissemination			GFB	84.305 / 84.0070 G GB335	128,774	0
UNIVERSITY OF TEXAS AT AUSTIN						
Education Research, Development and Dissemination			GFB	84.305 / 84.UTA08-749	253,393	0
					-----	-----
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					379,442	0
					-----	-----
SUBTOTAL Department of Education / Office Of Educational Research And Improvement					379,442	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
Department of Education / Office Of Elementary And Secondary Education								
DIRECT FROM:								
Department of Education / Office Of Elementary And Secondary Education					DAA	84.377	123,189	507,041
School Improvement Grants							-----	-----
SUBTOTAL DIRECT FROM:							123,189	507,041
SUBTOTAL Department of Education / Office Of Elementary And Secondary Education							-----	-----
							123,189	507,041
Department of Education / Office Of Special Education And Rehabilitative Services								
DIRECT FROM:								
Department of Education / Office Of Special Education And Rehabilitative Services					GFE	84.324	(1,911)	0
Research in Special Education							-----	-----
SUBTOTAL DIRECT FROM:							(1,911)	0
PASS-THROUGH PROGRAMS FROM:								
Florida State University					GTA	84.324 / 84.R324E060086A	99,180	0
Research in Special Education					GFB	84.324 / 84.UF07045	80,251	0
UNIVERSITY OF FLORIDA					GFE	84.324 / 84.ACCT# 554464	191,525	0
Research in Special Education					GFE	84.324 / 84.5830-1081-00-A	241,236	0
UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL					GKA	84.324 / 84.H325A030049	4,075	0
Research in Special Education							-----	-----
UNIVERSITY OF SOUTH FLORIDA							616,267	0
Research in Special Education							-----	-----
University of Denver							616,267	0
Research in Special Education							-----	-----
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							616,267	0
SUBTOTAL Department of Education / Office Of Special Education And Rehabilitative Services							-----	-----
							614,356	0
INSTITUTE OF EDUCATION SCIENCES, DEPARTMENT OF EDUCATION								
DIRECT FROM:								
INSTITUTE OF EDUCATION SCIENCES, DEPARTMENT OF EDUCATION					DAA	84.372	858,867	0
Statewide Data Systems							-----	-----
SUBTOTAL DIRECT FROM:							858,867	0
SUBTOTAL INSTITUTE OF EDUCATION SCIENCES, DEPARTMENT OF EDUCATION							-----	-----
							858,867	0
OFFICE OF ASSISTANT SECRETARY FOR EDUCATIONAL RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION								
DIRECT FROM:								
OFFICE OF ASSISTANT SECRETARY FOR EDUCATIONAL RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION					DAA	84.206	56,941	0
Javits Gifted and Talented Students Education Grant Program							-----	-----
SUBTOTAL DIRECT FROM:							56,941	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR EDUCATIONAL RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION							-----	-----
							56,941	0
OFFICE OF ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION								
DIRECT FROM:								
OFFICE OF ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION					DAA	84.330	166,158	83,189
Advanced Placement Program (Advanced placement Test Fee; Advanced Placement Incentive Program Grants)							-----	-----
SUBTOTAL DIRECT FROM:							166,158	83,189
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION							-----	-----
							166,158	83,189
OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION								
DIRECT FROM:								
OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION					GFE	84.016	8,373	0
Undergraduate International Studies and Foreign Language Programs					GGJ	84.031	688,767	0
Higher Education_Institutional Aid					GJD	84.031	489,233	290,935
Higher Education_Institutional Aid					GJF	84.031	165,633	0
Higher Education_Institutional Aid					GJH	84.031	816,671	0
Higher Education_Institutional Aid							-----	-----

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
Higher Education_Institutional Aid				GJK	84.031		874,194	0
Higher Education_Institutional Aid				GJM	84.031		752,908	0
Higher Education_Institutional Aid				GJR	84.031		551,028	0
Higher Education_Institutional Aid				GYA	84.031		317,209	0
Higher Education_Institutional Aid				GSA	84.031 / 84.Award # P031A080188		144,764	0
Byrd Honors Scholarships				DAA	84.185		0	583,750
Byrd Honors Scholarships				GFC	84.185		6,000	0
Graduate Assistance in Areas of National Need				GFB	84.200		80,948	0
Graduate Assistance in Areas of National Need				GGB	84.200		173,956	0
Graduate Assistance in Areas of National Need				GKA	84.200		161,945	0
Centers for International Business Education				GFE	84.220		384,117	1,500
Child Care Access Means Parents in School				GFC	84.335		43,786	0
Child Care Access Means Parents in School				GGB	84.335		104,944	0
Child Care Access Means Parents in School				GSA	84.335 / 84.P335A010015		28,534	0
SUBTOTAL DIRECT FROM:							5,793,010	876,185
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION							5,793,010	876,185
OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION								
DIRECT FROM:								
OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION								
Fund for the Improvement of Postsecondary Education				GTA	84.116		119,000	0
Fund for the Improvement of Postsecondary Education				GSA	84.116 / 84.P116Z030130		(7,123)	0
Rehabilitation Services_Service Projects				IHA	84.128		128,379	0
Independent Living: State Grants				IHA	84.169		114,056	172,339
Supported Employment Services for Individuals with Significant Disabilities				IHA	84.187		329,137	0
Assistive Technology				GFE	84.224		534,945	0
Rehabilitation Training: Continuing Education				GKA	84.264		351,328	167,881
Rehabilitation Training: State Vocational Rehabilitation Unit In-Service Training				IHA	84.265		37,579	0
SUBTOTAL DIRECT FROM:							1,607,301	340,220
PASS-THROUGH PROGRAMS FROM:								
CALIFORNIA STATE UNIVERSITY								
Fund for the Improvement of Postsecondary Education				GFE	84.116 / 84.ELXCOGZZ_80118		8,948	0
GEORGIA INSTITUTE OF TECHNOLOGY								
National Institute on Disability and Rehabilitation Research				GFE	84.133 / 84.R8686-GI		119,747	0
OREGON UNIVERSITY SYSTEM								
National Institute on Disability and Rehabilitation Research				GFE	84.133 / 84.TRSUB08.06		5,524	0
REHABILITATION INSTITUTE RESEARCH CORP								
National Institute on Disability and Rehabilitation Research				GFB	84.133 / 84.3.80754		17,248	0
Research Foundation of SUNY								
Fund for the Improvement of Postsecondary Education				GKA	84.116 / 84.P166N060006		10,530	0
UNIVERSITY OF MINNESOTA								
National Institute on Disability and Rehabilitation Research				GFE	84.133 / 84.H133B031116-04		113,351	0
Univ of Arkansas Little Rock								
Training Interpreters for Individuals who are Deaf and Individuals who are Deaf-Blind				GKA	84.160 / 84.None		128,630	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							403,978	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION							2,011,279	340,220
OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION								
DIRECT FROM:								
OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION								
Bilingual Education: Professional Development				GFB	84.195		272,128	0
Bilingual Education: Professional Development				GFC	84.195		14,811	0
Bilingual Education: Professional Development				GFE	84.195		741,913	0
Bilingual Education: Professional Development				GJG	84.195		161,930	0
Bilingual Education: Professional Development				GKA	84.195		28,098	0
Bilingual Education: Professional Development				GTA	84.195		155,914	0
Bilingual Education: Professional Development				GYA	84.195		239,627	0
Bilingual Education: Professional Development				GZA	84.195		238,976	0
SUBTOTAL DIRECT FROM:							1,853,397	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH		STATE <sup>1</sup>	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS		
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR		AGENCY				
SOURCE TYPE (DIRECT OR PASS-THROUGH)				CFDA / OTHER ID NUMBER				
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
PASS-THROUGH PROGRAMS FROM:								
City of Denver								
Bilingual Education				GJD	84.003	73,6880		
SUBTOTAL PASS-THROUGH PROGRAMS FROM:						73,6880		
SUBTOTAL OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION					1,927,085	0		
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION								
DIRECT FROM:								
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION								
Civil Rights Training and Advisory Services				GGB	84.004	84,8790		
Civil Rights Training and Advisory Services				GJD	84.004	270,2300		
Migrant Education: State Grant Program				DAA	84.011	1,427,8496,730,079		
Chapter 1 ESEA - State Admin				GTA	84.012	71,2520		
Title I Program for Neglected and Delinquent Children				DAA	84.013	0634,591		
Migrant Education: High School Equivalency Program				GFB	84.141	470,3430		
Migrant Education: Coordination Program				DAA	84.144	110,7080		
Migrant Education: College Assistance Migrant Program				GTA	84.149	508,6810		
Safe and Drug-Free Schools and Communities: National Programs				GGB	84.184	75,04942,238		
Safe and Drug-Free Schools and Communities: National Programs				GSA	84.184 / 84.Q184H050105	140		
Safe and Drug-Free Schools and Communities_State Grants				DAA	84.186	258,7512,606,200		
Education for Homeless Children and Youth				DAA	84.196	130,383502,107		
Even Start: State Educational Agencies				DAA	84.213	34,807651,233		
Charter Schools				DAA	84.282	399,2535,223,987		
State Grants for Innovative Programs				DAA	84.298	105,585386,498		
Indian Education -- Special Programs for Indian Children				GKA	84.299	443,1890		
Education Technology State Grants				DAA	84.318	177,7952,868,095		
Transition to Teaching				GFE	84.350	208,082103,684		
Transition to Teaching				GGJ	84.350	420,4310		
Reading First State Grants				DAA	84.357	1,606,3516,730,460		
Rural Education				DAA	84.358	8,701268,333		
Mathematics and Science Partnerships				DAA	84.366	133,6361,713,293		
Improving Teacher Quality State Grants				DAA	84.367	1,222,27729,765,709		
Improving Teacher Quality State Grants				GAA	84.367	1,023,1650		
Grants for State Assessments and Related Activities				DAA	84.369	5,173,8430		
SUBTOTAL DIRECT FROM:					14,365,254	58,226,507		
PASS-THROUGH PROGRAMS FROM:								
CLAYTON FOUNDATION								
Parental Information and Resource Centers				GFE	84.310 / 84.CPIRC	(4,672)0		
Parental Information and Resource Centers				GFE	84.310 / 84.PN09659	44,1760		
Clayton Foundation/CPCF								
Parental Information and Resource Centers				GTA	84.310	16,4330		
DENVER PUBLIC SCHOOLS								
Mathematics and Science Partnerships				GFE	84.366 / 84.SKILL-C. MARTIN	28,3540		
Ft Morgan School District RE3								
Mathematics and Science Partnerships				GKA	84.366 / 84.2/9/2008	39,0000		
JEFFERSON COUNTY SCHOOL DISTRICT								
Mathematics and Science Partnerships				GFE	84.366 / 84.CDE GRANT 2007-2008	55,6220		
Jefferson County Public Schools								
Mathematics and Science Partnerships				GKA	84.366 / 84.SI051204ISU001	1,7630		
NW Regional Ed Laboratory								
Early Reading First				GTA	84.359	70,6890		
SMART-GIRL INC.								
Safe and Drug-Free Schools and Communities: National Programs				GFE	84.184 / 84.Q184B080045	23,1800		
SOUTH CENTRAL BOCES								
Mathematics and Science Partnerships				GFE	84.366 / 84.P.L.A.S.M.I.D.	31,1630		
Weld County School District 6								
Mathematics and Science Partnerships				GKA	84.366 / 84.9/10/2007	53,3050		
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					359,013	0		
SUBTOTAL OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION					14,724,267	58,226,507		

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY			NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY			INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)							
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)							
PROGRAM NAME							
OFFICE OF ENGLISH LANGUAGE ACQUISITION; DEPARTMENT OF EDUCATION							
DIRECT FROM:							
OFFICE OF ENGLISH LANGUAGE ACQUISITION; DEPARTMENT OF EDUCATION							
English Language Acquisition Grants				DAA	84.365	523,982	9,322,036
SUBTOTAL DIRECT FROM:						523,982	9,322,036
SUBTOTAL OFFICE OF ENGLISH LANGUAGE ACQUISITION; DEPARTMENT OF EDUCATION						523,982	9,322,036
OFFICE OF INNOVATION AND IMPROVEMENT, DEPARTMENT OF EDUCATION							
DIRECT FROM:							
OFFICE OF INNOVATION AND IMPROVEMENT, DEPARTMENT OF EDUCATION							
Fund for the Improvement of Education				DAA	84.215	102,273	0
Fund for the Improvement of Education				GKA	84.215	325,441	0
Teacher Quality Partnership Grants				GTA	84.336	1,932,219	0
SUBTOTAL DIRECT FROM:						2,359,933	0
PASS-THROUGH PROGRAMS FROM:							
Weld County School District 6							
Fund for the Improvement of Education				GKA	84.215 / 84.S215X020174	189,991	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:						189,991	0
SUBTOTAL OFFICE OF INNOVATION AND IMPROVEMENT, DEPARTMENT OF EDUCATION						2,549,924	0
OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION							
DIRECT FROM:							
OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION							
Gaining Early Awareness and Readiness for Undergraduate Programs				GFC	84.334	31,250	0
Gaining Early Awareness and Readiness for Undergraduate Programs				EAA	84.334 / 84.P334S050026	3,488,780	0
SUBTOTAL DIRECT FROM:						3,520,030	0
SUBTOTAL OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION						3,520,030	0
OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION, HIGHER EDUCATION DEPARTMENT							
DIRECT FROM:							
OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION, HIGHER EDUCATION DEPARTMENT							
College Access Challenge Grant Program				GRA	84.378	160,185	137,374
Strengthening Minority-Serving Institutions				GSA	84.382	448,482	0
SUBTOTAL DIRECT FROM:						608,667	137,374
SUBTOTAL OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION, HIGHER EDUCATION DEPARTMENT						608,667	137,374
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION							
DIRECT FROM:							
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION							
Rehabilitation Services: Independent Living Services for Older Individuals Who are Blind				IHA	84.177	(293)	406,003
Special Education - State Personnel Development				DAA	84.323	369,380	1,761
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities				GFB	84.325	255,023	0
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities				GFE	84.325	235,669	0
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities				GKA	84.325	615,770	0
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities				DAA	84.326	178,460	19,000
SUBTOTAL DIRECT FROM:						1,654,009	426,764
PASS-THROUGH PROGRAMS FROM:							
ARIZONA STATE UNIVERSITY							
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities				GFB	84.326 / 84.07-819/PO# SC 34107	1,725	0
California State University, Northridge							
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities				GKA	84.326 / 84.F-06-2056-2.0/4003362	110,595	0
Pennsylvania College of Podiatric Medicine							
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities				GKA	84.325 / 84.H325U04001, Subcontra	68,498	0
REHABILITATION INSTITUTE RESEARCH CORP							
Rehabilitation Services Demonstration and Training Programs				GFB	84.235 / 84.0CG4727	13,181	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
UNIVERSITY OF SOUTH FLORIDA								
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities				GFE		84.326 / 84.5830-1251-00-D	234,320	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							428,319	0
SUBTOTAL OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION							2,082,328	426,764
OFFICE OF STUDENT FINANCIAL ASSISTANCE PROGRAMS, DEPARTMENT OF EDUCATION								
DIRECT FROM:								
OFFICE OF STUDENT FINANCIAL ASSISTANCE PROGRAMS, DEPARTMENT OF EDUCATION								
Perkins Loan Cancellations				GFB	84.037		70,467	0
Perkins Loan Cancellations				GFC	84.037		51,764	0
Perkins Loan Cancellations				GFE	84.037		193,659	0
Perkins Loan Cancellations				GGB	84.037		38,145	0
Perkins Loan Cancellations				GCJ	84.037		62,910	0
Perkins Loan Cancellations				GKA	84.037		104,090	0
Perkins Loan Cancellations				CSA	84.037		31,209	0
Perkins Loan Cancellations				GTA	84.037		98,105	0
Perkins Loan Cancellations				GZA	84.037		15,660	0
Leveraging Educational Assistance Partnership				GAA	84.069		872,539	0
Leveraging Educational Assistance Partnership				GFC	84.069		45,841	0
Leveraging Educational Assistance Partnership				GLA	84.069		48,315	0
Leveraging Educational Assistance Partnership				GZA	84.069		38,357	0
SUBTOTAL DIRECT FROM:							1,671,061	0
SUBTOTAL OFFICE OF STUDENT FINANCIAL ASSISTANCE PROGRAMS, DEPARTMENT OF EDUCATION							1,671,061	0
OFFICE OF VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION								
DIRECT FROM:								
OFFICE OF VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION								
Adult Education-Basic Grant to States				DAA	84.002		915,846	5,398,728
Career and Technical Education -- Basic Grants to States				GJA	84.048		14,565,205	0
Adult Education: National Leadership Activities				GJG	84.191		29,685	0
Adult Education: National Leadership Activities				GJR	84.191		10,976	0
Tech-Prep Education				GJA	84.243		1,393,615	0
Grants to States for Workplace and Community Transition Training for Incarcerated Individuals				CAA	84.331 / 84.Q331A070006		341,493	0
Grants to States for Workplace and Community Transition Training for Incarcerated Individuals				CAA	84.331 / 84.Q331A080006		328,825	0
SUBTOTAL DIRECT FROM:							17,585,645	5,398,728
PASS-THROUGH PROGRAMS FROM:								
CCCS Foundation								
Adult Education-Basic Grant to States				GJD	84.002		30,612	0
Adult Education: National Leadership Activities				GJL	84.191		16,116	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							46,728	0
SUBTOTAL OFFICE OF VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION							17,632,373	5,398,728
SUBTOTAL DEPARTMENT OF EDUCATION							58,303,324	83,190,839
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION								
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION								
DIRECT FROM:								
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION								
National Historical Publications and Records Grants				AMA	89.003 / 89.NAR08RC10038-08		4,049	0
SUBTOTAL DIRECT FROM:							4,049	0
SUBTOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION							4,049	0
SUBTOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION							4,049	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
ELECTION ASSISTANCE COMMISSION						
DIRECT FROM:						
ELECTION ASSISTANCE COMMISSION						
Help America Vote Act Requirements Payments			VAA	90.401	6,184,073	0
SUBTOTAL DIRECT FROM:					6,184,073	0
SUBTOTAL ELECTION ASSISTANCE COMMISSION					6,184,073	0
SUBTOTAL					6,184,073	0
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DEPARTMENT OF HEALTH AND HUMAN SERVICES						
ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES						
DIRECT FROM:						
ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Compassion Capital Fund		GGB	93.009		226,077	23,248
Healthy Marriage Promotion and Responsible Fatherhood Grants		GGB	93.086		155,949	27,224
Healthy Marriage Promotion and Responsible Fatherhood Grants		IHA	93.086		2,352,858	252,292
Education and Prevention Grants to Reduce Sexual Abuse of Runaway, Homeless and Street Youth		IHA	93.557		129,686	0
ARRA - CS Incentives Stimulus		IHA	93.563		2,591,538	0
Child Support Enforcement		IHA	93.563		14,196,508	34,578,018
Child Support Enforcement Research		IHA	93.564		112,718	42,889
Refugee and Entrant Assistance_Discretionary Grants		FAA	93.576		25,511	69,343
Refugee and Entrant Assistance_Discretionary Grants		IHA	93.576		236,328	81,104
Refugee and Entrant Assistance_Wilson/Fish Program		IHA	93.583		944,642	2,679,766
Refugee and Entrant Assistance_Targeted Assistance Grants		IHA	93.584		(14,958)	373,888
Grants to States for Access and Visitation Programs		JAA	93.597 / 93.0701COSAVP		31,360	0
Grants to States for Access and Visitation Programs		JAA	93.597 / 93.0801COSAVP		125,800	0
Grants to States for Access and Visitation Programs		JAA	93.597 / 93.0901COSAVP		22,087	0
Child Welfare Services_State Grants		IHA	93.645		274,005	3,745,545
Family Violence Prevention and Services/Grants for Battered Women's Shelters: Grants to States and Indian T		IHA	93.671		287,755	1,210,791
SUBTOTAL DIRECT FROM:					21,697,864	43,084,108
SUBTOTAL ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					21,697,864	43,084,108
ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES						
DIRECT FROM:						
ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Special Programs for the Aging: Title VII, Chapter 3: Programs for Prevention of Elder Abuse, Neglect, and		IHA	93.041		63,365	0
Special Programs for the Aging: Title VII, Chapter 3: Programs for Prevention of Elder Abuse, Neglect, and		SFA	93.041		86,344	74,625
Special Programs for the Aging: Title VII, Chapter 2: Long Term Care Ombudsman Services for Older Individua		IHA	93.042		193,984	0
Special Programs for the Aging: Title III, Part D: Disease Prevention and Health Promotion Services		IHA	93.043		217,415	0
Special Programs for the Aging: Title IV: and Title II: Discretionary Projects		FAA	93.048		175,773	0
Special Programs for the Aging: Title IV: and Title II: Discretionary Projects		IHA	93.048		200,443	0
National Family Caregiver Support, Title III, Part E		IHA	93.052		1,566,181	0
SUBTOTAL DIRECT FROM:					2,503,505	74,625
SUBTOTAL ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES					2,503,505	74,625
AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY, DEPARTMENT OF HEALTH AND HUMAN SERVICES						
PASS-THROUGH PROGRAMS FROM:						
ASSOCIATION OF UNIVERSITY CNTRS ON DISABILITIES						
Human Health Studies: Applied Research and Development		GFE	93.206 / 93.RT012005-1/2-07		(2,117)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					(2,117)	0
SUBTOTAL AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY, DEPARTMENT OF HEALTH AND HUMAN SERVICES					(2,117)	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY							
MAJOR SUBDIVISION OF FEDERAL AGENCY							
SOURCE TYPE (DIRECT OR PASS-THROUGH)							
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)							
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS		
CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES							
DIRECT FROM:							
CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Centers for Disease Control and Prevention: Investigations and Technical Assistance		FAA	93.283	10,143,341	5,681,019		
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GFE	93.283	659,418	193,043		
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs		FAA	93.946	156,181	0		
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems		FAA	93.988	540,748	0		
				-----	-----		
SUBTOTAL DIRECT FROM:				11,499,688	5,874,062		
PASS-THROUGH PROGRAMS FROM:							
ASSOCIATION OF AMERICAN MEDICAL COLLEGES							
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GFE	93.283 / 93.MM 1040-08/08	223,316	0		
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GFE	93.283 / 93.RMPHEC2006#	21,814	0		
Assoc. Public Health Laboratories							
Centers for Disease Control and Prevention: Investigations and Technical Assistance		FAA	93.283 / 93.U60/CD303019	60,000	0		
CINCINNATI CHILDREN'S HOSPITAL MEDICAL CENTER							
Assistance Programs for Chronic Disease Prevention and Control		GFE	93.945 / 93.CHMC#500/U01DP00248	7,255	0		
Pueblo Community Diabetes							
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GGJ	93.283 / 93.H75/CCH824069-01	31,972	0		
State of New Mexico							
Centers for Disease Control and Prevention: Investigations and Technical Assistance		FAA	93.283 / 93.U59/CCU623401	15,911	0		
State of Wyoming-Health Dept.							
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs		FAA	93.946 / 93.CDC Award	69,912	0		
UNIVERSITY OF SOUTH CAROLINA							
Centers for Research and Demonstration for Health Promotion and Disease Prevention		GFE	93.135 / 93.PO# 82014_AMD02	4,302	0		
Centers for Research and Demonstration for Health Promotion and Disease Prevention		GFE	93.135 / 93.PO# 91848	13,725	0		
				-----	-----		
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				448,207	0		
				-----	-----		
SUBTOTAL CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				11,947,895	5,874,062		
CENTERS FOR MEDICARE AND MEDICAID SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES							
DIRECT FROM:							
CENTERS FOR MEDICARE AND MEDICAID SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Medicare Supplementary Medical Insurance		FAA	93.774	241,018	0		
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations		IHA	93.779	118,424	0		
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations		SFA	93.779	268,489	253,290		
				-----	-----		
SUBTOTAL DIRECT FROM:				627,931	253,290		
PASS-THROUGH PROGRAMS FROM:							
ABT ASSOCIATES INC							
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations		GFE	93.779 / 93.18378	93,116	0		
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations		GFE	93.779 / 93.ABT 18563	251,154	0		
COLORADO FOUNDATION MEDICAL CARE							
Medicare Hospital Insurance		GFE	93.773 / 93.500-02-C001	19,452	0		
				-----	-----		
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				363,722	0		
				-----	-----		
SUBTOTAL CENTERS FOR MEDICARE AND MEDICAID SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				991,653	253,290		
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
DIRECT FROM:							
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Unclassified Grants and Contracts		GFE	93.000	140,703	20,894		
Unclassified Grants and Contracts		UHA	93.000 / 93.500-04-0035C	17,879	0		
Head Start-Higher Ed Hispanic/Latino		GSA	93.90YP0020/01	80,588	0		
				-----	-----		
SUBTOTAL DIRECT FROM:				239,170	20,894		
PASS-THROUGH PROGRAMS FROM:							
AKTIV-DRY LLC							
Unclassified Grants and Contracts		GFB	93.000 / 93.OCG4745B	316,281	0		
CLAREMONT GRADUATE UNIVERSITY							
Unclassified Grants and Contracts		GFE	93.000 / 93.PN090408	9,500	0		
GEORGETOWN UNIVERSITY							
Unclassified Grants and Contracts		GFE	93.000 / 93.RX 4285-890-UCD	43,658	0		
INDEV, LLC							
Unclassified Grants and Contracts		GFB	93.000 / 93.OCG4851B	2,730	0		

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
INVIRAGEN, INC.								
Unclassified Grants and Contracts					GFB	93.000 / 93.OCG5170B	102,473	0
RSCH FDN STATE UNIVERSITY OF NEW YORK								
Unclassified Grants and Contracts					GFB	93.000 / 93.1049874-2-37135	114,973	0
SERENDIPITY PHARMACEUTICALS, INC.								
Unclassified Grants and Contracts					GFB	93.000 / 93.OCG4870B	6,348	0
THE SCRIPPS RESEARCH INSTITUTE								
Unclassified Grants and Contracts					GFB	93.000 / 93.PO# 5-22651	6,916	0
UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER								
Unclassified Grants and Contracts					GFE	93.000 / 93.RS20081419-01	2,846	0
UNIVERSITY OF SOUTH FLORIDA								
Unclassified Grants and Contracts					GFE	93.000 / 93.PN200810-029	166,708	0
UNIVERSITY OF WASHINGTON								
Unclassified Grants and Contracts					GFB	93.000 / 93.377978	38,124	0
Weld County Area on Aging								
Project Connect					GKA	93.Project Connect	500	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							811,057	0
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES							1,050,227	20,894
Department of Health and Human Services / Administration For Children And Families								
DIRECT FROM:								
Department of Health and Human Services / Administration For Children And Families								
Promoting Safe and Stable Families					IHA	93.556	956,892	2,151,743
Refugee and Entrant Assistance_State Administered Programs					IHA	93.566	(17,284)	4,703,155
Low-Income Home Energy Assistance					IHA	93.568	5,175,634	61,834,077
State Court Improvement Program					JAA	93.586 / 93.0601COSCID	28,756	0
State Court Improvement Program					JAA	93.586 / 93.0601COSCIT	21,781	0
State Court Improvement Program					JAA	93.586 / 93.0701COSCID	118,943	0
State Court Improvement Program					JAA	93.586 / 93.0701COSCIP	232,443	0
State Court Improvement Program					JAA	93.586 / 93.0701COSCIT	167,244	0
State Court Improvement Program					JAA	93.586 / 93.0801COSCIP	50,000	0
State Court Improvement Program					JAA	93.586 / 93.0801COSCIT	46,134	0
Community-Based Child Abuse Prevention Grants					FAA	93.590	226,795	612,792
Chafee Education and Training Vouchers Program (ETV)					IHA	93.599	790,012	0
Adoption Incentive Payments					IHA	93.603	114,916	0
Voting Access for Individuals with Disabilities_Grants to States					VAA	93.617	109,388	0
Developmental Disabilities Basic Support and Advocacy Grants					IHA	93.630	1,048,096	0
Developmental Disabilities Projects of National Significance					GFE	93.631	203,429	30,000
University Centers for Excellence in Developmental Disabilities Education, Research, and Service					GFE	93.632	500,264	14,634
Children's Justice Grants to States					IHA	93.643	243,919	0
Child Welfare Research Training or Demonstration					GTA	93.648	4,451	0
ARRA - Title IV-E Foster Care Stimulus					IHA	93.658	0	1,860,880
Foster Care_Title IV-E					IHA	93.658	5,021,083	56,876,235
ARRA - Title IV-E Adoption Assistance Stimulus					IHA	93.659	0	1,658,485
Adoption Assistance					IHA	93.659	298,745	20,221,201
Social Services Block Grant					IHA	93.667	22,087,899	19,595,067
Child Abuse and Neglect State Grants					IHA	93.669	527,517	0
Child Abuse and Neglect Discretionary Activities					JAA	93.670 / 93.90CA1777/01	224,597	0
Chafee Foster Care Independence Program					IHA	93.674	2,254,837	0
SUBTOTAL DIRECT FROM:							40,436,491	169,558,269
PASS-THROUGH PROGRAMS FROM:								
City and County of Denver								
Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse					JAA	93.087 / 93.90CU0002/01	66,513	0
Foster Care_Title IV-E					JAA	93.658	24,522	0
Foster Care_Title IV-E					JAA	93.658 / 93.CE-61296	2,834	0
STATE OF WYOMING								
Child Abuse and Neglect State Grants					GFE	93.669 / 93.KC109900_AMD01	(3,622)	0
UNIVERSITY OF DENVER								
Foster Care_Title IV-E					GFE	93.658 / 93.SC36259-02-00	(4,502)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							85,745	0
SUBTOTAL Department of Health and Human Services / Administration For Children And Families							40,522,236	169,558,269

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
Department of Health and Human Services / Agency For Toxic Substances And Disease Registry						
DIRECT FROM:						
Department of Health and Human Services / Agency For Toxic Substances And Disease Registry			FAA	93.204	91,204	0
Surveillance of Hazardous Substance Emergency Events			FAA	93.240	252,833	0
State Capacity Building						
SUBTOTAL DIRECT FROM:					344,037	0
SUBTOTAL Department of Health and Human Services / Agency For Toxic Substances And Disease Registry					344,037	0
Department of Health and Human Services / Agency for Healthcare Research and Quality						
DIRECT FROM:						
Department of Health and Human Services / Agency for Healthcare Research and Quality			GFE	93.226	200,838	1,261,253
Research on Healthcare Costs, Quality and Outcomes						
SUBTOTAL DIRECT FROM:					200,838	1,261,253
PASS-THROUGH PROGRAMS FROM:						
DENVER HEALTH AND HOSPITAL						
Research on Healthcare Costs, Quality and Outcomes			GFE	93.226 / 93.DHH-E2553	57,313	0
KAISER FOUNDATION HEALTH PLAN OF COLORADO						
Research on Healthcare Costs, Quality and Outcomes			GFE	93.226 / 93.PN200711-057	22,855	0
MASSACHUSETTS GENERAL HOSPITAL						
Research on Healthcare Costs, Quality and Outcomes			GFE	93.226 / 93.R01 HS013099-02	35	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					80,203	0
SUBTOTAL Department of Health and Human Services / Agency for Healthcare Research and Quality					281,041	1,261,253
Department of Health and Human Services / Centers For Medicare And Medicaid Services						
DIRECT FROM:						
Department of Health and Human Services / Centers For Medicare And Medicaid Services			UHA	93.767 / 93.CBHP a11	88,633,318	465,649
Children's Health Insurance Program			UHA	93.790 / 93.IV0030243/01	22,924	602,358
Alternate Non-Emergency Service Providers or Networks						
SUBTOTAL DIRECT FROM:					88,656,242	1,068,007
SUBTOTAL Department of Health and Human Services / Centers For Medicare And Medicaid Services					88,656,242	1,068,007
Department of Health and Human Services / Centers for Disease Control and Prevention						
DIRECT FROM:						
Department of Health and Human Services / Centers for Disease Control and Prevention			FAA	93.069	4,846,936	7,176,087
Public Health Emergency Preparedness			FAA	93.116	474,988	9,400
Project Grants and Cooperative Agreements for Tuberculosis Control Programs			FAA	93.136	798,836	493,143
Injury Prevention and Control Research and State and Community Based Programs			GFE	93.262	484,465	631,778
Occupational Safety and Health Program			GGB	93.262	654,939	38,107
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Oth			DAA	93.938	448,092	117,320
HIV Prevention Activities_Health Department Based			FAA	93.940	2,954,215	1,721,570
HIV Demonstration, Research, Public and Professional Education Projects			FAA	93.941	141,928	5,050
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance			FAA	93.944	1,132,469	144,745
Preventive Health Services_Sexually Transmitted Diseases Control Grants			FAA	93.977	918,736	475,304
Preventive Health Services_Sexually Transmitted Diseases Research, Demonstrations, and Public Information a			FAA	93.978	297,464	4,574
Preventive Health and Health Services Block Grant			FAA	93.991	831,939	284,134
SUBTOTAL DIRECT FROM:					13,985,007	11,101,212
PASS-THROUGH PROGRAMS FROM:						
CERNER CORPORATION						
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Viru			GFE	93.943 / 93.200-2001-00133	24,256	0
DENVER HEALTH AND HOSPITAL						
Laboratory Training, Evaluation, and Quality Assurance Programs			GFE	93.064 / 93.E2238-2	6,126	0
Laboratory Training, Evaluation, and Quality Assurance Programs			GFE	93.064 / 93.E2238-A	7,889	0
Immunization Research, Demonstration, Public Information and Education_Training and Clinical Skills Improve			GFE	93.185 / 93.E2431	68,832	0
Immunization Research, Demonstration, Public Information and Education_Training and Clinical Skills Improve			GFE	93.185 / 93.E2432	72,841	0
Preventive Health Services_Sexually Transmitted Diseases Control Grants			GFE	93.977 / 93.CONT 87072	11,916	0
Preventive Health Services_Sexually Transmitted Diseases Control Grants			GFE	93.977 / 93.E19190-2-MOD03	44,138	0
Preventive Health Services_Sexually Transmitted Diseases Control Grants			GFE	93.977 / 93.E1919E-1 MOD03	32,239	0
Preventive Health Services_Sexually Transmitted Diseases Research, Demonstrations, and Public Information a			GFE	93.978 / 93.E1919B-3 BEHAVIORAL	6,020	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
DUKE UNIVERSITY								
Occupational Safety and Health Program				GFE	93.262	/ 93.R01 OH008007-03	(17)	0
INDIANA UNIVERSITY								
HIV Prevention Activities_Non-Governmental Organization Based				GFE	93.939	/ 93.IU 4645709	47,930	0
KAISER FOUNDATION HEALTH PLAN OF COLORADO								
Immunization Research, Demonstration, Public Information and Education_Training and Clinical Skills Improve				GFE	93.185	/ 93.PN200707-041	32,396	0
UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER								
Injury Prevention and Control Research and State and Community Based Programs				GFE	93.136	/ 93.290200710009I T02	14,466	0
WEST VIRGINIA UNIVERSITY								
Injury Prevention and Control Research and State and Community Based Programs				GFE	93.136	/ 93.04-441-UC	61,485	0
WESTAT, INC								
HIV Prevention Activities_Non-Governmental Organization Based				GFE	93.939	/ 93.7735-S035	1,809	0
HIV Prevention Activities_Non-Governmental Organization Based				GFE	93.939	/ 93.N01-HD08-0001	1,145,118	240,182
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							1,577,444	240,182
SUBTOTAL Department of Health and Human Services / Centers for Disease Control and Prevention							15,562,451	11,341,394
Department of Health and Human Services / Health Resources and Services Administration								
DIRECT FROM:								
Department of Health and Human Services / Health Resources and Services Administration								
Model State-Supported Area Health Education Centers				GFE	93.107		116,165	335,170
Maternal and Child Health Federal Consolidated Programs				FAA	93.110		436,709	176,047
Maternal and Child Health Federal Consolidated Programs				GFE	93.110		1,098,814	183,296
Grants for Preventive Medicine				GFE	93.117		261,043	0
Emergency Medical Services for Children				FAA	93.127		91,362	0
AIDS Education and Training Centers				GFE	93.145		911,918	1,035,922
Coordinated Services and Access to Research for Women, Infants, Children, and Youth				GFE	93.153		430,415	499,130
Grants to States for Loan Repayment Program				GRA	93.165		92,448	0
National Research Service Award in Primary Care Medicine				GFE	93.186		289,946	0
Allied Health Special Projects				GFE	93.191		94,169	0
Traumatic Brain Injury State Demonstration Grant Program				IHA	93.234		160,899	0
Universal Newborn Hearing Screening				FAA	93.251		71,101	94,931
Nurse Faculty Loan Program (NFLP)				GFE	93.264		77,392	0
Nurse Faculty Loan Program (NFLP)				GGJ	93.264	/ 93.3NFLPP800145	30,076	0
Advanced Education Nursing Traineeships				GFC	93.358		(3,692)	0
Advanced Education Nursing Traineeships				GFE	93.358		117,503	0
Advanced Education Nursing Traineeships				GKA	93.358		30,911	0
Nurse Education, Practice and Retention Grants				GFE	93.359		325,974	0
Health Careers Opportunity Program				GFE	93.822		203,889	95,312
Grants for Training in Primary Care Medicine and Dentistry				GFE	93.884		575,715	103,962
HIV Care Formula Grants				FAA	93.917		8,618,991	5,428,366
Ryan White HIV/AIDS Dental Reimbursements Community Based Dental Partnership				GFE	93.924		191,186	188,672
Public Health Traineeships				GFE	93.964		9,404	0
Maternal and Child Health Services Block Grant to the States				FAA	93.994		3,268,538	3,601,310
SUBTOTAL DIRECT FROM:							17,500,876	11,742,118
PASS-THROUGH PROGRAMS FROM:								
COLORADO NONPROFIT DEVELOPMENT CENTER								
HIV Emergency Relief Project Grants				GFE	93.914	/ 93.H89HA00027	172,175	0
DENVER DEPT OF HUMAN SERVICES								
Maternal and Child Health Federal Consolidated Programs				GFE	93.110	/ 93.CE61304 (1)	40,383	0
Maternal and Child Health Federal Consolidated Programs				GFE	93.110	/ 93.CE61304 YR03	91,482	0
MASSACHUSETTS GENERAL HOSPITAL								
Maternal and Child Health Federal Consolidated Programs				GFE	93.110	/ 93.UA3MC11054	71,171	0
PUEBLO COMMUNITY HEALTH CENTER								
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease				GFE	93.918	/ 93.CU EIS CONTRCT2003	21,885	0
TEXAS HEALTH INSTITUTE								
Maternal and Child Health Federal Consolidated Programs				GFE	93.110	/ 93.PN090065	24,000	0
Maternal and Child Health Federal Consolidated Programs				GFE	93.110	/ 93.PN200708-202	45,589	0
Maternal and Child Health Federal Consolidated Programs				GFE	93.110	/ 93.PN200711-156	5,575	0
Maternal and Child Health Federal Consolidated Programs				GFE	93.110	/ 93.PN200810-067	9,165	0
UNIVERSITY OF FLORIDA								
Maternal and Child Health Federal Consolidated Programs				GGB	93.110	/ 93.UF07040	34,800	0
Development and Coordination of Rural Health Services				GFE	93.223	/ 93.R18 HL073326	(63)	0
UNIVERSITY OF KANSAS								
Nurse Education, Practice and Retention Grants				GFE	93.359	/ 93.KUMA RI# QC840841	68,475	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							584,637	0
SUBTOTAL Department of Health and Human Services / Health Resources and Services Administration							18,085,513	11,742,118

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY							
MAJOR SUBDIVISION OF FEDERAL AGENCY							
SOURCE TYPE (DIRECT OR PASS-THROUGH)							
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)							
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS		
Department of Health and Human Services / National Institutes of Health							
DIRECT FROM:							
Department of Health and Human Services / National Institutes of Health							
Oral Diseases and Disorders Research	GFE	93.121		(1,540)	0		
Alcohol National Research Service Awards for Research Training	GFE	93.272		398,713	0		
Nursing Research	GFE	93.361		31,638	0		
National Center for Research Resources	GFE	93.389		416,453	89,092		
Cardiovascular Diseases Research	GFE	93.837		125,152	67,166		
Cardiovascular Diseases Research	GGB	93.837		26,250	0		
Lung Diseases Research	GFE	93.838		1,430,731	0		
Diabetes, Digestive, and Kidney Diseases Extramural Research	GFE	93.847		616,595	0		
Diabetes, Digestive, and Kidney Diseases Extramural Research	GGB	93.847		4,302	0		
Extramural Research Programs in the Neurosciences and Neurological Disorders	GFE	93.853		630,274	0		
Extramural Research Programs in the Neurosciences and Neurological Disorders	GGB	93.853		60,796	0		
Allergy, Immunology and Transplantation Research	GFE	93.855		926,342	0		
Biomedical Research and Research Training	GFB	93.859		326	0		
Biomedical Research and Research Training	GFE	93.859		1,123,088	0		
Biomedical Research and Research Training	GGB	93.859		66,741	0		
Biomedical Research and Research Training	GCJ	93.859		78,120	0		
Child Health and Human Development Extramural Research	GFB	93.865		246,954	0		
Child Health and Human Development Extramural Research	GFE	93.865		495,581	0		
Aging Research	GFE	93.866		799,999	290,384		
Aging Research	GGB	93.866		27,172	0		
SUBTOTAL DIRECT FROM:				7,503,687	446,642		
PASS-THROUGH PROGRAMS FROM:							
BENAROYA RESEARCH INSTITUTE AT VIRGINIA MASON							
Diabetes, Digestive, and Kidney Diseases Extramural Research	GFE	93.847 / 93.013.3215.07.A40577		33,427	0		
Diabetes, Digestive, and Kidney Diseases Extramural Research	GFE	93.847 / 93.BRI3215.04 UDK62418		73	0		
BETA CELL BIOLOGY CONSORTIUM							
Diabetes, Digestive, and Kidney Diseases Extramural Research	GFE	93.847 / 93.VUMC32680-4		4	0		
BLACK HILLS CENTER FOR AMERICAN INDIAN HEALTH,S.D							
Cardiovascular Diseases Research	GFE	93.837 / 93.U01HL087422-03		13,878	0		
BOSTON UNIVERSITY							
Extramural Research Programs in the Neurosciences and Neurological Disorders	GFE	93.853 / 93.RA205290 NGO		76,101	0		
BRIGHAM AND WOMENS HOSPITAL							
Oral Diseases and Disorders Research	GFE	93.121 / 93.5 P50DE016191-05		224,991	0		
Oral Diseases and Disorders Research	GFE	93.121 / 93.5 P50DE016191-BWH		64,127	0		
CALIFORNIA INSTITUTE OF TECHNOLOGY							
Lung Diseases Research	GFB	93.838 / 93.19-1079538		349,984	0		
CALIFORNIA PACIFIC MEDICAL CENTER							
Aging Research	GFE	93.866 / 93.2803204-S043		63	0		
CASE WESTERN RESERVE UNIVERSITY							
Cardiovascular Diseases Research	GFE	93.837 / 93.RES502818		45,887	0		
CHANNING LABORATORY AT HARVARD MEDICAL SCHOOL							
Lung Diseases Research	GFE	93.838 / 93.SUB# 103118-3		36,438	0		
CHILDREN'S HOSPITAL PHILADELPHIA							
Extramural Research Programs in the Neurosciences and Neurological Disorders	GFE	93.853 / 93.20732-02-11		2,826	0		
CHILDRENS HOSPITAL							
National Center for Research Resources	GFE	93.389 / 93.G07056		9,299	0		
National Center for Research Resources	GFE	93.389 / 93.G07154 AMD 4		73,373	0		
National Center for Research Resources	GFE	93.389 / 93.G07154 AMD 6		84,649	0		
CHILDRENS HOSPITAL OF CINCINNATI							
National Center for Research Resources	GFE	93.389 / 93.CHMC# 100453		254	0		
National Center for Research Resources	GFE	93.389 / 93.CHMC# 470		(15,744)	0		
CLARKSON UNIVERSITY							
Cardiovascular Diseases Research	GFE	93.837 / 93.SUB# 375-32780-1		3,168	0		
COLORADO SEMINARY							
Child Health and Human Development Extramural Research	GFE	93.865 / 93.SC#36070-02-05		52,797	0		
COLUMBIA UNIVERSITY							
Diabetes, Digestive, and Kidney Diseases Extramural Research	GFB	93.847 / 93.1 5-3488/PO 575504		187,207	0		
Diabetes, Digestive, and Kidney Diseases Extramural Research	GFB	93.847 / 93.5-65604 / PO#570622		27,346	0		
Extramural Research Programs in the Neurosciences and Neurological Disorders	GFE	93.853 / 93.COLUMBU-NS048125		3,811	0		
DENVER HEALTH AND HOSPITAL							
Cardiovascular Diseases Research	GFE	93.837 / 93.E2062A		(12,867)	0		
Lung Diseases Research	GFE	93.838 / 93.DHH - E1392-B7		182,711	0		
Lung Diseases Research	GFE	93.838 / 93.DHH - E1392B5		(3,471)	0		
Lung Diseases Research	GFE	93.838 / 93.DHH - E1392B6		9,460	0		
Diabetes, Digestive, and Kidney Diseases Extramural Research	GFE	93.847 / 93.DHH E1942-B		75,061	0		

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
MAJOR SUBDIVISION OF FEDERAL AGENCY						
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
DUKE UNIVERSITY						
Cardiovascular Diseases Research		GFE	93.837	/ 93.141988	28,125	0
Cardiovascular Diseases Research		GFE	93.837	/ 93.PN200512-168	474	0
Aging Research		GFB	93.866	/ 93.04-SC-NIH-1072	188,549	0
FLORIDA A&M UNIVERSITY						
Microbiology and Infectious Diseases Research		GFE	93.856	/ 93.C-1786	(41,440)	0
GEORGE WASHINGTON UNIVERSITY						
Diabetes, Digestive, and Kidney Diseases Extramural Research		GFE	93.847	/ 93.23301-6-CCLS20349F	(2,247)	0
Diabetes, Digestive, and Kidney Diseases Extramural Research		GFE	93.847	/ 93.PTA#23301-2-CCLS201	156,835	0
Diabetes, Digestive, and Kidney Diseases Extramural Research		GFE	93.847	/ 93.5-TRN0708-NL08	47,567	0
Diabetes, Digestive, and Kidney Diseases Extramural Research		GFE	93.847	/ 93.5-TRN0708-NL13	(88,578)	0
HARVARD SCHOOL OF PUBLIC HEALTH						
Child Health and Human Development Extramural Research		GFE	93.865	/ 93.PN200811-099	3,605	0
HARVARD UNIVERSITY-SCHOOL OF PUBLIC HEALTH						
Child Health and Human Development Extramural Research		GFE	93.865	/ 93.U01 HD052102-04	203,822	0
Child Health and Human Development Extramural Research		GFE	93.865	/ 93.U01 HD052102-FFP	45,514	0
Child Health and Human Development Extramural Research		GFE	93.865	/ 93.U01 HD052102-FUP	3,815	0
HENRY M. JACKSON FOUNDATION						
Microbiology and Infectious Diseases Research		GFE	93.856	/ 93.142140	226,402	0
HOSPITAL FOR SPECIAL SURGERY						
Allergy, Immunology and Transplantation Research		GFE	93.855	/ 93.AI055007-05 R01	7,704	0
HTD BIOSYSTEMS						
Allergy, Immunology and Transplantation Research		GFB	93.855	/ 93.OCG4573B	(14,578)	0
INTERCAMPUS-UCDHSC						
Diabetes, Digestive, and Kidney Diseases Extramural Research		GFB	93.847	/ 93.SPA CLEARING ACCT	0	306,262
JOHNS HOPKINS UNIVERSITY						
Lung Diseases Research		GFE	93.838	/ 93.SUB-2000011369	32,779	0
Child Health and Human Development Extramural Research		GFE	93.865	/ 93.2000235383	11,793	0
KAISER FOUNDATION HEALTH PLAN OF COLORADO						
Research and Training in Complementary and Alternative Medicine		GFE	93.213	/ 93.R21AT002617	71,229	0
LOUISIANA STATE UNIVERSITY						
Alcohol Research Programs		GFE	93.273	/ 93.28715	61,875	0
Alcohol Research Programs		GFE	93.273	/ 93.91462	6,853	0
MASSACHUSETTS GENERAL HOSPITAL						
Biomedical Research and Research Training		GFE	93.859	/ 93.5 U54 QM062119-07	20,989	0
Biomedical Research and Research Training		GFE	93.859	/ 93.5 U54 QM062119-08	74,623	0
Biomedical Research and Research Training		GFE	93.859	/ 93.5 U54 QM62119-04	(586)	0
MEDICAL COLLEGE OF GEORGIA						
Diabetes, Digestive, and Kidney Diseases Extramural Research		GFE	93.847	/ 93.MEDCG 21039	60,997	0
MESOSYSTEMS TECHNOLOGY						
Microbiology and Infectious Diseases Research		GFB	93.856	/ 93.03-218-002	(17,201)	0
MT.SINAI SCHOOL OF MEDICINE,NY						
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853	/ 93.NS045719	78,092	0
NATL JEWISH HOSPITAL						
National Center on Sleep Disorders Research		GFE	93.233	/ 93.22089602	6,271	0
National Center on Sleep Disorders Research		GFE	93.233	/ 93.22089602/HL075366-5	(203)	0
National Center on Sleep Disorders Research		GFE	93.233	/ 93.22091401/HL67209-07	32,204	0
Lung Diseases Research		GFE	93.838	/ 93.1 R01 HL088138-02	86,365	0
Lung Diseases Research		GFE	93.838	/ 93.22098201	59,855	0
Lung Diseases Research		GFE	93.838	/ 93.5 R01 HL088138-02	134,789	30,653
Lung Diseases Research		GFE	93.838	/ 93.HL09099101/22091901	(6,148)	0
Lung Diseases Research		GFE	93.838	/ 93.NJH #24012418	47,754	0
Lung Diseases Research		GFE	93.838	/ 93.NJH #24012419	272,072	0
Lung Diseases Research		GFE	93.838	/ 93.NJH #24012518	40,045	0
Lung Diseases Research		GFE	93.838	/ 93.NJH #24012519	192,423	0
Lung Diseases Research		GFE	93.838	/ 93.NJH-24019701_AMD01	106,178	0
Lung Diseases Research		GFE	93.838	/ 93.P0#1911909	114,000	0
Allergy, Immunology and Transplantation Research		GFE	93.855	/ 93.26001122_AMD01	161,765	0
Allergy, Immunology and Transplantation Research		GFE	93.855	/ 93.26001221_AMD01	21,140	0
Allergy, Immunology and Transplantation Research		GFE	93.855	/ 93.26003405	(5,265)	0
Allergy, Immunology and Transplantation Research		GFE	93.855	/ 93.26003406	26,442	0
Allergy, Immunology and Transplantation Research		GFE	93.855	/ 93.NJH # 20020698	117,945	0
Allergy, Immunology and Transplantation Research		GFE	93.855	/ 93.NJH 20023427_MOD02	20,277	0
Allergy, Immunology and Transplantation Research		GFE	93.855	/ 93.NJH 22083004	18,026	0
Allergy, Immunology and Transplantation Research		GFE	93.855	/ 93.NJH-23092901	2,887	0
NORTHWESTERN UNIVERSITY						
Cardiovascular Diseases Research		GGB	93.837	/ 93.60020815-CSU	30,619	0
NSF/Ithaca College						
IMP for the 21st Century		GTA	93.ESI0627821		1,208	0
OHIO STATE UNIVERSITY						
Nursing Research		GFE	93.361	/ 93.60015064	51,160	0
OHIO STATE UNIVERSITY RESEARCH FOUNDATION						
Biomedical Research and Research Training		GFB	93.859	/ 93.600070771	44,951	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
QCMETRIX, INC.								
Nursing Research				GFE	93.361	/ 93.PN200703-199	89,463	0
QUEST PRODUCT DEVELOPMENT CORPORATION								
Allergy, Immunology and Transplantation Research				GFB	93.855	/ 93.OCG51158	233,437	0
RUTGERS UNIVERSITY								
Aging Research				GFB	93.866	/ 93.837F664/3297	5,715	0
SAINT LOUIS UNIVERSITY,MO								
Microbiology and Infectious Diseases Research				GFE	93.856	/ 93.N01-AI-45250	91,675	0
SCRIPPS RESEARCH INSTITUTE								
Allergy, Immunology and Transplantation Research				GFE	93.855	/ 93.SRI-UI9AI063603	2,967	0
SOCIAL AND SCIENTIFIC SYSTEMS								
Allergy, Immunology and Transplantation Research				GFE	93.855	/ 93.BRS-06-00139-T005	37,881	0
Allergy, Immunology and Transplantation Research				GFE	93.855	/ 93.Q-06-00139-T007	34,997	0
Microbiology and Infectious Diseases Research				GFE	93.856	/ 93.BRS-Q-06-00116-T003	30,538	0
Microbiology and Infectious Diseases Research				GFE	93.856	/ 93.BRS-Q-06-00139-T001	(5,429)	0
STATE UNIVERSITY OF NEW YORK AT BINGHAMTON								
Allergy, Immunology and Transplantation Research				GFE	93.855	/ 93.48802	1,800	0
TDA RESEARCH INC.								
Lung Diseases Research				GFE	93.838	/ 93.1 R43 DK075192-01A1	7,533	0
THE MIND RESEARCH NETWORK								
Alcohol Research Programs				GFB	93.273	/ 93.6048-001 SUB N1	(100)	0
THOMAS JEFFERSON UNIVERSITY								
Biomedical Research and Research Training				GFE	93.859	/ 93.080-04000-R53804	33,389	0
TUFTS UNIVERSITY								
Extramural Research Programs in the Neurosciences and Neurological Disorders				GFE	93.853	/ 93.TUFTS-R01 NS036524	202,679	0
UNIV OF KENTUCKY RESEARCH FOUNDATION								
Extramural Research Programs in the Neurosciences and Neurological Disorders				GFE	93.853	/ 93.UKRF 4-68214-05-062	12,702	0
UNIVERSITY OF ALABAMA								
Child Health and Human Development Extramural Research				GFE	93.865	/ 93.066 ATN 063	11,396	0
UNIVERSITY OF ALABAMA AT BIRMINHAM								
Microbiology and Infectious Diseases Research				GFE	93.856	/ 93.UALAB-N01 AI15440	(12,876)	0
Child Health and Human Development Extramural Research				GFE	93.865	/ 93.SUBAWARD#066	5,121	0
UNIVERSITY OF CALIFORNIA AT SAN FRANCISCO								
Lung Diseases Research				GFE	93.838	/ 93.UCSF-SUB 4917SC_01	30,711	0
Allergy, Immunology and Transplantation Research				GFE	93.855	/ 93.ITN10180-00SC	57,579	0
Allergy, Immunology and Transplantation Research				GFE	93.855	/ 93.SUB# 0132SC	62,387	0
Allergy, Immunology and Transplantation Research				GFE	93.855	/ 93.SUB# 3698SC	253,021	0
Allergy, Immunology and Transplantation Research				GFE	93.855	/ 93.UCSF-#3109SC	66,591	0
UNIVERSITY OF CALIFORNIA BERKLEY								
Biomedical Research and Research Training				GFB	93.859	/ 93.6114	45,640	0
UNIVERSITY OF CINCINNATI								
Oral Diseases and Disorders Research				GFE	93.121	/ 93.001817 1004215	624	0
Cardiovascular Diseases Research				GFE	93.837	/ 93.005422-1005891	8,200	0
UNIVERSITY OF DENVER								
Child Health and Human Development Extramural Research				GFE	93.865	/ 93.SC36278A-00-02	3,325	0
UNIVERSITY OF FLORIDA								
Cardiovascular Diseases Research				GFE	93.837	/ 93.UF08047	8,139	0
Cardiovascular Diseases Research				GFE	93.837	/ 93.UF09036	27,395	0
UNIVERSITY OF ILLINOIS								
Cardiovascular Diseases Research				GFE	93.837	/ 93.494815 E6954	159,653	0
UNIVERSITY OF LOUISVILLE								
Aging Research				GFE	93.866	/ 93.05-1523 Z12	8,022	0
UNIVERSITY OF MARYLAND COLLEGE PARK								
Child Health and Human Development Extramural Research				GFE	93.865	/ 93.Z194601/HD048588	16,495	0
UNIVERSITY OF MICHIGAN								
Cardiovascular Diseases Research				GFE	93.837	/ 93.3000856465	29,971	0
Lung Diseases Research				GFE	93.838	/ 93.3000899032	115,116	0
Biomedical Research and Research Training				GFB	93.859	/ 93.5000003180	(9,605)	0
UNIVERSITY OF NORTH CAROLINA								
Diabetes, Digestive, and Kidney Diseases Extramural Research				GFE	93.847	/ 93.5-50806	54,134	0
Child Health and Human Development Extramural Research				GFB	93.865	/ 93.5-33901	534,012	0
Child Health and Human Development Extramural Research				GFB	93.865	/ 93.5-33983	112,273	14,741
UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL								
Child Health and Human Development Extramural Research				GFB	93.865	/ 93.5-51425	44,914	0
UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER								
Child Health and Human Development Extramural Research				GFE	93.865	/ 93.SUB#2009-42	4,391	0
UNIVERSITY OF PENNSYLVANIA								
Research and Training in Complementary and Alternative Medicine				GFE	93.213	/ 93.UPA 5-38977-A	(7,324)	0
UNIVERSITY OF PITTSBURG								
Cardiovascular Diseases Research				GFE	93.837	/ 93.UP104407	1,629	0
Allergy, Immunology and Transplantation Research				GFE	93.855	/ 93.0000898/113428-2	9,542	0
Allergy, Immunology and Transplantation Research				GFE	93.855	/ 93.0000898/114586-2	47,356	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
UNIVERSITY OF ROCHESTER								
Extramural Research Programs in the Neurosciences and Neurological Disorders				GFE	93.853	/ 93.NS37167-PO#413445-G	2,486	0
Extramural Research Programs in the Neurosciences and Neurological Disorders				GFE	93.853	/ 93.UROCH 5-29913	19,190	0
UNIVERSITY OF SOUTH CAROLINA								
Diabetes, Digestive, and Kidney Diseases Extramural Research				GFE	93.847	/ 93.08-1468	9,934	0
UNIVERSITY OF SOUTH FLORIDA								
Diabetes, Digestive, and Kidney Diseases Extramural Research				GFE	93.847	/ 93.6119-1094-00-B	32,358	0
Diabetes, Digestive, and Kidney Diseases Extramural Research				GFE	93.847	/ 93.6119-1144-00-P	480,566	0
Diabetes, Digestive, and Kidney Diseases Extramural Research				GFE	93.847	/ 93.USF 6119-1117-00-C	1,485,944	0
Diabetes, Digestive, and Kidney Diseases Extramural Research				GFE	93.847	/ 93.USF# 6119-1094-00-I	266,126	0
UNIVERSITY OF TEXAS AT AUSTIN								
Child Health and Human Development Extramural Research				GFB	93.865	/ 93.UTA06-597	61,631	0
UNIVERSITY OF TEXAS AT SAN ANTONIO								
Oral Diseases and Disorders Research				GFE	93.121	/ 93.122040/121476	81,173	0
UNIVERSITY OF UTAH								
Diabetes, Digestive, and Kidney Diseases Extramural Research				GFE	93.847	/ 93.10001507	102,836	0
Diabetes, Digestive, and Kidney Diseases Extramural Research				GFE	93.847	/ 93.1000652401/DK078112	75,734	0
UNIVERSITY OF VIRGINIA								
Cardiovascular Diseases Research				GFE	93.837	/ 93.GC11740-132488	117,988	0
UNIVERSITY OF WASHINGTON								
Allergy, Immunology and Transplantation Research				GFE	93.855	/ 93.SUB # 226495	57,146	0
UNIVERSITY OF WISCONSIN								
National Center for Research Resources				GFE	93.389	/ 93.K087578	40,542	0
VANDERBILT UNIVERSITY								
Diabetes, Digestive, and Kidney Diseases Extramural Research				GFE	93.847	/ 93.VUMC 32611-R	126,380	0
Diabetes, Digestive, and Kidney Diseases Extramural Research				GFE	93.847	/ 93.VUMC 35033	26,992	0
Diabetes, Digestive, and Kidney Diseases Extramural Research				GFB	93.847	/ 93.VUMC35144	8,133	0
VANDERBILT UNIVERSITY MEDICAL CENTER								
Diabetes, Digestive, and Kidney Diseases Extramural Research				GFE	93.847	/ 93.VUMC 32633-R	136,856	0
Diabetes, Digestive, and Kidney Diseases Extramural Research				GFE	93.847	/ 93.VUMC 33065-R	(328)	0
Allergy, Immunology and Transplantation Research				GFB	93.855	/ 93.VUMC 33080-R	31	0
VAX DESIGN CORPORATION								
Allergy, Immunology and Transplantation Research				GFE	93.855	/ 93.70003-UHSC	157,140	72,966
VIRGINIA COMMONWEALTH UNIVERSITY								
Diabetes, Digestive, and Kidney Diseases Extramural Research				GFE	93.847	/ 93.PT103155-SC101101	11,807	0
Child Health and Human Development Extramural Research				GFE	93.865	/ 93.PD300306/SC100817	5,826	0
VIRGINIA TECH UNIVERSITY								
National Center for Research Resources				GFE	93.389	/ 93.431399-19720-01	11,835	0
WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE								
Diabetes, Digestive, and Kidney Diseases Extramural Research				GFE	93.847	/ 93.U01 DK62418-4	56,826	0
WASHINGTON STATE UNIVERSITY								
National Center for Research Resources				GFE	93.389	/ 93.WSTU-10951_G001905C	99,379	0
WEILL MEDICAL COLLEGE OF CORNELL UNIVERSITY								
Extramural Research Programs in the Neurosciences and Neurological Disorders				GFE	93.853	/ 93.PN200705-142	320	0
WESTAT, INC								
Microbiology and Infectious Diseases Research				GFE	93.856	/ 93.8530-S036	132,810	0
Microbiology and Infectious Diseases Research				GFE	93.856	/ 93.N01-HD-3-3345	(146)	0
Microbiology and Infectious Diseases Research				GFE	93.856	/ 93.N01-HD-8-0001	132,293	0
YALE UNIVERSITY								
Cardiovascular Diseases Research				GFE	93.837	/ 93.A06695	20,415	0
Diabetes, Digestive, and Kidney Diseases Extramural Research				GFE	93.847	/ 93.A06509 (M08A00746)	13,397	0
Extramural Research Programs in the Neurosciences and Neurological Disorders				GFE	93.853	/ 93.YALE-A06512	416	0
Extramural Research Programs in the Neurosciences and Neurological Disorders				GFE	93.853	/ 93.YALE-A06915	51,525	0
Extramural Research Programs in the Neurosciences and Neurological Disorders				GFE	93.853	/ 93.YALE-PO1NS044281-03	(49,560)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							10,511,705	424,622
SUBTOTAL Department of Health and Human Services / National Institutes of Health							18,015,392	871,264
FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
DIRECT FROM:								
FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Food and Drug Administration: Research				FAA	93.103		347,745	0
Food and Drug Administration: Research				BAA	93.103	/ 93.HHSF223200740129P	27,489	0
Food and Drug Administration: Research				BAA	93.103	/ 93.HHSF223200840146C	18,574	0
Food Safety and Security Monitoring Project				FAA	93.448		319,189	0
SUBTOTAL DIRECT FROM:							712,997	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
PASS-THROUGH PROGRAMS FROM:								
MASSACHUSETTS GENERAL HOSPITAL								
Food and Drug Administration: Research				GFE		93.103 / 93.FD-R002555-01	(8,758)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							(8,758)	0
SUBTOTAL FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES							704,239	0
HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
DIRECT FROM:								
HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Cooperative Agreements to States/ Territories for the Coordination and Development or Primary Care Officers				FAA	93.130		145,329	0
Grants for Dental Public Health Residency Training				FAA	93.236		86,471	0
Advanced Education Nursing Grant Program				GFE	93.247		169,543	0
Advanced Education Nursing Grant Program				GFE	93.247		210,968	0
Grants for Graduate Training in Family Medicine				GFB	93.379		1,268	0
Rural Health Medical Education Demonstration Projects				GTA	93.906		139,217	0
SUBTOTAL DIRECT FROM:							752,796	0
PASS-THROUGH PROGRAMS FROM:								
EMORY UNIVERSITY, ATLANTA								
Vision Research				GFE	93.867 / 93.PN200804-005		283,709	0
JAEB CENTER FOR HEALTH RESEARCH								
Vision Research				GFE	93.867 / 93.U10EY14231		12	0
OREGON HEALTH SCIENCES UNIVERSITY								
Advanced Education Nursing Grant Program				GFE	93.247 / 93.ASON00260-UC		11,788	0
Oregon Health Science University								
Advanced Education Nursing Grant Program				GKA	93.247 / 93.ASON00260-UNC		5,828	0
UNIVERSITY OF CALIFORNIA SANTA CRUZ								
Vision Research				GFB	93.867 / 93.S0181633		18,956	0
UNIVERSITY OF NEW MEXICO								
Cooperative Agreements to States/ Territories for the Coordination and Development or Primary Care Officers				GFE	93.130 / 93.HHSN268200425211C		12,531	0
UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER								
Advanced Education Nursing Grant Program				GFE	93.247 / 93.D09HP10420		38,233	0
UNIVERSITY OF UTAH								
Vision Research				GFE	93.867 / 93.10007757		16,272	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							387,329	0
SUBTOTAL HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES							1,140,125	0
INDIAN HEALTH SERVICE, PUBLIC HEALTH SERVICE, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
PASS-THROUGH PROGRAMS FROM:								
BLACK HILLS CENTER FOR AMERICAN INDIAN HEALTH.S.D								
Indian Health Service: Health Management Development Program				GFE	93.228 / 93.U261IHS300107/02		(76,287)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							(76,287)	0
SUBTOTAL INDIAN HEALTH SERVICE, PUBLIC HEALTH SERVICE, DEPARTMENT OF HEALTH AND HUMAN SERVICES							(76,287)	0
NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
DIRECT FROM:								
NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Research Related to Deafness and Communication Disorders				GFE	93.173		201,374	0
Mental Health Research Grants				GFE	93.242		345,693	0
Mental Health Research Grants				IHA	93.242		69,697	85,993
Drug Abuse and Addiction Research Programs				GFE	93.279		103,994	0
Mental Health National Research Service Awards for Research Training				GFE	93.282		46,248	0
Cancer Treatment Research				GGB	93.395		3,000	0
Cancer Research Manpower				GFE	93.398		690,564	13,080
Cancer Research Manpower				GGB	93.398		20,165	0
Cancer Control				GFE	93.399		19,620	0
Arthritis, Musculoskeletal and Skin Diseases Research				GFE	93.846		446,950	0
Arthritis, Musculoskeletal and Skin Diseases Research				GGB	93.846		23,887	0
Arthritis, Musculoskeletal and Skin Diseases Research				GSA	93.846 / 93.1 R15 AR050402-01A1		2,769	0
Digestive Diseases and Nutrition Research				GFE	93.848		681,418	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
Kidney Diseases, Urology and Hematology Research		GFE	93.849		149,245	0
Medical Library Assistance		GFE	93.879		490,778	0
Minority Access to Research Careers		GFE	93.880		(84)	0
SUBTOTAL DIRECT FROM:					3,295,318	99,073
PASS-THROUGH PROGRAMS FROM:						
AMERICAN ACADEMY CHILD ADOLESCENT PSYCHIATRY						
Career Development Awards		GFE	93.277 / 93.PN200509-313		46,837	0
AMERICAN COLLEGE OF RADIOLOGY						
Cancer Treatment Research		GFE	93.395 / 93.ACOR CA21661		125,242	0
ARIZONA STATE UNIVERSITY						
Population Research		GFE	93.864 / 93.09-113		11,026	0
BAYLOR COLLEGE OF MEDICINE						
Cancer Biology Research		GFE	93.396 / 93.P0# 100108810		24,837	0
Cancer Biology Research		GFE	93.396 / 93.P0#101013220		862	0
BOOZ ALLEN HAMILTON INC.MD						
Cancer Centers Support		GFE	93.397 / 93.PN200805-330_SUP01		11,581	0
Cancer Centers Support		GFE	93.397 / 93.SUB# 79556CBS10		34,635	0
BRIGHAM AND WOMENS HOSPITAL						
Arthritis, Musculoskeletal and Skin Diseases Research		GFE	93.846 / 93.P50 AR044750		10,739	0
CHILDREN'S HOSPITAL RESEARCH CENTER						
Mental Health Research Grants		GFE	93.242 / 93.662-91193183-AMG		(1)	0
CHILDRENS HOSPITAL						
Digestive Diseases and Nutrition Research		GFE	93.848 / 93.G07056		9,865	0
CLEVELAND CLINIC FOUNDATION						
Kidney Diseases, Urology and Hematology Research		GFB	93.849 / 93.4.94135E+11		136,193	0
Population Research		GFE	93.864 / 93.1R01HD041162 MOD#6		1,671	0
COLLINGS AND ASSOCIATES						
Cancer Cause and Prevention Research		GFE	93.393 / 93.CA103606A		42,593	0
COLUMBUS CHILDRENS RESEARCH INSTITUTE						
Cancer Control		GFE	93.399 / 93.5 R01-CA098217-05		71,958	0
DARTMOUTH COLLEGE						
Cancer Control		GFE	93.399 / 93.5-30190.5710		(7,952)	0
Cancer Control		GFE	93.399 / 93.502032.5000.L00378		3,262	0
Cancer Control		GFE	93.399 / 93.PN200710-191		87,604	0
DENVER HEALTH AND HOSPITAL						
Career Development Awards		GFE	93.277 / 93.E1770C		30,895	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.DHH - E1815B-2		25,758	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.E1815A		3	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.E1815B-2		(19,903)	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.E1815B-3		117,818	0
DUKE UNIVERSITY						
Cancer Treatment Research		GFE	93.395 / 93.7U10CA76001		7,276	0
EMMES CORPORATION						
Drug Abuse and Addiction Research Programs		GFE	93.279 / 93.EMMES CTN-0017		3,769	0
EMORY UNIVERSITY, ATLANTA						
Cancer Cause and Prevention Research		GFE	93.393 / 93.5-40635-G7		4,847	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.5-42135-G1		8,635	0
Kidney Diseases, Urology and Hematology Research		GFE	93.849 / 93.5-23315-G3		253,701	0
FISHER BIOSERVICES CORP						
Cancer Treatment Research		GFE	93.395 / 93.FBS-43312-19		1	0
INTERNET SOLUTIONS FOR KIDS, INC.						
Mental Health Research Grants		GFE	93.242 / 93.PN200612-130		53,917	0
JOHNS HOPKINS UNIVERSITY						
Mental Health Research Grants		GFE	93.242 / 93.2000056571		9,937	0
Cancer Control		GFE	93.399 / 93.2000289068		66,106	0
KAISER FOUNDATION HEALTH PLAN OF COLORADO						
Digestive Diseases and Nutrition Research		GFE	93.848 / 93.5 R01 DK070553-05		32,575	0
KLEIN BRUNDEL, INC.						
Cancer Cause and Prevention Research		GFE	93.393 / 93.238-UCD		11,084	0
KLEIN BUENDEL						
Cancer Cause and Prevention Research		GFB	93.393 / 93.249-UCD		1,433	0
KLEIN BUENDEL, INC.						
Cancer Cause and Prevention Research		GFE	93.393 / 93.0253-0101-000		6,304	0
Cancer Cause and Prevention Research		GFE	93.393 / 93.0254-0123-001		67,190	0
LIVING SYSTEMS, INC.						
Biomedical Technology		GFE	93.371 / 93.06-0771		37,771	0
M.D.ANDERSON CANCER CENTER AT UNIV OF TEXAS						
Cancer Control		GFE	93.399 / 93.17102/98017942		139	0
Cancer Control		GFE	93.399 / 93.20191-98017942		1,333	0
Cancer Control		GFE	93.399 / 93.23676/98017942		406,286	0
Cancer Control		GFE	93.399 / 93.UTH-NO1CM17003		999	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
MASSACHUSETTS GENERAL HOSPITAL								
Drug Abuse and Addiction Research Programs				GFE	93.279	/ 93.Mar-33	2,075	0
Cancer Cause and Prevention Research				GFE	93.393	/ 93.9235784	32,625	0
Cancer Cause and Prevention Research				GFE	93.393	/ 93.RFP-N01-PC-55049-40	188,182	0
MAYO CLINIC ROCHESTER								
Cancer Treatment Research				GFE	93.395	/ 93.MCR-0053-P2C	11,766	0
Digestive Diseases and Nutrition Research				GFE	93.848	/ 93.MAYO DK66270-03	51,486	0
MEDICAL UNIVERSITY OF SOUTH CAROLINA								
Mental Health Research Grants				GFE	93.242	/ 93.R01 MH068813/08-010	186,745	0
NANOMATERIALS RESEARCH CORP.								
Bioengineering Research				GFB	93.287	/ 93.OCC4597B	37	0
NATL JEWISH HOSPITAL								
Environmental Health				GFE	93.113	/ 93.NJH 23089603	384,930	0
Environmental Health				GFE	93.113	/ 93.NJH 23089903	145,166	0
Environmental Health				GFE	93.113	/ 93.NJH-23089403	48,014	0
NSABP FOUNDATION, INC								
Cancer Treatment Research				GFE	93.395	/ 93.NSABP TFED36-#340	52,495	0
PROTECHSURE SCIENTIFIC, INC.								
Cancer Control				GFE	93.399	/ 93.R41CA171013	(1,645)	0
QCMETRIX, INC.								
Biomedical Technology				GFE	93.371	/ 93.PN200611-079	215,924	0
RESEARCH TRIANGLE INSTITUTE								
Cancer Treatment Research				GFE	93.395	/ 93.1-340-0209139	84,205	0
SERENDIPITY PHARMACEUTICALS, INC.								
Cancer Treatment Research				GFE	93.395	/ 93.PN200607-199	1,242	0
SOCIAL AND SCIENTIFIC SYSTEMS								
Mental Health Research Grants				GFE	93.242	/ 93.BRS-Q-06-00116-T001	24,711	0
Mental Health Research Grants				GFE	93.242	/ 93.Q-06-00116-T006	16,272	0
SOUTHWEST FOUNDATION FOR BIOMEDICAL RESEARCH								
Digestive Diseases and Nutrition Research				GFE	93.848	/ 93.SUB#08-4116.003	9,194	0
SOUTHWEST ONCOLOGY CANCER THERAPY RESEARCH								
Cancer Treatment Research				GFE	93.395	/ 93.80321	4,261	0
Cancer Treatment Research				GFE	93.395	/ 93.F014035	34,140	0
Cancer Treatment Research				GFE	93.395	/ 93.F020121	9,784	0
Cancer Treatment Research				GFE	93.395	/ 93.F020124	9,211	0
Cancer Treatment Research				GFE	93.395	/ 93.S0502	72,897	0
Cancer Treatment Research				GFE	93.395	/ 93.SWOG-CA32102/37429	223,474	0
Cancer Treatment Research				GFE	93.395	/ 93.SWOG-S0354	3,166	0
Cancer Treatment Research				GFE	93.395	/ 93.SWOG-S0635	10,326	0
Cancer Treatment Research				GFE	93.395	/ 93.SWOG-S0636	10,370	0
Cancer Control				GFE	93.399	/ 93.F021096	388,246	0
SUN HEALTH RESEARCH INSTITUTE								
Arthritis, Musculoskeletal and Skin Diseases Research				GFB	93.846	/ 93.751179-SUB	72,184	0
TEMPLE UNIVERSITY								
Drug Abuse and Addiction Research Programs				GFB	93.279	/ 93.CC0148990	20,721	0
Drug Abuse and Addiction Research Programs				GFB	93.279	/ 93.P0 #CC0148990	21,423	0
Drug Abuse and Addiction Research Programs				GFB	93.279	/ 93.P0# CC0148990	(20,656)	0
TISSUE GENETICS, LLC								
Cancer Treatment Research				GFE	93.395	/ 93.1R41CA126011-01A2	33,695	0
Cancer Biology Research				GFE	93.396	/ 93.1R41CA124191-01A1-J	7,118	0
Cancer Biology Research				GFE	93.396	/ 93.1R41CA128233-01A1-J	(97)	0
TUFTS UNIVERSITY								
Medical Library Assistance				GFE	93.879	/ 93.PN200610-249	65,961	0
UNIVERSITY OF ALABAMA								
Kidney Diseases, Urology and Hematology Research				GFE	93.849	/ 93.N01-AI-30025	1,793	0
UNIVERSITY OF ALABAMA AT BIRMINGHAM								
Digestive Diseases and Nutrition Research				GFE	93.848	/ 93.DK065958-02	36	0
UNIVERSITY OF ARIZONA								
Cancer Cause and Prevention Research				GFE	93.393	/ 93.Y431674	21,463	0
Cancer Cause and Prevention Research				GFE	93.393	/ 93.Y431674_MOD03	124,769	0
UNIVERSITY OF CALIFORNIA AT DAVIS								
Trans-NIH Research Support				GFE	93.310	/ 93.RL1AG32115/07004393	189,957	0
UNIVERSITY OF CALIFORNIA AT IRVINE								
Mental Health Research Grants				GFE	93.242	/ 93.2007-1859/MH080246	17,012	0
Cancer Control				GFE	93.399	/ 93.UCHSC-2003-1185 #5	2,645	0
UNIVERSITY OF CALIFORNIA AT SAN DIEGO								
Cell Biology and Biophysics Research				GFE	93.821	/ 93.P0#10228622-004	33,641	0
Cell Biology and Biophysics Research				GFE	93.821	/ 93.P0# 10290491-001	421,772	0
Cell Biology and Biophysics Research				GFE	93.821	/ 93.P0#10290578	352,722	0
Cell Biology and Biophysics Research				GFE	93.821	/ 93.UCSD 10228623-004	10,757	0
UNIVERSITY OF CALIFORNIA AT SAN FRANCISCO								
Clinical Research				GFE	93.333	/ 93.UCSF-#30685C	58,304	0
Cancer Cause and Prevention Research				GFE	93.393	/ 93.UCSF 50095C	10,920	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
Arthritis, Musculoskeletal and Skin Diseases Research		GFE	93.846	/ 93.SUB#3661SC AMD01	(480)	0
Biological Basis Research in the Neurosciences		GFE	93.854	/ 93.4738SC	110,694	0
UNIVERSITY OF CALIFORNIA BERKLEY						
Cancer Biology Research		GFB	93.396	/ 93.SA4901-10810	49,752	0
UNIVERSITY OF CINCINNATI						
Drug Abuse and Addiction Research Programs		GFE	93.279	/ 93.19492/U10CA13732-08	386,941	0
Drug Abuse and Addiction Research Programs		GFE	93.279	/ 93.5 U10 DA013732-08	143,801	0
Drug Abuse and Addiction Research Programs		GFE	93.279	/ 93.U10CA13732-09	63,398	0
Cancer Cause and Prevention Research		GFE	93.393	/ 93.SRS# 001169SAP#1005	(10,801)	0
Cancer Cause and Prevention Research		GFE	93.393	/ 93.SRS#001169	143,435	0
UNIVERSITY OF DENVER						
Mental Health Research Grants		GFE	93.242	/ 93.SC36215-01-03	37,238	0
UNIVERSITY OF MARYLAND BALTIMORE COUNTY						
Human Genome Research		GFB	93.172	/ 93.SR00000646	44,254	0
UNIVERSITY OF MIAMI						
Research Related to Deafness and Communication Disorders		GFE	93.173	/ 93.PN090200	61,840	0
UNIVERSITY OF MICHIGAN						
Mental Health Research Grants		GFE	93.242	/ 93.3001172426	63,911	0
Cancer Treatment Research		GFE	93.395	/ 93.6U10CA32101-29	5,434	0
Cancer Treatment Research		GFE	93.395	/ 93.CA32102-F015011	5,451	0
Cancer Treatment Research		GFE	93.395	/ 93.F018084	274,923	0
Cancer Treatment Research		GFE	93.395	/ 93.F020947	692,436	0
Digestive Diseases and Nutrition Research		GFE	93.848	/ 93.3000769682	25,531	0
Kidney Diseases, Urology and Hematology Research		GFE	93.849	/ 93.3000675741	309	0
UNIVERSITY OF NEVADA, RENO						
Drug Abuse and Addiction Research Programs		GFE	93.279	/ 93.1320 122 17AD	13,568	0
Drug Abuse and Addiction Research Programs		GFE	93.279	/ 93.1320-122 17AD	751	0
UNIVERSITY OF NEW MEXICO						
Drug Abuse and Addiction Research Programs		GFB	93.279	/ 93.028131-874X	84,238	0
Drug Abuse and Addiction Research Programs		GFB	93.279	/ 93.3R59H	21,273	0
UNIVERSITY OF PITTSBURG						
Research Related to Deafness and Communication Disorders		GFE	93.173	/ 93.113622-1	27,468	0
Research Related to Deafness and Communication Disorders		GFE	93.173	/ 93.UPITT 111077-1	2,532	0
Trans-NIH Research Support		GFE	93.310	/ 93.0004558 113512-1	50,332	0
UNIVERSITY OF ROCHESTER						
Mental Health Research Grants		GFE	93.242	/ 93.413641-G	5,140	0
Drug Abuse and Addiction Research Programs		GFE	93.279	/ 93.414337-G	132,364	0
Cancer Cause and Prevention Research		GFE	93.393	/ 93.UROCH P0# 412464-G	33,366	0
UNIVERSITY OF SOUTH CAROLINA						
Mental Health Research Grants		GFE	93.242	/ 93.USCRF 03-0774	4,425	0
UNIVERSITY OF SOUTHERN CALIFORNIA						
Cancer Cause and Prevention Research		GFE	93.393	/ 93.H35330	9,503	0
Cancer Cause and Prevention Research		GFE	93.393	/ 93.H40020	92,614	0
Cancer Detection and Diagnosis Research		GFE	93.394	/ 93.H39531	4,911	0
UNIVERSITY OF TEXAS AT AUSTIN						
Cancer Biology Research		GFB	93.396	/ 93.UTA08-776	16,641	0
UNIVERSITY OF TEXAS AT SAN ANTONIO						
Cancer Control		GFE	93.399	/ 93.PCPT# 07001	117	0
UNIVERSITY OF TEXAS SW MEDICAL CENTER						
Cancer Centers Support		GFE	93.397	/ 93.UTEX # GMO-400816	16,119	0
UNIVERSITY OF UTAH						
Mental Health Research Grants		GFE	93.242	/ 93.2406136-01	1	0
Medical Library Assistance		GFE	93.879	/ 93.N01-LM-1-3504	109,139	0
UNIVERSITY OF WASHINGTON						
Biometry and Risk Estimation: Health Risks from Environmental Exposures		GFB	93.115	/ 93.972343	313,744	0
Human Genome Research		GFE	93.172	/ 93.441040	(3,279)	0
Drug Abuse and Addiction Research Programs		GFB	93.279	/ 93.SUBCONTRACT #209498	2,281	0
Cancer Research Manpower		GFE	93.398	/ 93.UW-291912 MOD #2	4,834	0
UNIVERSITY OF WISCONSIN						
Cancer Cause and Prevention Research		GFB	93.393	/ 93.836F356	(6,872)	0
VANDERBILT UNIVERSITY						
Cancer Centers Support		GFE	93.397	/ 93.VUMC30745	29,970	0
Cancer Control		GFE	93.399	/ 93.VUMC31458-R	11,028	0
VANDERBILT UNIVERSITY MEDICAL CENTER						
Arthritis, Musculoskeletal and Skin Diseases Research		GFE	93.846	/ 93.VUMC33017-R	8,960	0
WASHINGTON UNIVERSITY IN ST LOUIS, MISSOURI						
Cancer Cause and Prevention Research		GFB	93.393	/ 93.WU-09-132/PO 290525	221,976	0
Digestive Diseases and Nutrition Research		GFB	93.848	/ 93.WU-08-32/2904601A	194,867	0
YALE UNIVERSITY						
Population Research		GFE	93.864	/ 93.A07330 (M09A10244)	619	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					8,904,962	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
SUBTOTAL NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES							12,200,280	99,073
OFFICE OF MINORITY HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
DIRECT FROM:								
OFFICE OF MINORITY HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program				FAA	93.006		126,110	0
SUBTOTAL DIRECT FROM:							126,110	0
SUBTOTAL OFFICE OF MINORITY HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES							126,110	0
OFFICE OF PUBLIC HEALTH AND SCIENCE, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
DIRECT FROM:								
OFFICE OF PUBLIC HEALTH AND SCIENCE, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Family Planning: Services				FAA	93.217		135,304	3,246,539
SUBTOTAL DIRECT FROM:							135,304	3,246,539
SUBTOTAL OFFICE OF PUBLIC HEALTH AND SCIENCE, DEPARTMENT OF HEALTH AND HUMAN SERVICES							135,304	3,246,539
OFFICE OF THE ASSISTANT SECRETARY FOR PLANNING AND EVALUATION, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
PASS-THROUGH PROGRAMS FROM:								
BOWLING GREEN STATE UNIVERSITY								
Policy Research and Evaluation Grants				GFE	93.239 / 93.NCMR-SUBCOA08		19,855	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							19,855	0
SUBTOTAL OFFICE OF THE ASSISTANT SECRETARY FOR PLANNING AND EVALUATION, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES							19,855	0
OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
DIRECT FROM:								
OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
National Community Centers of Excellence in Women's Health				GFE	93.290		3,000	0
National Bioterrorism Hospital Preparedness Program				FAA	93.889		1,556,165	5,566,603
SUBTOTAL DIRECT FROM:							1,559,165	5,566,603
SUBTOTAL OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES							1,559,165	5,566,603
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
DIRECT FROM:								
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)				IHA	93.104		75,955	766,637
Protection and Advocacy for Individuals with Mental Illness				FAA	93.138		197,924	12,398
Projects for Assistance in Transition from Homelessness (PATH)				IHA	93.150		29,449	817,489
Consolidated Knowledge Development and Application (KD&A) Program				GFE	93.230		(36)	0
Consolidated Knowledge Development and Application (KD&A) Program				IHA	93.230		(3,196)	6,999
Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement				FAA	93.238		134,900	0
Substance Abuse and Mental Health Services: Projects of Regional and National Significance				FAA	93.243		94,567	329,712
Substance Abuse and Mental Health Services: Projects of Regional and National Significance				GFE	93.243		40,999	84,568
Substance Abuse and Mental Health Services: Projects of Regional and National Significance				GJM	93.243		23,202	0
Substance Abuse and Mental Health Services: Projects of Regional and National Significance				IHA	93.243		249,184	3,055,611
Substance Abuse and Mental Health Services: Projects of Regional and National Significance				JAA	93.243 / 93.1H79TI019277-01		141,582	0
Substance Abuse and Mental Health Services: Projects of Regional and National Significance				JAA	93.243 / 93.1H79TI019913		191,969	0
Substance Abuse and Mental Health Services: Projects of Regional and National Significance				JAA	93.243 / 93.5H79SP014018		89,241	0
Substance Abuse and Mental Health Services: Projects of Regional and National Significance				JAA	93.243 / 93.5H79SP014018-03		317,087	0
Substance Abuse and Mental Health Services: Projects of Regional and National Significance				JAA	93.243 / 93.5H79TI019277-02		353,059	0
Substance Abuse and Mental Health Services: Projects of Regional and National Significance				EAA	93.243 / 93.CU1TI18302A		3,682,062	0
Substance Abuse and Mental Health Services - Access to Recovery				IHA	93.275		(122,775)	6,564,074
Block Grants for Community Mental Health Services				IHA	93.958		896,806	5,260,885
Block Grants for Prevention and Treatment of Substance Abuse				IHA	93.959		2,951,939	20,236,860
Mental Health Disaster Assistance and Emergency Mental Health				IHA	93.982		54,890	180,343
SUBTOTAL DIRECT FROM:							9,398,808	37,315,576

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
PASS-THROUGH PROGRAMS FROM:								
ALAMOSA COUNTY NURSING SERVICES								
Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement				GFE		93.238 / 93.PN200601-300_CONT03	15,196	0
CITY AND COUNTY OF DENVER								
Substance Abuse and Mental Health Services: Projects of Regional and National Significance				GFE		93.243 / 93.CCP GE72250	70,278	0
DENVER DEPT OF HUMAN SERVICES								
Substance Abuse and Mental Health Services: Projects of Regional and National Significance				GFE		93.243 / 93.CCP GE72250 YR02	246,246	0
EMMES CORPORATION								
Demonstration Grants for Residential Treatment for Women and Their Children				GFE		93.102 / 93.DK061693-01	40,054	0
GREATER DENVER INTERFAITH ALLIANCE								
Block Grants for Community Mental Health Services				GFE		93.958 / 93.PN200608-001	(43)	0
Block Grants for Community Mental Health Services				GFE		93.958 / 93.PN200608-01_AMD01	(6)	0
HUMAN RESOURCES RESEARCH ORGANIZATION								
Mental Health Clinical and AIDS Service-Related Training Grants				GFE		93.244 / 93.SUB #07-07	51,827	0
Northrop Grumman								
Fetal Alcohol Spectrum Disorder				JAA		93. 7500025988	246,778	0
ORC MACRO INTERNATIONAL, INC.								
Substance Abuse and Mental Health Services: Projects of Regional and National Significance				GFE		93.243 / 93.35126-6S-836	15,303	0
Substance Abuse and Mental Health Services: Projects of Regional and National Significance				GFE		93.243 / 93.35126-6S-836/280-03	42,860	0
SIGNAL BEHAVIORAL HEALTH NETWORK								
Block Grants for Prevention and Treatment of Substance Abuse				GFE		93.959 / 93.PN200605-376	41	0
Block Grants for Prevention and Treatment of Substance Abuse				GFE		93.959 / 93.PN200706-078	142,930	0
Block Grants for Prevention and Treatment of Substance Abuse				GFE		93.959 / 93.PN:200706-078	152,145	0
Block Grants for Prevention and Treatment of Substance Abuse				GFE		93.959 / 93.PN:200706-078	96,452	0
Block Grants for Prevention and Treatment of Substance Abuse				GFE		93.959 / 93.SIGNAL08-09	2,438,201	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							3,558,262	0
SUBTOTAL SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES							12,957,070	37,315,576
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES							248,421,800	291,377,075
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CORPORATION FOR NATIONAL AND COMMUNITY SERVICE								
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE								
DIRECT FROM:								
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE								
Retired and Senior Volunteer Program				GKA		94.002	79,921	0
State Commissions				EBB		94.003	257,093	0
State Commissions				GZA		94.003	310,487	0
Learn and Serve America: School and Community Based Programs				DAA		94.004	74,373	140,000
AmeriCorps				EBB		94.006	1,832,390	0
AmeriCorps				CJC		94.006	966	0
Planning and Program Development Grants				EBB		94.007	109,338	0
Training and Technical Assistance				EBB		94.009	109,989	0
SUBTOTAL DIRECT FROM:							2,774,557	140,000
PASS-THROUGH PROGRAMS FROM:								
Colorado Campus Compact								
AmeriCorps				GKA		94.006 / 94.None	6,372	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							6,372	0
SUBTOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE							2,780,929	140,000
SUBTOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE							2,780,929	140,000
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DEPARTMENT OF HOMELAND SECURITY								
DEPARTMENT OF HOMELAND SECURITY								
DIRECT FROM:								
DEPARTMENT OF HOMELAND SECURITY								
Pilot Demonstration or Earmarked Projects				ESA		97.001	16,448	0
Urban Areas Security Initiative				ESA		97.008	0	116,342
Pre-Disaster Mitigation (PDM) Competitive Grants				NAA		97.017	724,981	1,921,456
Hazardous Materials Assistance Programs				NAA		97.021	13,973	6,027

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY

MAJOR SUBDIVISION OF FEDERAL AGENCY

SOURCE TYPE (DIRECT OR PASS-THROUGH)

ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)

PROGRAM NAME

NONCASH  
INDICATOR

STATE<sup>1</sup>  
AGENCY

CFDA / OTHER ID NUMBER

DIRECT  
EXPENDITURES

PASSED TO  
SUBRECIPIENTS

Flood Mitigation Assistance	NAA	97.029	170,563	0
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	NAA	97.036	6,382	81,715
Chemical Stockpile Emergency Preparedness Program	NAA	97.040	657,555	3,889,322
Emergency Management Performance Grants	NAA	97.042	1,721,829	4,615,205
Fire Management Assistance Grant	GGB	97.046	(4,717,979)	0
Map Modernization Management Support	PDA	97.070	177,114	0
Rail and Transit Security Grant Program	ESA	97.075	18,946	892,875
Buffer Zone Protection Program (BZPP)	ESA	97.078	9,322	188,938
Homeland Security Biowatch Program	FAA	97.091	380,351	0
Disaster Housing Assistance Grant	NAA	97.109	77,022	10,817
SUBTOTAL DIRECT FROM:			(743,493)	11,722,697
PASS-THROUGH PROGRAMS FROM:				
UNIVERSITY OF MARYLAND COLLEGE PARK				
Centers for Homeland Security	GFB	97.061 / 97.2930118	108,069	0
Centers for Homeland Security	GFB	97.061 / 97.2988503	71,626	93,331
SUBTOTAL PASS-THROUGH PROGRAMS FROM:			179,695	93,331
SUBTOTAL DEPARTMENT OF HOMELAND SECURITY			(563,798)	11,816,028
Department of Homeland Security				
DIRECT FROM:				
Department of Homeland Security				
Boating Safety Financial Assistance	PJA	97.012	909,503	0
Community Assistance Program State Support Services Element (CAP-SSSE)	NAA	97.023	112,403	0
National Dam Safety Program	PEA	97.041	45,749	0
State Fire Training Systems Grants	RAA	97.043	31,679	0
Cooperating Technical Partners	PDA	97.045	1,454,130	0
SUBTOTAL DIRECT FROM:			2,553,464	0
SUBTOTAL Department of Homeland Security			2,553,464	0
SUBTOTAL DEPARTMENT OF HOMELAND SECURITY			1,989,666	11,816,028
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FOREIGN FOOD DONATION				
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT				
DIRECT FROM:				
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT				
UNSAID Foreign Assistance for Programs Overseas	GFE	98.001	300,867	77,184
SUBTOTAL DIRECT FROM:			300,867	77,184
PASS-THROUGH PROGRAMS FROM:				
AMERICAN COUNCIL ON EDUCATION (ACE)				
AN INTEGRATED PARTNERSHIP FOR IMPR	GGB	98.07739104	56,229	6,960
SUSTAINABILITY OF DRY LANDS: A REG	GGB	98.08310503	4,645	0
Georgetown University				
Professional Dev for Teachers in Central America & the Caribbean	GKA	98.UNCO-RX2050-852-07-P-6	10,005	0
INDIANA UNIVERSITY				
UNSAID Foreign Assistance for Programs Overseas	GFB	98.001 / 98.19525A-425632 PO# 1	3,025	0
WASHINGTON STATE UNIVERSITY				
UNSAID Foreign Assistance for Programs Overseas	GFB	98.001 / 98.G002141/105825	117,605	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:			191,509	6,960
SUBTOTAL UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT			492,376	84,144
SUBTOTAL FOREIGN FOOD DONATION			492,376	84,144
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STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY					
MAJOR SUBDIVISION OF FEDERAL AGENCY					
SOURCE TYPE (DIRECT OR PASS-THROUGH)					
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)					
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
FEDERAL AGENCIES NOT USING CFDA NUMBERS					
CONSUMER PRODUCT SAFETY COMMISSION					
DIRECT FROM:					
CONSUMER PRODUCT SAFETY COMMISSION					
Consumer Product Safety		FAA	99.CPSC-W-070040	2,469	0
SUBTOTAL DIRECT FROM:				2,469	0
SUBTOTAL CONSUMER PRODUCT SAFETY COMMISSION				2,469	0
OTHER FEDERAL AGENCIES					
DIRECT FROM:					
OTHER FEDERAL AGENCIES					
HYDROLOGIC PROCESSES & EFFECTS OF		GGB	99.08195503	50,253	0
OF-CON		GFB	99.Unknown	3,521	0
SUBTOTAL DIRECT FROM:				53,774	0
SUBTOTAL OTHER FEDERAL AGENCIES				53,774	0
STATE JUSTICE INSTITUTE					
DIRECT FROM:					
STATE JUSTICE INSTITUTE					
Probation Workload Value		JAA	99.SJI-07-N-192	36,007	0
SUBTOTAL DIRECT FROM:				36,007	0
SUBTOTAL STATE JUSTICE INSTITUTE				36,007	0
SUBTOTAL FEDERAL AGENCIES NOT USING CFDA NUMBERS				92,250	0
SUBTOTAL A - UNCLUSTERED PROGRAMS				1,979,332,488	560,128,023

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY							
MAJOR SUBDIVISION OF FEDERAL AGENCY							
SOURCE TYPE (DIRECT OR PASS-THROUGH)							
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)							
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER		DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS	
AGING-CLUSTER							
*****							
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES							
DIRECT FROM:							
ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Special Programs for the Aging: Title III, Part B: Grants for Supportive Services and Senior Centers	IHA	93.044			5,889,187		0
Special Programs for the Aging: Title III, Part C: Nutrition Services	IHA	93.045			5,524,653		0
Nutrition Services Incentive Program	IHA	93.053			1,347,460		0
					-----		-----
SUBTOTAL DIRECT FROM:					12,761,300		0
					-----		-----
SUBTOTAL ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES					12,761,300		0
					-----		-----
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES					12,761,300		0
					-----		-----
SUBTOTAL AGING-CLUSTER					12,761,300		0
-----							

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY							
MAJOR SUBDIVISION OF FEDERAL AGENCY							
SOURCE TYPE (DIRECT OR PASS-THROUGH)							
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)							
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS		
CCDF-CLUSTER							
*****							
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Department of Health and Human Services / Administration For Children And Families							
DIRECT FROM:							
Department of Health and Human Services / Administration For Children And Families							
Child Care and Development Block Grant	IHA	93.575		42,181,303	0		
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	IHA	93.596		38,110,593	0		
ARRA - Child Care Development Fund-Discretionary	IHA	93.713		10,733,228	0		
SUBTOTAL DIRECT FROM:				91,025,124	0		
PASS-THROUGH PROGRAMS FROM:							
Douglas County							
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	GJL	93.596		7,457	15,187		
Qualistar							
Child Care and Development Block Grant	GJL	93.575		175,585	0		
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				183,042	15,187		
SUBTOTAL Department of Health and Human Services / Administration For Children And Families				91,208,166	15,187		
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				91,208,166	15,187		
SUBTOTAL CCDF-CLUSTER				91,208,166	15,187		

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY					
MAJOR SUBDIVISION OF FEDERAL AGENCY					
SOURCE TYPE (DIRECT OR PASS-THROUGH)					
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)					
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
CDBG-ENTITLEMENT-CLUSTER					
*****					
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
PASS-THROUGH PROGRAMS FROM:					
CITY AND COUNTY OF DENVER					
Community Development Block Grants/Entitlement Grants		GFE	14.218 / 14.CDBG GRANT CPS#0018	50,882	0
				-----	-----
				50,882	0
				-----	-----
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				50,882	0
				-----	-----
SUBTOTAL COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				50,882	0
				-----	-----
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				50,882	0
				-----	-----
SUBTOTAL CDBG-ENTITLEMENT-CLUSTER				50,882	0
				-----	-----

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY					
MAJOR SUBDIVISION OF FEDERAL AGENCY					
SOURCE TYPE (DIRECT OR PASS-THROUGH)					
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)					
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
CDBG-ST ADMIN SM CITY-CLUSTER					
*****					
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
DIRECT FROM:					
COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii					
		NAA	14.228	638,131	12,412,618
SUBTOTAL DIRECT FROM:				638,131	12,412,618
SUBTOTAL COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				638,131	12,412,618
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				638,131	12,412,618
SUBTOTAL CDBG-ST ADMIN SM CITY-CLUSTER				638,131	12,412,618

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY						
MAJOR SUBDIVISION OF FEDERAL AGENCY						
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS	
CHILD NUTRITION-CLUSTER						
*****						
DEPARTMENT OF AGRICULTURE						
Department of Agriculture / Food and Nutrition Service						
DIRECT FROM:						
Department of Agriculture / Food and Nutrition Service						
School Breakfast Program		DAA	10.553	0	23,629,503	
National School Lunch Program		DAA	10.555	0	100,378,891	
National School Lunch Program	*	IHA	10.555	12,637,574	0	
Special Milk Program for Children		DAA	10.556	0	77,181	
Summer Food Service Program for Children		DAA	10.559	23,187	1,869,747	
Summer Food Service Program for Children	*	IHA	10.559	377,092	0	
SUBTOTAL DIRECT FROM:				13,037,853	125,955,322	
SUBTOTAL Department of Agriculture / Food and Nutrition Service				13,037,853	125,955,322	
SUBTOTAL DEPARTMENT OF AGRICULTURE				13,037,853	125,955,322	
SUBTOTAL CHILD NUTRITION-CLUSTER				13,037,853	125,955,322	

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY					
MAJOR SUBDIVISION OF FEDERAL AGENCY					
SOURCE TYPE (DIRECT OR PASS-THROUGH)					
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)					
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
CSBG-CLUSTER					
*****					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Department of Health and Human Services / Administration For Children And Families					
DIRECT FROM:					
Department of Health and Human Services / Administration For Children And Families					
Community Services Block Grant		NAA	93.569	383,127	5,692,867
				-----	-----
SUBTOTAL DIRECT FROM:				383,127	5,692,867
PASS-THROUGH PROGRAMS FROM:					
DENVER DEPT OF HUMAN SERVICES					
Community Services Block Grant		GFE	93.569 / 93.GE72333(1)	311,751	0
				-----	-----
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				311,751	0
SUBTOTAL Department of Health and Human Services / Administration For Children And Families				694,878	5,692,867
				-----	-----
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				694,878	5,692,867
				-----	-----
SUBTOTAL CSBG-CLUSTER				694,878	5,692,867
				-----	-----

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

## MAJOR SUBDIVISION OF FEDERAL AGENCY

## SOURCE TYPE (DIRECT OR PASS-THROUGH)

## ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)

## PROGRAM NAME

NONCASH  
INDICATORSTATE<sup>1</sup>  
AGENCY

CFDA / OTHER ID NUMBER

**DIRECT  
EXPENDITURES**

PASSED TO  
SUBRECIPIENTS

DISABILITY INSURANCE/SSI-CLUSTER

\*\*\*\*\*

## SOCIAL SECURITY ADMINISTRATION

## SOCIAL SECURITY ADMINISTRATION

DIRECT FROM:

SOCIAL SECURITY ADMINISTRATION

Social Security: Disability Insurance

IHA

96.001

22,152,851

0

SUBTOTAL DIRECT FROM:

22,152,851

0

## SUBTOTAL SOCIAL SECURITY ADMINISTRATION

22,152,851

0

## SUBTOTAL SOCIAL SECURITY ADMINISTRATION

22,152,851

0

## SUBTOTAL DISABILITY INSURANCE/SSI-CLUSTER

22,152,851

0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY							
MAJOR SUBDIVISION OF FEDERAL AGENCY							
SOURCE TYPE (DIRECT OR PASS-THROUGH)							
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)							
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER			DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
EARLY INTERV (IDEA)-CLUSTER							
*****							
DEPARTMENT OF EDUCATION							
OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION							
DIRECT FROM:							
OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION							
Special Education-Grants for Infants and Families				IHA	84.181	9,353,180	0
						-----	-----
						9,353,180	0
SUBTOTAL DIRECT FROM:						-----	-----
						9,353,180	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION						-----	-----
						9,353,180	0
SUBTOTAL DEPARTMENT OF EDUCATION						-----	-----
						9,353,180	0
SUBTOTAL EARLY INTERV (IDEA)-CLUSTER						-----	-----
						9,353,180	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY					
MAJOR SUBDIVISION OF FEDERAL AGENCY					
SOURCE TYPE (DIRECT OR PASS-THROUGH)					
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)					
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
EMERGENCY FOOD ASSISTANCE-CLUSTER					
*****					
DEPARTMENT OF AGRICULTURE					
Department of Agriculture / Food and Nutrition Service					
DIRECT FROM:					
Department of Agriculture / Food and Nutrition Service					
ARRA-Donated Foods-TEFAP Stimulus					
Emergency Food Assistance Program (Administrative Costs)					
	*	IHA	10.568	0	38,296
		IHA	10.568	5,540,915	977,815
SUBTOTAL DIRECT FROM:				5,540,915	1,016,111
SUBTOTAL Department of Agriculture / Food and Nutrition Service				5,540,915	1,016,111
SUBTOTAL DEPARTMENT OF AGRICULTURE				5,540,915	1,016,111
SUBTOTAL EMERGENCY FOOD ASSISTANCE-CLUSTER				5,540,915	1,016,111

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY					
MAJOR SUBDIVISION OF FEDERAL AGENCY					
SOURCE TYPE (DIRECT OR PASS-THROUGH)					
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)					
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
EMPLOYMENT SERVICE-CLUSTER					
*****					
DEPARTMENT OF LABOR					
Department of Labor / Employment Training Administration					
DIRECT FROM:					
Department of Labor / Employment Training Administration					
Employment Service/Wagner-Peyser Funded Activities		KAA	17.207	2,191,624	9,897,699
Employment Services-ARRA		KAA	17.207	20,276	97,353
SUBTOTAL DIRECT FROM:				2,211,900	9,995,052
SUBTOTAL Department of Labor / Employment Training Administration				2,211,900	9,995,052
OFFICE OF THE ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR					
DIRECT FROM:					
OFFICE OF THE ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR					
Disabled Veterans' Outreach Program (DVOP)		KAA	17.801	1,192,851	153,984
Local Veterans' Employment Representative Program		KAA	17.804	1,453,146	62,140
SUBTOTAL DIRECT FROM:				2,645,997	216,124
SUBTOTAL OFFICE OF THE ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR				2,645,997	216,124
SUBTOTAL DEPARTMENT OF LABOR				4,857,897	10,211,176
SUBTOTAL EMPLOYMENT SERVICE-CLUSTER				4,857,897	10,211,176

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY							
MAJOR SUBDIVISION OF FEDERAL AGENCY							
SOURCE TYPE (DIRECT OR PASS-THROUGH)							
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)							
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER			DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
FEDERAL TRANSIT-CLUSTER							
*****							
DEPARTMENT OF TRANSPORTATION							
FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION							
DIRECT FROM:							
FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION							
Federal Transit: Formula Grants							
		HAA	20.507			121,748	206,454
SUBTOTAL DIRECT FROM:						-----121,748-----	-----206,454-----
SUBTOTAL FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION						-----121,748-----	-----206,454-----
SUBTOTAL DEPARTMENT OF TRANSPORTATION						-----121,748-----	-----206,454-----
SUBTOTAL FEDERAL TRANSIT-CLUSTER						-----121,748-----	-----206,454-----
-----							

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY					
MAJOR SUBDIVISION OF FEDERAL AGENCY					
SOURCE TYPE (DIRECT OR PASS-THROUGH)					
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)					
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
FISH AND WILDLIFE-CLUSTER					
*****					
DEPARTMENT OF THE INTERIOR					
Department of the Interior / Fish and Wildlife Service					
DIRECT FROM:					
Department of the Interior / Fish and Wildlife Service					
Sport Fish Restoration Program		PBA	15.605	7,425,456	1,437,455
Wildlife Restoration		PBA	15.611	5,855,270	88,829
SUBTOTAL DIRECT FROM:				13,280,726	1,526,284
PASS-THROUGH PROGRAMS FROM:					
Recreational Boat & Fishing Foundation					
Sport Fish Restoration Program		PBA	15.605 / 15.RBFF-07-G111	10,697	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				10,697	0
SUBTOTAL Department of the Interior / Fish and Wildlife Service				13,291,423	1,526,284
SUBTOTAL DEPARTMENT OF THE INTERIOR				13,291,423	1,526,284
SUBTOTAL FISH AND WILDLIFE-CLUSTER				13,291,423	1,526,284
-----					

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY							
MAJOR SUBDIVISION OF FEDERAL AGENCY							
SOURCE TYPE (DIRECT OR PASS-THROUGH)							
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)							
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS		
HEAD START-CLUSTER							
*****							
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Department of Health and Human Services / Administration For Children And Families							
DIRECT FROM:							
Department of Health and Human Services / Administration For Children And Families							
Head Start	GFE	93.600		486,475	415,451		
Head Start	GGB	93.600		384,167	29,452		
Head Start	GJD	93.600		141,302	0		
Head Start	GJH	93.600		5,315,957	0		
Head Start	EAA	93.600 / 93.08CD0019		114,740	0		
SUBTOTAL DIRECT FROM:				6,442,641	444,903		
PASS-THROUGH PROGRAMS FROM:							
Napa County							
Head Start	GJD	93.600		2,785	0		
VANDERBILT UNIVERSITY							
Head Start	GFE	93.600 / 93.SUB. #19247-S2		171,229	0		
XTRIA, LLC							
Head Start	GFE	93.600 / 93.SUB# 1053-007-45-18		6,798	0		
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				180,812	0		
SUBTOTAL Department of Health and Human Services / Administration For Children And Families				6,623,453	444,903		
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				6,623,453	444,903		
SUBTOTAL HEAD START-CLUSTER				6,623,453	444,903		

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
HIGHWAY PLANNING & CONST-CLUSTER								
*****								
DEPARTMENT OF TRANSPORTATION								
Department of Transportation / Federal Highway Administration (FHWA)								
DIRECT FROM:								
Department of Transportation / Federal Highway Administration (FHWA)								
ARRA- Highway Planning and Construction					HAA	20.205	2,541,360	0
Highway Planning and Construction					HAA	20.205	419,311,136	65,192,555
SUBTOTAL DIRECT FROM:							421,852,496	65,192,555
PASS-THROUGH PROGRAMS FROM:								
NATIONAL ACADEMY OF SCIENCE								
Highway Planning and Construction					GFE	20.205 / 20.HR12-59	(1,343)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							(1,343)	0
SUBTOTAL Department of Transportation / Federal Highway Administration (FHWA)							421,851,153	65,192,555
FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION								
DIRECT FROM:								
FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION								
Recreational Trails Program					PJA	20.219	313,560	393,312
SUBTOTAL DIRECT FROM:							313,560	393,312
SUBTOTAL FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION							313,560	393,312
SUBTOTAL DEPARTMENT OF TRANSPORTATION							422,164,713	65,585,867
SUBTOTAL HIGHWAY PLANNING & CONST-CLUSTER							422,164,713	65,585,867

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
HIGHWAY SAFETY-CLUSTER								
*****								
DEPARTMENT OF TRANSPORTATION								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION								
DIRECT FROM:								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION								
State and Community Highway Safety				HAA	20.600		111,134	5,388,084
Alcohol Impaired Driving Countermeasures Incentive Grants I				HAA	20.601		0	1,783,943
SUBTOTAL DIRECT FROM:							111,134	7,172,027
PASS-THROUGH PROGRAMS FROM:								
NATIONAL ACADEMY OF SCIENCE								
Federal Highway Safety Data Improvements Incentive Grants				GFB	20.603 / 20.HR 14-15		30,261	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							30,261	0
SUBTOTAL NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION							141,395	7,172,027
SUBTOTAL DEPARTMENT OF TRANSPORTATION							141,395	7,172,027
SUBTOTAL HIGHWAY SAFETY-CLUSTER							141,395	7,172,027
-----								

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY					
MAJOR SUBDIVISION OF FEDERAL AGENCY					
SOURCE TYPE (DIRECT OR PASS-THROUGH)					
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)					
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
HOMELAND SECURITY-CLUSTER *****					
DEPARTMENT OF HOMELAND SECURITY					
DEPARTMENT OF HOMELAND SECURITY					
DIRECT FROM:					
DEPARTMENT OF HOMELAND SECURITY					
Homeland Security Grant Program					
		ESA	97.067	2,510,075	14,410,522
SUBTOTAL DIRECT FROM:				2,510,075	14,410,522
SUBTOTAL DEPARTMENT OF HOMELAND SECURITY				2,510,075	14,410,522
SUBTOTAL DEPARTMENT OF HOMELAND SECURITY				2,510,075	14,410,522
SUBTOTAL HOMELAND SECURITY-CLUSTER				2,510,075	14,410,522

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
IMMUNIZATION-CLUSTER								
*****								
DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Department of Health and Human Services / Centers for Disease Control and Prevention								
DIRECT FROM:								
Department of Health and Human Services / Centers for Disease Control and Prevention								
Immunization Grants				FAA	93.268		2,645,578	1,446,201
							-----	-----
SUBTOTAL DIRECT FROM:							2,645,578	1,446,201
PASS-THROUGH PROGRAMS FROM:								
NATL JEWISH HOSPITAL								
Immunization Grants				GFE	93.268 / 93.N01-AI-40029		84,688	0
							-----	-----
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							84,688	0
							-----	-----
SUBTOTAL Department of Health and Human Services / Centers for Disease Control and Prevention							2,730,266	1,446,201
							-----	-----
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES							2,730,266	1,446,201
							-----	-----
SUBTOTAL IMMUNIZATION-CLUSTER							2,730,266	1,446,201
							-----	-----

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
MEDICAID-CLUSTER								
*****								
DEPARTMENT OF HEALTH AND HUMAN SERVICES								
CENTERS FOR MEDICARE AND MEDICAID SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
DIRECT FROM:								
CENTERS FOR MEDICARE AND MEDICAID SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Medical Assistance Program				FAA	93.778		4,801,268	0
Medical Assistance Program				UHA	93.778 / 93.M0905C05028		1,726,663,136	0
Medical Assistance Program				UHA	93.778 / 93.M0905C05048		85,632,390	6,683,520
ARRA-Medicaid				UHA	93.778 / 93.M0905C0ARRA		252,543,517	0
SUBTOTAL DIRECT FROM:							2,069,640,311	6,683,520
SUBTOTAL CENTERS FOR MEDICARE AND MEDICAID SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES							2,069,640,311	6,683,520
Department of Health and Human Services / Centers For Medicare And Medicaid Services								
DIRECT FROM:								
Department of Health and Human Services / Centers For Medicare And Medicaid Services								
State Survey and Certification of Health Care Providers and Suppliers				UHA	93.777 / 93.M0905C05001		2,340,841	0
SUBTOTAL DIRECT FROM:							2,340,841	0
SUBTOTAL Department of Health and Human Services / Centers For Medicare And Medicaid Services							2,340,841	0
OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
DIRECT FROM:								
OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
State Medicaid Fraud Control Units				LAA	93.775 / 93.01-0801-5050		284,483	0
State Medicaid Fraud Control Units				LAA	93.775 / 93.01-0901-5050		802,098	0
SUBTOTAL DIRECT FROM:							1,086,581	0
SUBTOTAL OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES							1,086,581	0
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES							2,073,067,733	6,683,520
SUBTOTAL MEDICAID-CLUSTER							2,073,067,733	6,683,520

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY							
MAJOR SUBDIVISION OF FEDERAL AGENCY							
SOURCE TYPE (DIRECT OR PASS-THROUGH)							
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)							
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER		DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS	
PUBLIC WORKS & ECONOMIC DEV-CLUSTER *****							
DEPARTMENT OF COMMERCE							
Department of Commerce / Economic Development Administration							
DIRECT FROM:							
Department of Commerce / Economic Development Administration							
Economic Adjustment Assistance		GFC	11.307		34,000	0	
					-----	-----	
					34,000	0	
SUBTOTAL DIRECT FROM:							
					-----	-----	
					34,000	0	
SUBTOTAL Department of Commerce / Economic Development Administration							
					-----	-----	
					34,000	0	
SUBTOTAL DEPARTMENT OF COMMERCE							
					-----	-----	
					34,000	0	
SUBTOTAL PUBLIC WORKS & ECONOMIC DEV-CLUSTER							
					-----	-----	
					34,000	0	

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
RESEARCH AND DEVELOPMENT-CLUSTER						
*****						
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION						
DIRECT FROM:						
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION						
Unclassified Grants and Contracts		GFB	43.000		6,917,067	411,100
					-----	-----
SUBTOTAL DIRECT FROM:					6,917,067	411,100
PASS-THROUGH PROGRAMS FROM:						
PRINCETON UNIVERSITY						
Unclassified Grants and Contracts		GGB	43.000 / .00001600		13,365	0
					-----	-----
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					13,365	0
					-----	-----
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					6,930,432	411,100
SMALL BUSINESS ADMINISTRATION						
DIRECT FROM:						
SMALL BUSINESS ADMINISTRATION						
Unclassified Grants and Contracts		GFB	59.000		6,248	0
Unclassified Grants and Contracts		GGB	59.000		137,645	0
					-----	-----
SUBTOTAL DIRECT FROM:					143,893	0
					-----	-----
SUBTOTAL SMALL BUSINESS ADMINISTRATION					143,893	0
					-----	-----
SUBTOTAL					7,074,325	411,100
-----						
AGENCY FOR INTERNATIONAL DEVELOPMENT						
AGENCY FOR INTERNATIONAL DEVELOPMENT						
PASS-THROUGH PROGRAMS FROM:						
NEW MEXICO STATE UNIVERSITY						
R&D		GGB	02.Q01226		938,992	0
					-----	-----
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					938,992	0
					-----	-----
SUBTOTAL AGENCY FOR INTERNATIONAL DEVELOPMENT					938,992	0
					-----	-----
SUBTOTAL AGENCY FOR INTERNATIONAL DEVELOPMENT					938,992	0
-----						
DEPARTMENT OF AGRICULTURE						
AGRICULTURAL RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE						
DIRECT FROM:						
AGRICULTURAL RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE						
Agricultural Research Basic and Applied Research		GFC	10.001		1,452	0
Agricultural Research Basic and Applied Research		GGB	10.001		574,463	12,979
R&D		GGB	10.58-5348-8-275 AMD 1		7,865	0
R&D		GGB	10.58-5402-3-306 MOD 6		933	0
R&D		GGB	10.58-5410-8-349		30,341	0
					-----	-----
SUBTOTAL DIRECT FROM:					615,054	12,979
PASS-THROUGH PROGRAMS FROM:						
BOISE STATE UNIVERSITY						
Agricultural Research Basic and Applied Research		GLA	10.001 / 10.2004-35102-14802		(287)	0
UNIVERSITY OF IDAHO						
Agricultural Research Basic and Applied Research		GGB	10.001 / 10.BJKG46 SB 001		3,950	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
Agricultural Research Basic and Applied Research			GGB	10.001 / 10.8JKH05-S8-001	8,908	0
UNIVERSITY OF NEBRASKA						
Agricultural Research Basic and Applied Research			GGB	10.001 / 10.25-6235-0145-008	3,000	0
USDA-ARS-AGRICULTURAL RESEARCH SERVICE						
Agricultural Research Basic and Applied Research			GGB	10.001 / 10.59-3655-9-738	9,665	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					25,236	0
SUBTOTAL AGRICULTURAL RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE					640,290	12,979
ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE						
DIRECT FROM:						
ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE						
Plant and Animal Disease, Pest Control, and Animal Care			GGB	10.025	469,592	0
Wildlife Services			GGB	10.028	106,378	0
R&D			GGB	10.07-7100-0228-CA	259,943	0
R&D			GGB	10.07-7483-0667(CA)	17,053	0
R&D			GGB	10.07-9419-0075-CA	124,427	0
R&D			GGB	10.08-7100-0285-CA	9,061	0
R&D			GGB	10.08-7485-0559(CA)	27,496	0
R&D			GGB	10.08-9105-1185-GR REV NO 0	25,000	0
R&D			GGB	10.08-9208-0216-CA	245,539	0
R&D			GGB	10.08-9708-1795-CA	150,754	0
R&D			GGB	10.08-9708-1878-CA	15,571	0
R&D			GGB	10.09-7100-0233-CA	10,993	0
R&D			GGB	10.09-9208-0230-CA	12,320	0
R&D			GGB	10.09-9708-1608-CA	4,595	0
R&D			GGB	10.09-9708-1929-CA	14,760	0
R&D			GGB	10.09-9708-1930-CA	15,869	0
R&D			GGB	10.58-1265-8-058	34,747	0
SUBTOTAL DIRECT FROM:					1,544,098	0
PASS-THROUGH PROGRAMS FROM:						
KANSAS STATE UNIVERSITY						
Plant and Animal Disease, Pest Control, and Animal Care			GGB	10.025 / 10.508065	47,199	0
SPONSOR NAME NOT FOUND FOR YME03 **						
Plant and Animal Disease, Pest Control, and Animal Care			GGB	10.025 / 10.07-9135-1090-CA	17,119	0
UTAH STATE UNIVERSITY						
Wildlife Services			GGB	10.028 / 10.090212002	546	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					64,864	0
SUBTOTAL ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE					1,608,962	0
COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE						
PASS-THROUGH PROGRAMS FROM:						
WASHINGTON STATE UNIVERSITY						
R&D			GGB	10.105047_CREEES	1,000	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					1,000	0
SUBTOTAL COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE					1,000	0
DEPARTMENT OF AGRICULTURE						
DIRECT FROM:						
DEPARTMENT OF AGRICULTURE						
Unclassified Grants and Contracts			GFB	10.000	115,509	5,019
R&D			GGB	10.02-JV-11221602-264	40,671	0
R&D			GGB	10.04-CR-11221625-219 MOD	12,657	0
R&D			GGB	10.05-CR-11221611-278	61,744	0
R&D			GGB	10.05-CS-11021400-008 MOD 3	20,155	0
R&D			GGB	10.05-CS-11221616-164	10,043	0
R&D			GGB	10.05-JV-11221607-106	12,710	0
R&D			GGB	10.07-CS-11221617-315	426	0
R&D			GGB	10.07-JV-11221602-264	77,974	0
R&D			GGB	10.09-JV-11111133-115	48,947	0
R&D			GGB	10.68-3A75-4-106 MOD 6	44,005	0
R&D			GGB	10.68-3A75-4-106 MOD 5	7,277	0
R&D			GGB	10.68-3A75-4-106 MOD. 10	6,462	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
R&D			GGB	10.68-3A75-4-106 MOD. 11	142,608	0
R&D			GGB	10.68-3A75-4-106 MOD. 9	91,307	3,610
R&D			GGB	10.68-7482-8-404	100,000	0
SUBTOTAL DIRECT FROM:					792,495	8,629
PASS-THROUGH PROGRAMS FROM:						
PURDUE UNIVERSITY						
R&D			GGB	10.800002284-AG	98,592	0
SOUTH DAKOTA SCHOOL OF MINES						
R&D			GGB	10.SDSM&T-CSU09-05	936	0
UNIVERSITY OF CALIFORNIA AT DAVIS						
R&D			GGB	10.06-002416-CSU-GARDNER	18,645	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					118,173	0
SUBTOTAL DEPARTMENT OF AGRICULTURE					910,668	8,629
Department of Agriculture / Forest Service						
DIRECT FROM:						
Department of Agriculture / Forest Service						
R&D			GGB	10.03-CR-11052007-079	1,389	0
R&D			GGB	10.03-JV-11221609-272	17,631	0
R&D			GGB	10.03-JV-11221616-093	(10)	0
R&D			GGB	10.04-CS-11021203-033	10,000	0
R&D			GGB	10.04-JV-11272164-428	25,229	0
R&D			GGB	10.05-CA-11242343-029	94,884	0
R&D			GGB	10.05-CR-11031600-083	298,842	0
R&D			GGB	10.05-CR-11221611-279 MOD #	1,536	0
R&D			GGB	10.05-CS-11221611-213	63,802	0
R&D			GGB	10.05-CS-11221625-170	7,419	0
R&D			GGB	10.05-JV-11221607-106	104	0
R&D			GGB	10.05-JV-11221609-121 MOD.	2,363	0
R&D			GGB	10.05-JV-11221617-101	27,215	0
R&D			GGB	10.05-JV-11221617-205 #4	38,846	0
R&D			GGB	10.06-CR-11052007-173	341,923	0
R&D			GGB	10.06-CR-11221611-066	107,330	0
R&D			GGB	10.06-CR-11221611-078 MOD #	8,270	0
R&D			GGB	10.06-CR-11221611-166	202	0
R&D			GGB	10.06-CR-11221611-324	6	0
R&D			GGB	10.06-CS-11020000-081	20,287	0
R&D			GGB	10.06-CS-11020604-014 M1	9,999	0
R&D			GGB	10.06-CS-11020604-043	(3,658)	0
R&D			GGB	10.06-CS-11132427-235	68,850	0
R&D			GGB	10.06-CS-11132427-236	5,778	0
R&D			GGB	10.06-CS-11221611-211	23,089	0
R&D			GGB	10.06-JV-11221616-266	27,442	0
R&D			GGB	10.06-JV-11221617-141	43,705	0
R&D			GGB	10.06-JV-11221617-233	3,925	0
R&D			GGB	10.07-CA-11120101-019	71,235	0
R&D			GGB	10.07-CA-11132762-102	33,542	0
R&D			GGB	10.07-CR-11221611-002	51	0
R&D			GGB	10.07-CR-11221611-013	58	0
R&D			GGB	10.07-CR-11221611-020	62	0
R&D			GGB	10.07-CR-11221611-023	422,878	0
R&D			GGB	10.07-CR-11221611-024	517,546	0
R&D			GGB	10.07-CR-11221611-026	30,957	0
R&D			GGB	10.07-CR-11221611-029	337,478	0
R&D			GGB	10.07-CR-11221611-030	1,816	0
R&D			GGB	10.07-CR-11221611-032	192,634	0
R&D			GGB	10.07-CR-11221611-033	24,951	0
R&D			GGB	10.07-CR-11221611-038	12,415	0
R&D			GGB	10.07-CR-11221611-049	25,964	0
R&D			GGB	10.07-CR-11221611-094	11,769	0
R&D			GGB	10.07-CR-11221611-098	77,292	0
R&D			GGB	10.07-CR-11221611-099	272,567	0
R&D			GGB	10.07-CR-11221611-106	1,211	0
R&D			GGB	10.07-CR-11221611-111	338,649	0
R&D			GGB	10.07-CR-11221611-143	482,618	0
R&D			GGB	10.07-CR-11221611-144	(4)	0
R&D			GGB	10.07-CR-11221611-145	32,250	0
R&D			GGB	10.07-CR-11221611-147	4,121	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
MAJOR SUBDIVISION OF FEDERAL AGENCY						
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
R&D			GGB	10.07-CR-11221611-148	8,620	0
R&D			GGB	10.07-CR-11221611-149	6,196	0
R&D			GGB	10.07-CR-11221611-151	(9)	0
R&D			GGB	10.07-CR-11221611-152	53,434	0
R&D			GGB	10.07-CR-11221611-174	17,174	0
R&D			GGB	10.07-CR-11221611-197	7,469	0
R&D			GGB	10.07-CR-11221611-198	18,301	0
R&D			GGB	10.07-CR-11221611-219	43,830	0
R&D			GGB	10.07-CR-11221611-220	14,125	0
R&D			GGB	10.07-CR-11221611-221	14,510	0
R&D			GGB	10.07-CR-11221611-222	12,682	0
R&D			GGB	10.07-CR-11221611-223	14,181	0
R&D			GGB	10.07-CR-11221611-224	1,875	0
R&D			GGB	10.07-CR-11221611-237	304	0
R&D			GGB	10.07-CR-11221611-238	29,222	0
R&D			GGB	10.07-CR-11221611-240	15,844	0
R&D			GGB	10.07-CR-11221611-245	81,374	0
R&D			GGB	10.07-CR-11221611-246	8,675	0
R&D			GGB	10.07-CR-11221611-266	32,359	0
R&D			GGB	10.07-CR-11221611-267	124,181	0
R&D			GGB	10.07-CR-11221611-268	17,582	0
R&D			GGB	10.07-CR-11221611-269	64,148	0
R&D			GGB	10.07-CR-11221611-294	26,644	0
R&D			GGB	10.07-CR-11221611-295	25,882	0
R&D			GGB	10.07-CR-11221611-354	13,135	0
R&D			GGB	10.07-CR-11221611-355	129,154	0
R&D			GGB	10.07-CR-11221611-356	45,327	0
R&D			GGB	10.07-CR-11221611-357 AMD1	32,830	0
R&D			GGB	10.07-CR-11221611-358	48,870	0
R&D			GGB	10.07-CR-11221611-359	353,423	0
R&D			GGB	10.07-CR-11221611-361	569	0
R&D			GGB	10.07-CR-11221611-362	1,109,087	0
R&D			GGB	10.07-CR-11221611-363	17,568	0
R&D			GGB	10.07-CR-11221611-369	5,247	0
R&D			GGB	10.07-CR-11221611-382	1,795	0
R&D			GGB	10.07-CR-1221611-236	2,961	0
R&D			GGB	10.07-CS-11020300-045	22,195	0
R&D			GGB	10.07-CS-11021300-069	8,827	0
R&D			GGB	10.07-CS-11050650-021	34,864	0
R&D			GGB	10.07-CS-11051574-075	23,794	0
R&D			GGB	10.07-CS-11132422-223	26,912	0
R&D			GGB	10.07-CS-11132422-247	9,679	0
R&D			GGB	10.07-CS-11221610-351 MOD 4	70,074	0
R&D			GGB	10.07-JV-11221611-180	39,412	0
R&D			GGB	10.07-JV-11221611-259	14,686	0
R&D			GGB	10.07-JV-11221611-260	18,844	0
R&D			GGB	10.07-JV-11221616-252	27,509	0
R&D			GGB	10.07-JV-11221616-352	21,949	0
R&D			GGB	10.07-JV-11221617-304	52,793	0
R&D			GGB	10.07-JV-11221665-253	24,632	0
R&D			GGB	10.07-JV-11221667-333	(1)	0
R&D			GGB	10.07-JV-11221673-135	8,205	0
R&D			GGB	10.07-PA-11021300-057 MOD 2	38,172	0
R&D			GGB	10.07-PA-11221616-207	27,294	0
R&D			GGB	10.07CA1100100204	25,861	0
R&D			GGB	10.08-CR-11221611 265 AMD #	61,197	0
R&D			GGB	10.08-CR-11221611-013	19,558	0
R&D			GGB	10.08-CR-11221611-015 AMD#1	22,177	0
R&D			GGB	10.08-CR-11221611-016 AMD1	1,737	0
R&D			GGB	10.08-CR-11221611-017	60,185	0
R&D			GGB	10.08-CR-11221611-022	34,908	0
R&D			GGB	10.08-CR-11221611-026	31,659	0
R&D			GGB	10.08-CR-11221611-039	101,397	0
R&D			GGB	10.08-CR-11221611-040	29,608	0
R&D			GGB	10.08-CR-11221611-041	31,098	0
R&D			GGB	10.08-CR-11221611-042	59,128	0
R&D			GGB	10.08-CR-11221611-043	20,868	0
R&D			GGB	10.08-CR-11221611-051	41,192	0
R&D			GGB	10.08-CR-11221611-064	271,697	0
R&D			GGB	10.08-CR-11221611-065	14,805	0
R&D			GGB	10.08-CR-11221611-066	6,156	0
R&D			GGB	10.08-CR-11221611-072	33,994	0
R&D			GGB	10.08-CR-11221611-073	44,234	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
MAJOR SUBDIVISION OF FEDERAL AGENCY						
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
R&D			GGB	10.08-CR-11221611-075	378,270	0
R&D			GGB	10.08-CR-11221611-076	13,186	0
R&D			GGB	10.08-CR-11221611-087	45,334	0
R&D			GGB	10.08-CR-11221611-088	84,013	0
R&D			GGB	10.08-CR-11221611-089	68,517	0
R&D			GGB	10.08-CR-11221611-091	62,256	0
R&D			GGB	10.08-CR-11221611-092	46,479	0
R&D			GGB	10.08-CR-11221611-093	60,976	0
R&D			GGB	10.08-CR-11221611-094	131,903	0
R&D			GGB	10.08-CR-11221611-097	52,925	0
R&D			GGB	10.08-CR-11221611-098	445,952	0
R&D			GGB	10.08-CR-11221611-104	50,699	0
R&D			GGB	10.08-CR-11221611-107	20,111	0
R&D			GGB	10.08-CR-11221611-108	84,686	0
R&D			GGB	10.08-CR-11221611-118	134,628	0
R&D			GGB	10.08-CR-11221611-119	193,131	0
R&D			GGB	10.08-CR-11221611-122	30,536	0
R&D			GGB	10.08-CR-11221611-144	36,544	0
R&D			GGB	10.08-CR-11221611-150	103,357	0
R&D			GGB	10.08-CR-11221611-151	171,336	0
R&D			GGB	10.08-CR-11221611-152	8,920	0
R&D			GGB	10.08-CR-11221611-153	60,581	0
R&D			GGB	10.08-CR-11221611-154	15,139	0
R&D			GGB	10.08-CR-11221611-155	92,199	0
R&D			GGB	10.08-CR-11221611-185	114,357	0
R&D			GGB	10.08-CR-11221611-186	83,948	0
R&D			GGB	10.08-CR-11221611-187	243,599	0
R&D			GGB	10.08-CR-11221611-188	141,975	0
R&D			GGB	10.08-CR-11221611-189	59,599	0
R&D			GGB	10.08-CR-11221611-190	373,129	0
R&D			GGB	10.08-CR-11221611-191	415,552	0
R&D			GGB	10.08-CR-11221611-198	78,531	0
R&D			GGB	10.08-CR-11221611-200	10,047	0
R&D			GGB	10.08-CR-11221611-204	148,487	0
R&D			GGB	10.08-CR-11221611-205	3,016	0
R&D			GGB	10.08-CR-11221611-206	89,760	0
R&D			GGB	10.08-CR-11221611-217	76,214	0
R&D			GGB	10.08-CR-11221611-218	84,347	0
R&D			GGB	10.08-CR-11221611-224	9,023	0
R&D			GGB	10.08-CR-11221611-225	45,038	0
R&D			GGB	10.08-CR-11221611-252	1,465	0
R&D			GGB	10.08-CR-11221611-258	1,556	0
R&D			GGB	10.08-CR-11221611-267	43,631	0
R&D			GGB	10.08-CR-11221611-269	71,793	0
R&D			GGB	10.08-CR-11221611-270	169,017	0
R&D			GGB	10.08-CR-11221611-286	88,195	0
R&D			GGB	10.08-CR-11221611-292	44,628	0
R&D			GGB	10.08-CR-11221611-297	3,029	0
R&D			GGB	10.08-CR-11221611-300	9,150	0
R&D			GGB	10.08-CR-11221611-303	93,574	0
R&D			GGB	10.08-CR-11221611-307	149,805	0
R&D			GGB	10.08-CS-11020000-039	14,292	0
R&D			GGB	10.08-CS-11020400-039	25,991	0
R&D			GGB	10.08-CS-11020603-032	4,147	0
R&D			GGB	10.08-CS-11221636-276	26,672	0
R&D			GGB	10.08-JV-11221632-212	17,477	0
R&D			GGB	10.08-JV-11221633-221	80,374	0
R&D			GGB	10.08-JV-11221634-069	3,073	0
R&D			GGB	10.08-JV-11221634-291	34,700	0
R&D			GGB	10.08-JV-11221636-278	12,816	0
R&D			GGB	10.08JV11111133-102	46,620	0
R&D			GGB	10.09-CR-11221611-005	56,026	0
R&D			GGB	10.09-CR-11221611-006	35,702	0
R&D			GGB	10.09-CR-11221611-007	21,007	0
R&D			GGB	10.09-CR-11221611-012	128,928	0
R&D			GGB	10.09-CR-11221611-013	114,001	0
R&D			GGB	10.09-CR-11221611-024	502	0
R&D			GGB	10.09-CR-11221611-027	49,251	0
R&D			GGB	10.09-CR-11221611-028	41,653	0
R&D			GGB	10.09-CR-11221611-034	30,867	0
R&D			GGB	10.09-CR-11221611-036	42,321	0
R&D			GGB	10.09-CR-11221611-037	322,742	0
R&D			GGB	10.09-CR-11221611-040	183,336	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
R&D					GGB	10.09-CR-11221611-042 AMD2	1,245	0
R&D					GGB	10.09-CR-11221611-047	32,053	0
R&D					GGB	10.09-CR-11221611-054	36,312	0
R&D					GGB	10.09-CR-11221611-063	29,957	0
R&D					GGB	10.09-CR-11221611-072	24,850	0
R&D					GGB	10.09-CR-11221611-076	17,375	0
R&D					GGB	10.09-CR-11221611-081	54,257	0
R&D					GGB	10.09-CR-11221611-082	10,182	0
R&D					GGB	10.09-CR-11221611-083	4,919	0
R&D					GGB	10.09-CR-11221611-084	10,437	0
R&D					GGB	10.09-CR-11221611-085 AMD #	69,389	0
R&D					GGB	10.09-CR-11221611-101	29,698	0
R&D					GGB	10.09-CR-11221611-102	25,055	0
R&D					GGB	10.09-CR-11221611-103	12,911	0
R&D					GGB	10.09-CR-11221611-104	19,765	0
R&D					GGB	10.09-CR-11221611-105	25,425	0
R&D					GGB	10.09-CR-11221611-106	24,374	0
R&D					GGB	10.09-CR-11221611-107	18,396	0
R&D					GGB	10.09-CR-11221611-108	22,079	0
R&D					GGB	10.09-CR-11221611-109	21,645	0
R&D					GGB	10.09-CR-11221611-110	18,739	0
R&D					GGB	10.09-CR-11221611-120	54	0
R&D					GGB	10.09-CR-11221611-121	26,276	0
R&D					GGB	10.09-CR-11221611-123	137,683	0
R&D					GGB	10.09-CR-11221611-124	51,209	0
R&D					GGB	10.09-CR-11221611-132	41,467	0
R&D					GGB	10.09-CR-11221611-134	24	0
R&D					GGB	10.09-CR-11221611-136	2,173	0
R&D					GGB	10.09-CR-11221611-145	14,620	0
R&D					GGB	10.09-CR-11221611-150	18,074	0
R&D					GGB	10.09-CR-11221611-154	3,994	0
R&D					GGB	10.09-CR-11221611-155	17,929	0
R&D					GGB	10.09-CR-11221611-198	5,008	0
R&D					GGB	10.09-CR011221611-033 AMD #	66,237	0
R&D					GGB	10.09-CS-11020300-022	690	0
R&D					GGB	10.09-JV-11221635-129	11,829	0
SUBTOTAL DIRECT FROM:							15,161,297	0
SUBTOTAL Department of Agriculture / Forest Service							15,161,297	0
Department of Agriculture / National Institute of Food and Agriculture								
DIRECT FROM:								
Department of Agriculture / National Institute of Food and Agriculture								
Grants for Agricultural Research, Special Research Grants					GFE	10.200	7,704	0
Grants for Agricultural Research, Special Research Grants					GGB	10.200	1,438,125	103,062
Cooperative Forestry Research					GGB	10.202	394,868	0
Payments to Agricultural Experiment Stations Under the Hatch Act					GGB	10.203	3,264,603	0
Grants for Agricultural Research_Competitive Research Grants					GFB	10.206	217,345	0
Grants for Agricultural Research_Competitive Research Grants					GFE	10.206	167,849	156,474
Grants for Agricultural Research_Competitive Research Grants					GGB	10.206	2,098,667	854,221
Grants for Agricultural Research_Competitive Research Grants					GKA	10.206	23,995	0
Animal Health and Disease Research					GLA	10.206 / 10.2006-35504-16618	52,208	0
Food and Agricultural Sciences National Needs Graduate Fellowship Grants					GGB	10.207	315,972	0
Higher Education Challenge Grants					GGB	10.210	45,429	0
Integrated Programs					GGB	10.217	105,532	65,419
Homeland Security_Agricultural					GGB	10.303	879,946	632,426
Specialty Crop Research Initiative					GGB	10.304	299,016	0
Cooperative Extension Service					GGB	10.309	105,529	210,000
SUBTOTAL DIRECT FROM:					GGB	10.500	82,114	130,740
SUBTOTAL DIRECT FROM:							9,498,902	2,152,342
PASS-THROUGH PROGRAMS FROM:								
AUBURN UNIVERSITY								
Cooperative Extension Service					GGB	10.500 / 10.08-HHP-374648-0003	5,453	0
CORNELL UNIVERSITY								
Grants for Agricultural Research, Special Research Grants					GGB	10.200 / 10.05053508	3,000	0
Grants for Agricultural Research, Special Research Grants					GGB	10.200 / 10.56341-8789	7,274	0
Grants for Agricultural Research, Special Research Grants					GGB	10.200 / 10.56518-8727	125,000	0
Grants for Agricultural Research_Competitive Research Grants					GGB	10.206 / 10.48162-8389	42,014	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
KANSAS STATE UNIVERSITY						
Grants for Agricultural Research, Special Research Grants		GGB		10.200 / 10.508092	8,386	0
Grants for Agricultural Research_Competitive Research Grants		GGB		10.206 / 10.509051	13,306	0
Integrated Programs		GGB		10.303 / 10.507017	45,155	0
Integrated Programs		GGB		10.303 / 10.509069	5,097	0
Cooperative Extension Service		GGB		10.500 / 10.508025	112,548	0
Cooperative Extension Service		GGB		10.500 / 10.508128	8,245	0
Cooperative Extension Service		GGB		10.500 / 10.509134	14,273	0
MICHIGAN STATE UNIVERSITY						
Grants for Agricultural Research_Competitive Research Grants		GGB		10.206 / 10.61-4154A	31,959	0
Grants for Agricultural Research_Competitive Research Grants		GGB		10.206 / 10.61-4212A	85,116	0
Grants for Agricultural Research_Competitive Research Grants		GGB		10.206 / 10.61-4281A	939	0
MONTANA STATE UNIVERSITY						
Food and Agricultural Sciences National Needs Graduate Fellowship Grants		GGB		10.210 / 10.08156202	18,000	0
NORTH CAROLINA STATE UNIVERSITY						
Integrated Programs		GGB		10.303 / 10.2007-1982-01	32,614	0
OHIO STATE UNIVERSITY						
Integrated Programs		GGB		10.303 / 10.GRT00004638/60010835	156,914	0
Integrated Programs		GGB		10.303 / 10.RF01041910 #60003400	35,467	0
OKLAHOMA STATE UNIVERSITY						
Grants for Agricultural Research_Competitive Research Grants		GGB		10.206 / 10.AB-5-60250-CO	2,357	0
PENNSYLVANIA STATE UNIVERSITY						
Grants for Agricultural Research_Competitive Research Grants		GGB		10.206 / 10.3622-CSU-USDA-8710	12,095	0
PURDUE UNIVERSITY						
Integrated Programs		GGB		10.303 / 10.8000020668-AG	55,281	0
Integrated Programs		GGB		10.303 / 10.8000022408-AG	21,219	0
TEXAS A & M						
Grants for Agricultural Research, Special Research Grants		GGB		10.200 / 10.451021	5,570	0
Grants for Agricultural Research, Special Research Grants		GGB		10.200 / 10.570462	30,908	0
THE INSTITUTE FOR GENOMIC RESEARCH						
Grants for Agricultural Research_Competitive Research Grants		GGB		10.206 / 10.TIGR-06-002	(7,765)	0
UNIVERSITY OF ARKANSAS						
Grants for Agricultural Research_Competitive Research Grants		GGB		10.206 / 10.UA AES 90805-11 AMEND	46,516	0
UNIVERSITY OF CALIFORNIA AT DAVIS						
Grants for Agricultural Research, Special Research Grants		GGB		10.200 / 10.5A7482A	163	0
Grants for Agricultural Research_Competitive Research Grants		GGB		10.206 / 10.08-002200-01	6,569	0
Grants for Agricultural Research_Competitive Research Grants		GGB		10.206 / 10.K016618-11	47,283	0
Integrated Programs		GGB		10.303 / 10.07-001492-COL10	11,381	0
Integrated Programs		GGB		10.303 / 10.07-001492-COL08	4,974	0
Integrated Programs		GGB		10.303 / 10.07-001492-CSU1	46,938	0
Cooperative Extension Service		GGB		10.500 / 10.08-001766-COL09	8,649	0
UNIVERSITY OF DELAWARE						
Higher Education Challenge Grants		GGB		10.217 / 10.9824	6,580	0
UNIVERSITY OF MINNESOTA						
Grants for Agricultural Research_Competitive Research Grants		GGB		10.206 / 10.Q6286224112	(5)	0
Grants for Agricultural Research_Competitive Research Grants		GGB		10.206 / 10.Q6286224223 AMD 1	44,292	0
UNIVERSITY OF NEBRASKA						
Grants for Agricultural Research_Competitive Research Grants		GGB		10.206 / 10.25-0511-0053-010	5,480	0
UNIVERSITY OF TEXAS						
Grants for Agricultural Research_Competitive Research Grants		GGB		10.206 / 10.UTA07-790	43,674	0
UNIVERSITY OF WASHINGTON						
Grants for Agricultural Research, Special Research Grants		GGB		10.200 / 10.464489	23,293	0
Grants for Agricultural Research, Special Research Grants		GGB		10.200 / 10.464573	42,370	0
Grants for Agricultural Research, Special Research Grants		GGB		10.200 / 10.603083	2,389	0
Grants for Agricultural Research, Special Research Grants		GGB		10.200 / 10.603269	5,363	0
UNIVERSITY OF WISCONSIN						
Grants for Agricultural Research_Competitive Research Grants		GGB		10.206 / 10.V221071	101,124	0
UNIVERSITY OF WYOMING						
Grants for Agricultural Research, Special Research Grants		GGB		10.200 / 10.USDACSR45205CS	20,636	0
Grants for Agricultural Research_Competitive Research Grants		GGB		10.206 / 10.USDACSR45206CS	15,334	0
Grants for Agricultural Research_Competitive Research Grants		GGB		10.206 / 10.USDACSR45221SU	42,519	0
UTAH STATE UNIVERSITY						
Grants for Agricultural Research, Special Research Grants		GGB		10.200 / 10.061553002	25,945	0
Grants for Agricultural Research, Special Research Grants		GGB		10.200 / 10.061553028	1,566	0
Sustainable Agriculture Research and Education		GGB		10.215 / 10.080861001	22,443	0
Cooperative Extension Service		GGB		10.500 / 10.080018010	6,888	0
WASHINGTON STATE UNIVERSITY						
Grants for Agricultural Research, Special Research Grants		GGB		10.200 / 10.106989_G002068	19,067	0
Grants for Agricultural Research, Special Research Grants		GGB		10.200 / 10.106989_G002069	18,207	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					1,490,063	0
SUBTOTAL Department of Agriculture / National Institute of Food and Agriculture					10,988,965	2,152,342

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY

MAJOR SUBDIVISION OF FEDERAL AGENCY

SOURCE TYPE (DIRECT OR PASS-THROUGH)

ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)

PROGRAM NAME

NONCASH  
INDICATOR

STATE<sup>1</sup>  
AGENCY

CFDA / OTHER ID NUMBER

DIRECT  
EXPENDITURES

PASSED TO  
SUBRECIPIENTS

ECONOMIC RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE

DIRECT FROM:

ECONOMIC RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE  
Agricultural and Rural Economic Research

GGB

10.250

104,154

10,213

SUBTOTAL DIRECT FROM:

104,154

10,213

SUBTOTAL ECONOMIC RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE

104,154

10,213

FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE

DIRECT FROM:

FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE

R&D

GGB

10.58-3148-5-095 AMEND #10

28,838

0

R&D

GGB

10.58-3148-5-095 AMEND #9

9,765

0

R&D

GGB

10.58-3148-5-095 AMENDMENT

17,574

0

Technical Agricultural Assistance

GFB

10.960

1,868

0

Technical Agricultural Assistance

GGB

10.960

555,665

0

Cochran Fellowship Program-International Training - Foreign Participant

GGB

10.962

53,327

0

SUBTOTAL DIRECT FROM:

667,037

0

SUBTOTAL FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE

667,037

0

FOREST SERVICE, DEPARTMENT OF AGRICULTURE

DIRECT FROM:

FOREST SERVICE, DEPARTMENT OF AGRICULTURE

Forestry Research

GFB

10.652

96,401

0

Forestry Research

GGB

10.652

277,432

0

Cooperative Forestry Assistance

GGB

10.664

8,250

0

Forest Health Protection

GGB

10.680

64,986

0

International Forestry Programs

GGB

10.684

66,716

0

SUBTOTAL DIRECT FROM:

513,785

0

SUBTOTAL FOREST SERVICE, DEPARTMENT OF AGRICULTURE

513,785

0

NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE

DIRECT FROM:

NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE

Soil and Water Conservation

GGB

10.902

45,261

0

Environmental Quality Incentives Program

GGB

10.912

238,524

0

SUBTOTAL DIRECT FROM:

283,785

0

SUBTOTAL NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE

283,785

0

OFFICE OF THE CHIEF ECONOMIST, DEPARTMENT OF AGRICULTURE

DIRECT FROM:

OFFICE OF THE CHIEF ECONOMIST, DEPARTMENT OF AGRICULTURE

Agricultural Market and Economic Research

GGB

10.290

3,731

0

SUBTOTAL DIRECT FROM:

3,731

0

SUBTOTAL OFFICE OF THE CHIEF ECONOMIST, DEPARTMENT OF AGRICULTURE

3,731

0

RISK MANAGEMENT AGENCY, DEPARTMENT OF AGRICULTURE

DIRECT FROM:

RISK MANAGEMENT AGENCY, DEPARTMENT OF AGRICULTURE

Commodity Partnerships for Risk Management Education

GGB

10.457

1,396

0

Commodity Partnerships for Small Agricultural Risk Management Education Sessions

GGB

10.459

44,177

0

SUBTOTAL DIRECT FROM:

45,573

0

SUBTOTAL RISK MANAGEMENT AGENCY, DEPARTMENT OF AGRICULTURE

45,573

0

SUBTOTAL DEPARTMENT OF AGRICULTURE

30,929,247

2,184,163

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
-----								
DEPARTMENT OF COMMERCE								
DEPARTMENT OF COMMERCE								
DIRECT FROM:								
DEPARTMENT OF COMMERCE								
Unclassified Grants and Contracts				GFB	11.000		815,098	0
Unclassified Grants and Contracts				GFE	11.000		134,854	0
SUBTOTAL DIRECT FROM:							949,952	0
PASS-THROUGH PROGRAMS FROM:								
SPONSOR NAME NOT FOUND FOR YCOA02 **								
R&D				GGB	11.4300-041-21		16,030	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							16,030	0
SUBTOTAL DEPARTMENT OF COMMERCE							965,982	0
Department of Commerce / Economic Development Administration								
DIRECT FROM:								
Department of Commerce / Economic Development Administration								
Economic Development Support for Planning Organizations				GLA	11.302 / 11.05-87-04411		53,739	0
SUBTOTAL DIRECT FROM:							53,739	0
SUBTOTAL Department of Commerce / Economic Development Administration							53,739	0
Department of Commerce / National Oceanic and Atmospheric Administration (NOAA)								
DIRECT FROM:								
Department of Commerce / National Oceanic and Atmospheric Administration (NOAA)								
Climate and Atmospheric Research				GFB	11.431		813,028	0
Climate and Atmospheric Research				GGB	11.431		124,429	0
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes				GFB	11.432		25,543,739	115,378
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes				GGB	11.432		6,806,351	108,268
SUBTOTAL DIRECT FROM:							33,287,547	223,646
PASS-THROUGH PROGRAMS FROM:								
OREGON STATE UNIVERSITY								
Climate and Atmospheric Research				GGB	11.431 / 11.NA141A-A		50,713	0
University of Maryland Baltimore County								
Climate and Atmospheric Research				GLA	11.431 / 11.5549		10,460	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							61,173	0
SUBTOTAL Department of Commerce / National Oceanic and Atmospheric Administration (NOAA)							33,348,720	223,646
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE								
DIRECT FROM:								
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE								
Measurement and Engineering Research and Standards				GFB	11.609		6,180,662	0
Measurement and Engineering Research and Standards				GFE	11.609		208,327	0
Measurement and Engineering Research and Standards				GLA	11.609 / 11.70NANB8H8090		4,915	0
Measurement and Engineering Research and Standards				GLA	11.609 / 11.70NANB9H9058		15,268	0
Advanced Technology Program				GFB	11.612		82,976	0
R&D				GLA	11.IPA 0903		5,702	0
SUBTOTAL DIRECT FROM:							6,497,850	0
SUBTOTAL NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE							6,497,850	0
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE								
DIRECT FROM:								
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE								
Sea Grant Support				GGB	11.417		94,069	34,146

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
Congressionally Identified Awards and Projects				GGB	11.469		188,965	0
Unallied Science Program				GFB	11.472		43,291	0
R&D				GGB	11.NA070AR4310281 #1		110,343	0
R&D				GGB	11.NA080AR4320893		39,964	11,450
R&D				GGB	11.NA080AR4320893 #3		105,586	0
R&D				GGB	11.NA17RJ1228 #161		12,441	0
R&D				GGB	11.NA17RJ1228 #164		29,506	0
R&D				GGB	11.NA17RJ1228 AMEND. 194		20,000	0
R&D				GGB	11.NA17RJ1228 AMEND. 185		911,660	0
R&D				GGB	11.NA17RJ1228 #130		2,365	0
R&D				GGB	11.NA17RJ1228 #157		1,434	0
R&D				GGB	11.NA17RJ1228 #167		66,067	0
R&D				GGB	11.NA17RJ1228 #172		367,214	0
R&D				GGB	11.NA17RJ1228 #174		237,391	0
R&D				GGB	11.NA17RJ1228 #191		185,136	0
R&D				GGB	11.NA17RJ1228 AMEND. 175		370,295	0
R&D				GGB	11.NA17RJ1228 AMEND. 24	(11)	0	0
R&D				GGB	11.NA17RJ1228 AMEND. 171		244,545	0
SUBTOTAL DIRECT FROM:							3,030,261	45,596
PASS-THROUGH PROGRAMS FROM:								
TEXAS A & M								
Coastal Services Center				GGB	11.473 / 11.S080027		7,997	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							7,997	0
SUBTOTAL NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE							3,038,258	45,596
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL WEATHER SERVICE, DEPARTMENT OF COMMERCE								
DIRECT FROM:								
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL WEATHER SERVICE, DEPARTMENT OF COMMERCE								
Hydrologic Research				GFB	11.462		(16,154)	0
SUBTOTAL DIRECT FROM:							(16,154)	0
PASS-THROUGH PROGRAMS FROM:								
UNIVERSITY OF CALIFORNIA-LOS ANGELES								
Hydrologic Research				GGB	11.462 / 11.0135 G JB508		38,348	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							38,348	0
SUBTOTAL NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL WEATHER SERVICE, DEPARTMENT OF COMMERCE							22,194	0
SUBTOTAL DEPARTMENT OF COMMERCE							43,926,743	269,242
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DEPARTMENT OF DEFENSE								
AIR FORCE OFFICE OF SCIENTIFIC RESEARCH, HQ AIR FORCE MATERIAL COMMAND, DEPARTMENT OF THE AIR FORCE, DEPARTMENT OF DEFENSE								
PASS-THROUGH PROGRAMS FROM:								
Applied Research Associates, Inc.								
R&D				GLA	12.S-29000.51		80,016	0
Army Corp of Engineers								
R&D				GLA	12.Service Order No. 452652		154,684	0
R&D				GLA	12.W912HQ-06-C-0018		32,747	0
Luna Innovations, Inc.								
R&D				GLA	12.1050.04-OTH-001/CSM		29,454	0
Taitech, Inc.								
R&D				GLA	12.Unknown		35,611	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							332,512	0
SUBTOTAL AIR FORCE OFFICE OF SCIENTIFIC RESEARCH, HQ AIR FORCE MATERIAL COMMAND, DEPARTMENT OF THE AIR FORCE, DEPARTMENT OF DEFENSE							332,512	0
DEFENSE ADVANCED RESEARCH PROJECTS AGENCY, DEPARTMENT OF DEFENSE								
DIRECT FROM:								
DEFENSE ADVANCED RESEARCH PROJECTS AGENCY, DEPARTMENT OF DEFENSE								
Research & Technology Development				GFB	12.910		2,387,525	584,303

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
Research & Technology Development			GLA	12.910 / 12.FA9453-07-1-0202	117,617	0
SUBTOTAL DIRECT FROM:					2,505,142	584,303
PASS-THROUGH PROGRAMS FROM:						
DE Technologies						
R&D			GLA	12.DET-PO-09-120	32,207	0
Firestar Engineering			GLA	12.non-given	7,806	0
R&D						
Versa Power Systems			GLA	12.80305	6,184	0
R&D					46,197	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					2,551,339	584,303
SUBTOTAL DEFENSE ADVANCED RESEARCH PROJECTS AGENCY, DEPARTMENT OF DEFENSE						
DEPARTMENT OF ARMY U.S. ARMY RESEARCH AND MATERIAL COMMAND, DEPARTMENT OF DEFENSE						
DIRECT FROM:						
DEPARTMENT OF ARMY U.S. ARMY RESEARCH AND MATERIAL COMMAND, DEPARTMENT OF DEFENSE						
Military Medical Research & Development			GFB	12.420	115,660	0
Military Medical Research & Development			GFE	12.420	2,078,911	20,000
Military Medical Research & Development			GGB	12.420	28,832	0
R&D			GLA	12.W81XWH-07-C-0061	17,021	0
SUBTOTAL DIRECT FROM:					2,240,424	20,000
SUBTOTAL DEPARTMENT OF ARMY U.S. ARMY RESEARCH AND MATERIAL COMMAND, DEPARTMENT OF DEFENSE					2,240,424	20,000
DEPARTMENT OF DEFENSE						
DIRECT FROM:						
DEPARTMENT OF DEFENSE						
Unclassified Grants and Contracts			GFB	12.000	1,342,308	49,423
Unclassified Grants and Contracts			GFE	12.000	33,644	0
R&D			GGB	12.M67854-07-1-7021 MOD P00	306,006	0
R&D			GGB	12.N6247307LTR0023	202,273	0
R&D			GGB	12.W911NF-06-2-0015	942,851	0
R&D			GGB	12.W911NF-06-2-0015 #0003	7,024	0
R&D			GGB	12.W911NF-06-2-0015 MOD 002	(2,528)	35,391
R&D			GGB	12.W911NF-06-2-0015 MOD#000	332,878	0
R&D			GGB	12.W9128F-06-P-0072 P00004	305,430	0
R&D			GGB	12.W912DY-07-2-0044 P00005	56,243	0
R&D			GGB	12.W912DY-07-2-0044 P00012	5,518	0
R&D			GGB	12.W912DY-07-2-0044 P00013	17,909	0
R&D			GGB	12.W912HQ-04-C-0043	179,697	128,149
R&D			GGB	12.W912HQ-05-C-0028 #P00003	87,265	0
R&D			GGB	12.W912HQ-05-C-0042 #04	34,652	8,321
R&D			GGB	12.W912HQ-09-C-0002	27,552	0
R&D			GLA	12.W912HQ-09-C-0018	48,785	0
R&D			GLA	12.W912HZ-09-P-0163	104	0
R&D			GGB	12.W9132T-06-2-0018 P00003	985	0
R&D			GGB	12.W9132T-08-2-0008 W9132T0	14,593	0
R&D			GGB	12.W913E5-08-C-0020	29,221	0
R&D			GGB	12.W91CRB-08-C-0037	206,202	0
SUBTOTAL DIRECT FROM:					4,178,612	221,284
PASS-THROUGH PROGRAMS FROM:						
BOOZ. ALLEN & HAMILTON, INC.						
R&D			GGB	12.93302CBS25	44,152	0
Clarkson University			GLA	12.CLKSN-67188	23,568	0
R&D						
ITN Energy Systems			GLA	12.TF39-POLAR 081-0812	22,107	0
R&D						
InScope Solutions, Inc.			GLA	12.Unknown	24,388	0
R&D						
Mesa Photonics LLC			GLA	12.Unknown	9,251	0
R&D						
SPONSOR NAME NOT FOUND FOR YCAD12 **						
R&D			GGB	12.07957002	126,320	0
SPONSOR NAME NOT FOUND FOR YCBU02 **						
R&D			GGB	12.PO # S1046	3,396	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
SPONSOR NAME NOT FOUND FOR YCGI00 **								
R&D					GGB	12.07006102	80,943	0
TDA Research, Inc.								
R&D					GLA	12.CSM-09.01	74,794	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							408,919	0
SUBTOTAL DEPARTMENT OF DEFENSE							4,587,531	221,284
Department Of Defense / Department Of The Air Force, Materiel Command								
DIRECT FROM:								
Department Of Defense / Department Of The Air Force, Materiel Command								
Air Force Defense Research Sciences Program					CFB	12.800	1,582,629	56,443
Air Force Defense Research Sciences Program					GGB	12.800	708,680	0
Air Force Defense Research Sciences Program					GLA	12.800 / 12.FA8750-06-1-0001	125,334	0
Air Force Defense Research Sciences Program					GLA	12.800 / 12.FA9550-06-1-0548	99,058	0
Air Force Defense Research Sciences Program					GLA	12.800 / 12.FA9550-07-0026	259,286	0
Air Force Defense Research Sciences Program					GLA	12.800 / 12.FA9550-07-01-0550	223,674	0
Air Force Defense Research Sciences Program					GLA	12.800 / 12.FA9550-08-1-0007	646,945	0
SUBTOTAL DIRECT FROM:							3,645,606	56,443
PASS-THROUGH PROGRAMS FROM:								
Functional Coating Technologies, LLC								
Air Force Defense Research Sciences Program					GLA	12.800 / 12.FA8650-07-C-2741	15,135	0
Georgia Institute of Technolog								
Air Force Defense Research Sciences Program					GLA	12.800 / 12.R-8196-G1	150,068	0
Noblis, Inc								
Air Force Defense Research Sciences Program					GLA	12.800 / 12.30940	(23,866)	0
Air Force Defense Research Sciences Program					GLA	12.800 / 12.31265	72,480	0
Percep Tek, Inc.								
Air Force Defense Research Sciences Program					GLA	12.800 / 12.non-given	11,089	0
Princeton University								
Air Force Defense Research Sciences Program					GLA	12.800 / 12.1040	366,473	0
TDA Research, Inc.								
Air Force Defense Research Sciences Program					GLA	12.800 / 12.CSM-07.01	75,937	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							667,316	0
SUBTOTAL Department Of Defense / Department Of The Air Force, Materiel Command							4,312,922	56,443
NATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE								
DIRECT FROM:								
NATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE								
Mathematical Sciences Grants Program					GFC	12.901	813	0
Mathematical Sciences Grants Program					GGB	12.901	8,706	0
SUBTOTAL DIRECT FROM:							9,519	0
SUBTOTAL NATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE							9,519	0
OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY								
DIRECT FROM:								
OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY								
Basic & Applied Scientific Research					GFB	12.300	2,176,133	156,763
Basic & Applied Scientific Research					GFC	12.300	65,760	63,495
Basic & Applied Scientific Research					GFE	12.300	13,557	0
Basic & Applied Scientific Research					GGB	12.300	1,123,273	257,695
Basic & Applied Scientific Research					GLA	12.300 / 12.N00014-02-1-0234	(2,202)	0
Basic & Applied Scientific Research					GLA	12.300 / 12.N00014-05-1-0339	722,432	0
Basic & Applied Scientific Research					GLA	12.300 / 12.N00014-08-1-0539	198,831	0
Basic & Applied Scientific Research					GGB	12.N00014-05-1-0571#006	121,222	0
R&D					GGB	12.N00014-09-C-0148	312,056	0
R&D					GGB	12.N61331-06-C-0027 #P00003	13,578	0
R&D					GGB	12.N66001-08-C-2028	136,520	489,864
SUBTOTAL DIRECT FROM:							4,881,160	967,817

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
PASS-THROUGH PROGRAMS FROM:								
COLUMBIA UNIVERSITY								
Basic & Applied Scientific Research					GFC	12.300 / 12.N00014-06-1-0032	28,365	0
InnovaTek, Inc.								
R&D					GLA	12.14442	(298)	0
Office of Naval Research								
Basic & Applied Scientific Research					GLA	12.300 / 12.N00014-02-1-0665	(18,880)	0
Basic & Applied Scientific Research					GLA	12.300 / 12.N00014-06-1-0207	75,040	0
Basic & Applied Scientific Research					GLA	12.300 / 12.N00014-06-1-0544	14,463	0
PRINCETON UNIVERSITY								
Basic & Applied Scientific Research					GGB	12.300 / 12.00001604	65,235	0
QuesTek Innovations LLC								
R&D					GLA	12.PO No. 05-197	71,244	0
SPONSOR NAME NOT FOUND FOR YC2100 **								
R&D					GGB	12.2008-CSU-0001	107,560	0
R&D					GGB	12.2008-CSU-0001-SA01	65,211	0
SPONSOR NAME NOT FOUND FOR YCAP07 **								
R&D					GGB	12.PO# 261-0137/CHARGE #B6P	35,548	0
SPONSOR NAME NOT FOUND FOR YUVI04 **								
Basic & Applied Scientific Research					GGB	12.300 / 12.PT103701 - SC101157	70,095	0
TDA Research, Inc.								
R&D					GLA	12.CSM-07.02	23,240	0
UNIVERSITY OF MARYLAND COLLEGE PARK								
Basic & Applied Scientific Research					GFC	12.300 / 12.Z887102	159,509	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							696,332	0
SUBTOTAL OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY							5,577,492	967,817
OFFICE OF THE SECRETARY OF DEFENSE, DEPARTMENT OF DEFENSE								
DIRECT FROM:								
OFFICE OF THE SECRETARY OF DEFENSE, DEPARTMENT OF DEFENSE								
Basic, Applied, & Advanced Research in Science and Engineering					GFB	12.630	1,444,021	154,157
Basic, Applied, & Advanced Research in Science and Engineering					GFC	12.630	1,211,092	0
Basic, Applied, & Advanced Research in Science and Engineering					GGB	12.630	307,147	0
SUBTOTAL DIRECT FROM:							2,962,260	154,157
SUBTOTAL OFFICE OF THE SECRETARY OF DEFENSE, DEPARTMENT OF DEFENSE							2,962,260	154,157
U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND								
DIRECT FROM:								
U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND								
R&D					GGB	12.08242403	3,703	0
Basic Scientific Research					GFB	12.431	2,953,733	1,157,895
Basic Scientific Research					GFC	12.431	548,533	680,823
Basic Scientific Research					CFE	12.431	86,279	0
Basic Scientific Research					GGB	12.431	503,324	0
Basic Scientific Research					GLA	12.431 / 12.W911NF-06-1-0223	192,422	0
Basic Scientific Research					GLA	12.431 / 12.W911NF-07-1-0134	87,293	0
Basic Scientific Research					GLA	12.431 / 12.W911NF-07-1-025-8	41,455	0
Basic Scientific Research					GLA	12.431 / 12.W911NF-07-1-0478	29,635	0
Basic Scientific Research					GLA	12.431 / 12.WF911NF-04-1-0169	75,609	0
R&D					GLA	12.W81XWH-07-C-0061	492,321	0
R&D					GLA	12.W912HQ-08-0030	168,034	0
R&D					GLA	12.W912HQ-08-P-0055	39,573	0
R&D					GLA	12.W912HQ-08-P0035	67,130	0
R&D					GLA	12.W912HZ-08-C0057	34,508	0
SUBTOTAL DIRECT FROM:							5,323,552	1,838,718
PASS-THROUGH PROGRAMS FROM:								
American Chemical Society								
R&D					GLA	12.2006-343	(649)	0
Army Corp of Engineers								
Basic Scientific Research					GLA	12.431 / 12.W912HQ-04-C-0040	243,719	0
Army Research Office								
Basic Scientific Research					GLA	12.431 / 12.DAAD19-03-1-0292	(971)	0
Basic Scientific Research					GLA	12.431 / 12.W911NF-06-1-0311	105,406	0
Basic Scientific Research					GLA	12.431 / 12.W911NF-06-1-0350	53,489	0
Basic Scientific Research					GLA	12.431 / 12.W911NF-08-1-0292	176,527	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY					
MAJOR SUBDIVISION OF FEDERAL AGENCY					
SOURCE TYPE (DIRECT OR PASS-THROUGH)					
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)					
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Carnegie Mellon University					
R&D		GLA	12.1130070-179180	93,426	0
Corning Incorporated					
Basic Scientific Research		GLA	12.431 / 12.P0#1021P-0000022153	20,922	0
KENT STATE UNIVERSITY					
Basic Scientific Research		GFC	12.431 / 12.444295-P0002260	10,109	0
Kuchera Defense Systems					
Basic Scientific Research		GLA	12.431 / 12.203198.SU2	207,654	0
SPONSOR NAME NOT FOUND FOR YUBRO1 **					
Basic Scientific Research		GGB	12.431 / 12.00000053 P.O. # P992	54,445	0
Shaw Environmental					
R&D		GLA	12.P0286959/J.O.126656.0100	104,977	0
US Army ARDEC					
R&D		GLA	12.W15QKN-08-P-0528	75,317	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,144,371	0
SUBTOTAL U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND				6,467,923	1,838,718
SUBTOTAL DEPARTMENT OF DEFENSE				29,041,922	3,842,722
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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
DIRECT FROM:					
OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Equal Opportunity in Housing		GFE	14.400	(1,031)	0
SUBTOTAL DIRECT FROM:				(1,031)	0
SUBTOTAL OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				(1,031)	0
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				(1,031)	0
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DEPARTMENT OF THE INTERIOR					
BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR					
R&D		GLA	15.CMK16060016	137,243	0
SUBTOTAL DIRECT FROM:				137,243	0
PASS-THROUGH PROGRAMS FROM:					
Bureau of Indian Affairs					
R&D		GLA	15.CMK00000003	36,759	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				36,759	0
SUBTOTAL BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR				174,002	0
BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR					
R&D		GGB	15.09028502	177	0
R&D, BLM GIS Projects for Students		GZA	15.1422 CAA050009	15,697	0
R&D		GGB	15.1422 CAA070029	4,973	0
R&D		GGB	15.1422 CAA070030	4,353	0
R&D, Bureau of Land Mgmt Task Order		GZA	15.1422CAA990017 TASK T04	2,211	0
Recreation Resource Management		GFB	15.225	12,673	0
National Fire Plan - Wildland Urban Interface Community Fire Assistance		GGB	15.228	8,996	0
Fish, Wildlife and Plant Conservation Resource Management		GGB	15.231	40,937	0
R&D: Dept of Interior: Little Snake River		GKA	15.CFP080020	4,258	0
R&D		GGB	15.KAA000011 KAF031018	70,102	16,019

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY									
MAJOR SUBDIVISION OF FEDERAL AGENCY									
SOURCE TYPE (DIRECT OR PASS-THROUGH)									
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)									
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS				
R&D		GGB	15.PO 1422 CAP071043 L07PX0	97,087	0				
R&D,BLM Wildland Fire Mgmt		GZA	15.PreAward	1,972	0				
SUBTOTAL DIRECT FROM:				263,436	16,019				
PASS-THROUGH PROGRAMS FROM:									
North Wind, Inc.									
R&D		GLA	15.2314125S01	20,960	0				
THE NATURE CONSERVANCY									
Fish, Wildlife and Plant Conservation Resource Management		GGB	15.231 / 15.TASK ORDER #02	32,397	0				
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				53,357	0				
SUBTOTAL BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR				316,793	16,019				
BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR									
DIRECT FROM:									
BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR									
R&D		GGB	15.02-FC-40-6130	370,703	0				
R&D		GGB	15.05FC601953	(2)	0				
R&D		GGB	15.06FG602179	47,466	0				
R&D		GGB	15.06FG602184 #003	17,567	0				
R&D		GGB	15.07-FC-81-1348 07D866854	43,598	0				
R&D		GGB	15.07FC602204	23,971	0				
R&D		GGB	15.07FG602240	15,000	0				
R&D		GGB	15.08-FC-40-2811 CESU9-FG-8	17,730	0				
R&D		GGB	15.09-FG-40-2858	47,354	0				
R&D		GGB	15.09-FG-40-2859	49,439	0				
R&D		GGB	15.09-FG-40-2860	191,182	0				
R&D		GGB	15.09-FG-40-2861	24,285	0				
R&D		GGB	15.09-FG-40-2862	2,264	0				
R&D		GGB	15.09-FG-40-2863	28,847	0				
R&D		GGB	15.09-FG-40-2864	22,121	0				
R&D		GGB	15.09-FG-40-2873	37,002	0				
R&D		GGB	15.09-FG-40-2886	14,692	0				
Upper Colorado and San Juan River Basins Endangered Fish Recovery Programs		GGB	15.529	30,048	0				
R&D		GGB	15.99-FC-60-12140 MOD. #02	104,907	0				
SUBTOTAL DIRECT FROM:				1,088,174	0				
PASS-THROUGH PROGRAMS FROM:									
DESERT RESEARCH INSTITUTE									
R&D		GGB	15.BOR-07-643-7405 #1	3,960	0				
NORTHERN COLORADO WATER CONSERVANCY DIST									
Water Conservation Field Services Program (WCFSP)		GGB	15.530 / 15.07840504	20,882	0				
SPONSOR NAME NOT FOUND FOR YGNE10 **									
R&D		GGB	15.2008-RGB-02	28,725	0				
R&D		GGB	15.2008-RGB-02 AMEND #1	89,971	0				
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				143,538	0				
SUBTOTAL BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR				1,231,712	0				
DEPARTMENT OF THE INTERIOR									
DIRECT FROM:									
DEPARTMENT OF THE INTERIOR									
Unclassified Grants and Contracts		GFB	15.000	1,122,744	26,775				
Unclassified Grants and Contracts		GFE	15.000	90,283	0				
R&D		GGB	15.07FC602246	28,748	0				
R&D		GGB	15.S06PC12056	2,124	0				
SUBTOTAL DIRECT FROM:				1,243,899	26,775				
PASS-THROUGH PROGRAMS FROM:									
UNIVERSITY OF SOUTHERN CALIFORNIA									
R&D		GGB	15.PO NUMBER 124519	30,196	0				
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				30,196	0				
SUBTOTAL DEPARTMENT OF THE INTERIOR				1,274,095	26,775				

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
Department of the Interior / Bureau of Indian Affairs								
DIRECT FROM:								
Department of the Interior / Bureau of Indian Affairs								
Bureau of Indian Affairs Facilities_Operations and Maintenance				GFB	15.048		149,378	0
SUBTOTAL DIRECT FROM:							149,378	0
SUBTOTAL Department of the Interior / Bureau of Indian Affairs							149,378	0
Department of the Interior / Bureau of Reclamation								
DIRECT FROM:								
Department of the Interior / Bureau of Reclamation								
Water Reclamation and Reuse Program				GFB	15.504		213,934	53,423
Water Reclamation and Reuse Program				GLA	15.504 / 15.M08PX20049/001000447		50,931	0
SUBTOTAL DIRECT FROM:							264,865	53,423
PASS-THROUGH PROGRAMS FROM:								
Minerals Management Service								
Water Reclamation and Reuse Program				GLA	15.504 / 15.0106CT39654		109,638	0
SPONSOR NAME NOT FOUND FOR YUCE01 **								
Water Reclamation and Reuse Program				GGB	15.504 / 15.06123103		91,856	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							201,494	0
SUBTOTAL Department of the Interior / Bureau of Reclamation							466,359	53,423
Department of the Interior / Fish and Wildlife Service								
DIRECT FROM:								
Department of the Interior / Fish and Wildlife Service								
Fish and Wildlife Management Assistance				GGB	15.608		107,818	0
State Wildlife Grants				GFB	15.634		126,275	0
SUBTOTAL DIRECT FROM:							234,093	0
PASS-THROUGH PROGRAMS FROM:								
WYOMING GAME & FISH DEPARTMENT								
State Wildlife Grants				GGB	15.634 / 15.000587		60,298	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							60,298	0
SUBTOTAL Department of the Interior / Fish and Wildlife Service							294,391	0
Department of the Interior / National Park Service								
DIRECT FROM:								
Department of the Interior / National Park Service								
R&D				GGB	15.CA H2380040001/323700725		9,950	0
R&D				GGB	15.H1200040001 J124205006		10,238	0
R&D				GGB	15.H1200040001 J1242090001		4,074	0
R&D				GGB	15.H1200040001 J1526085488		10,488	0
R&D				GGB	15.H1200040001 J7350060006		17,893	0
R&D				GGB	15.H1200040001 CSU-34/29/21		183,259	0
R&D				GGB	15.H1200040001 CSURM-104/94		15,877	0
R&D				GGB	15.H1200040001 CSURM-106		62,878	0
R&D				GGB	15.H1200040001 CSURM-107		9,972	0
R&D				GGB	15.H1200040001 CSURM-108/14		12,609	0
R&D				GGB	15.H1200040001 CSURM-109/42		57,610	0
R&D				GGB	15.H1200040001 CSURM-113/71		7,478	0
R&D				GGB	15.H1200040001 CSURM-114/52		42,029	0
R&D				GGB	15.H1200040001 CSURM-115/73		44,184	0
R&D				GGB	15.H1200040001 CSURM-116		11,871	0
R&D				GGB	15.H1200040001 CSURM-117		17,340	0
R&D				GGB	15.H1200040001 CSURM-118		16	0
R&D				GGB	15.H1200040001 CSURM-120		7,999	0
R&D				GGB	15.H1200040001 CSURM-121		8,068	0
R&D				GGB	15.H1200040001 CSURM-123		27,800	0
R&D				GGB	15.H1200040001 CSURM-125		56,366	0
R&D				GGB	15.H1200040001 CSURM-126		9,564	0
R&D				GGB	15.H1200040001 CSURM-129		19,781	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
MAJOR SUBDIVISION OF FEDERAL AGENCY								
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
R&D				GGB	15.H1200040001	CSURM-132	4,460	0
R&D				GGB	15.H1200040001	CSURM-133/88	27,096	0
R&D				GGB	15.H1200040001	CSURM-135/86	4,115	0
R&D				GGB	15.H1200040001	CSURM-136	9,536	0
R&D				GGB	15.H1200040001	CSURM-138/10	16,665	2,496
R&D				GGB	15.H1200040001	CSURM-141	4,619	0
R&D				GGB	15.H1200040001	CSURM-143	588	0
R&D				GGB	15.H1200040001	CSURM-147	6,213	0
R&D				GGB	15.H1200040001	CSURM-148/14	14,861	0
R&D				GGB	15.H1200040001	CSURM-16	604	0
R&D				GGB	15.H1200040001	CSURM-43	1,181	0
R&D				GGB	15.H1200040001	CSURM-57	8,466	0
R&D				GGB	15.H1200040001	CSURM-64	1,773	0
R&D				GGB	15.H1200040001	CSURM-68, 78	21,654	0
R&D				GGB	15.H1200040001	CSURM-70, 37	7,291	0
R&D				GGB	15.H1200040001	CSURM-72	(9)	0
R&D				GGB	15.H1200040001	CSURM-76	1,222	0
R&D				GGB	15.H1200040001	CSURM-82/53	84,067	0
R&D				GGB	15.H1200040001	CSURM-84	4,769	0
R&D				GGB	15.H1200040001	CSURM-87	20,513	0
R&D				GGB	15.H1200040001	CSURM-90	2,269	0
R&D				GGB	15.H1200040001	CSURM-92	8,585	0
R&D				GGB	15.H1200040001	CSURM-95/75	1,653	0
R&D				GGB	15.H1200040001	J1242087011	5,048	0
R&D				GGB	15.H1200040001	J9453060048	20,485	0
R&D				GGB	15.H1200040001	TO J21140600	100,918	0
R&D				GGB	15.H1200040001	/CSURM-74	16,202	0
R&D				GGB	15.H1200040002	CSU-107, 98	24,326	0
R&D				GGB	15.H1200040002	CSU-108	1,765	0
R&D				GGB	15.H1200040002	CSUCP-119	(1)	0
R&D				GGB	15.H1200040002	CSUCP-122/10	38,226	0
R&D				GGB	15.H1200040002	CSUCP-123/12	14,999	0
R&D				GGB	15.H1200040002	CSUCP-125	7,344	0
R&D				GGB	15.H1200040002	CSUCP-126	5,259	0
R&D				GGB	15.H1200040002	CSUCP-129	28,000	0
R&D				GGB	15.H1200040002	CSUCP-130/12	189,832	0
R&D				GGB	15.H120004001	/J1242060300	107,451	0
R&D				GGB	15.H1200090004	J1526095208	1,725	0
R&D				GGB	15.H230040001	/J2370081524	58,084	0
R&D				GGB	15.H23800040001	J2380081027	19,564	0
R&D				GGB	15.H23800040002	TO J2350064	41	0
R&D				GGB	15.H2380040001	J2350086188	570,547	0
R&D				GGB	15.H2380040001	J2370072511	19,686	0
R&D				GGB	15.H2380040001	J2390070027	96,846	0
R&D				GGB	15.H2380040001	J#2370083535	23,090	0
R&D				GGB	15.H2380040001	J#255108C103	146,547	0
R&D				GGB	15.H2380040001	J2340060027	(7,038)	0
R&D				GGB	15.H2380040001	J2340070052	78,716	0
R&D				GGB	15.H2380040001	J2340080057	564	0
R&D				GGB	15.H2380040001	J2350086191	255,391	0
R&D				GGB	15.H2380040001	T.O. J2380060	65,007	0
R&D				GGB	15.H2380040001	TO 04-59	4,174	0
R&D				GGB	15.H2380040001	TO J23400070	20,620	0
R&D				GGB	15.H2380040001	TO J23400080	12,703	0
R&D				GGB	15.H2380040001	TO J23400500	105,792	0
R&D				GGB	15.H2380040001	TO J23400600	100,116	0
R&D				GGB	15.H2380040001	TO J23400700	26,410	0
R&D				GGB	15.H2380040001	TO J23500751	332,026	0
R&D				GGB	15.H2380040001	TO J23600751	34,831	0
R&D				GGB	15.H2380040001	TO J23600860	573,790	0
R&D				GGB	15.H2380040001	TO J23700501	170,030	0
R&D				GGB	15.H2380040001	TO J23700625	88,947	0
R&D				GGB	15.H2380040001	/ J2551053034	244,562	0
R&D				GGB	15.H2380040001	/J23400070009	24	0
R&D				GGB	15.H2380040001	/J2350075147	9,517	2,835
R&D				GGB	15.H2380040001	/J2350075181	220,877	0
R&D				GGB	15.H2380040001	/J2350086023	41,722	0
R&D				GGB	15.H2380040001	/J2360075182	179,019	0
R&D				GGB	15.H2380040001	/J2370071506	991	0
R&D				GGB	15.H2380040001	/J2380070178	229,322	0
R&D				GGB	15.H2380040001	/J2380070206	15,214	0
R&D				GGB	15.H2380040001	/J2380081010	138,072	0
R&D				GGB	15.H2380040001	/J2390080006	112,988	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
R&D					GGB	15.H2380040001/J2551075137	282,793	0
R&D					GGB	15.H2380040002 02-19/J2485	264,386	0
R&D					GGB	15.H2380040002 TO 04-20 MO	26,940	0
R&D					GGB	15.H2380040002 J2340060040	16,475	0
R&D					GGB	15.H2380040002 J2485050105	41,269	31,760
R&D					GGB	15.H2380040002 TO J23600751	105,446	0
R&D					GGB	15.H2380040002 TO J95600600	16,188	0
R&D: Dept of Interior: Ethnographic Overview RMNP					GKA	15.J1217060007	19,353	0
R&D: Pilot Study for Investigations into Cultural-Natural Landscapes & Eco					GKA	15.J1242077024	8,668	0
R&D					GGB	15.J1264070024	2,965	0
R&D					GGB	15.J1310080018 H1200040001	1,659	0
R&D					GGB	15.J1526085240 CSURM-112	4,797	0
R&D					GGB	15.J1526085283 H1200040001	5,366	0
R&D					GGB	15.J1526085383 H1200040001	4,034	0
R&D					GGB	15.J1586080020 CSURM-134	21,703	0
R&D					GGB	15.J1596080299 CSUCP-128	4,592	0
R&D					GGB	15.J2340070064	16,685	0
R&D					GGB	15.TASK J1378050007 CSUCP-1	6,942	0
R&D					GGB	15.TASK J1404084238 CSUCP-1	10,728	0
SUBTOTAL DIRECT FROM:							6,310,895	37,091
PASS-THROUGH PROGRAMS FROM:								
VIRGINIA POLYTECHNIC INSTITUTE								
R&D					GGB	15.CR-19019-432707	5,412	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							5,412	0
SUBTOTAL Department of the Interior / National Park Service							6,316,307	37,091
Department of the Interior / U.s. Geological Survey								
DIRECT FROM:								
Department of the Interior / U.s. Geological Survey								
R&D					GGB	15.05HQGR0150 MOD 01	0	1,440
SUBTOTAL DIRECT FROM:							0	1,440
SUBTOTAL Department of the Interior / U.s. Geological Survey							0	1,440
GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR								
DIRECT FROM:								
GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR								
Assistance to State Water Resources Research Institutes					GGB	15.805	93,777	4,985
Earthquake Hazards Reduction Program					GFB	15.807	87,793	0
Earthquake Hazards Reduction Program					GGB	15.807	47,374	0
U.S. Geological Survey: Research & Data Acquisition					GFB	15.808	285,015	0
U.S. Geological Survey: Research & Data Acquisition					CFE	15.808	1,042	0
U.S. Geological Survey: Research & Data Acquisition					GGB	15.808	988,226	0
U.S. Geological Survey: Research & Data Acquisition					GLA	15.808 / 15.07ERAG0010	228	0
U.S. Geological Survey: Research & Data Acquisition					GLA	15.808 / 15.08CRAG0019	16,318	0
U.S. Geological Survey: Research & Data Acquisition					GLA	15.808 / 15.09AC00085	19,971	0
Migratory Bird Banding & Data Analysis					GFE	15.976	4,975	0
R&D					GLA	15.G09AC00132	6,930	0
SUBTOTAL DIRECT FROM:							1,551,649	4,985
SUBTOTAL GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR							1,551,649	4,985
MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR								
PASS-THROUGH PROGRAMS FROM:								
Minerals Management Service								
R&D					GLA	15.M08PX20245	21,361	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							21,361	0
SUBTOTAL MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR							21,361	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR						
DIRECT FROM:						
NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR						
National Historic Landmark			GFE	15.912	10,200	0
Technical Preservation Services			GFB	15.915	13,784	0
Technical Preservation Services			GFE	15.915	2,484	0
National Center for Preservation Technology and Training (B) -			GFE	15.923	21,644	0
National Center for Preservation Technology and Training (B) -			GLA	15.923 / 15.20118 INITIAL 2006	14,747	0
SUBTOTAL DIRECT FROM:					62,859	0
SUBTOTAL NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR					62,859	0
U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR						
PASS-THROUGH PROGRAMS FROM:						
WYOMING GAME & FISH DEPARTMENT						
R&D			GGB	15.000757	36,186	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					36,186	0
SUBTOTAL U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR					36,186	0
U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR						
DIRECT FROM:						
U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR						
National Spatial Data Infrastructure Competitive Cooperative Agreements Program			GFB	15.809	1,039	0
Cooperative Research Units Program			GGB	15.812	127,895	0
SUBTOTAL DIRECT FROM:					128,934	0
SUBTOTAL U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR					128,934	0
SUBTOTAL DEPARTMENT OF THE INTERIOR					12,024,026	139,733
DEPARTMENT OF JUSTICE						
DEPARTMENT OF JUSTICE						
DIRECT FROM:						
DEPARTMENT OF JUSTICE						
Unclassified Grants and Contracts			GFB	16.000	471,673	2,239
Unclassified Grants and Contracts			GFE	16.000	22,901	0
SUBTOTAL DIRECT FROM:					494,574	2,239
SUBTOTAL DEPARTMENT OF JUSTICE					494,574	2,239
Department of Justice / Violence Against Women Office						
DIRECT FROM:						
Department of Justice / Violence Against Women Office						
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus			GFE	16.525	97,835	11,102
SUBTOTAL DIRECT FROM:					97,835	11,102
SUBTOTAL Department of Justice / Violence Against Women Office					97,835	11,102
NATIONAL INSTITUTE OF JUSTICE, DEPARTMENT OF JUSTICE						
DIRECT FROM:						
NATIONAL INSTITUTE OF JUSTICE, DEPARTMENT OF JUSTICE						
National Institute of Justice Research, Evaluation, and Development Project Grants			GFB	16.560	54,468	0
SUBTOTAL DIRECT FROM:					54,468	0
SUBTOTAL NATIONAL INSTITUTE OF JUSTICE, DEPARTMENT OF JUSTICE					54,468	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE								
DIRECT FROM:								
OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE								
Part E -Developing, Testing and Demonstrating Promising New Programs				GFB	16.541		250,684	0
Part E -Developing, Testing and Demonstrating Promising New Programs				GFE	16.541		111,655	0
Part D - Research, Evaluation, Technical Assistance and Training				GFE	16.542		76,850	39,228
SUBTOTAL DIRECT FROM:							439,189	39,228
SUBTOTAL OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE							439,189	39,228
SUBTOTAL DEPARTMENT OF JUSTICE							1,086,066	52,569
-----								
DEPARTMENT OF TRANSPORTATION								
DEPARTMENT OF TRANSPORTATION								
DIRECT FROM:								
DEPARTMENT OF TRANSPORTATION								
Unclassified Grants and Contracts				GFB	20.000		6,726	0
Unclassified Grants and Contracts				GFE	20.000		9,901	0
R&D				GLA	20.DTFH61-07-H-00036		86,240	0
R&D				GGB	20.DTFH61-99-X-00009		108,575	0
R&D				GLA	20.DTPH56-07-T-000009		466,685	0
R&D				GLA	20.DTPH56-08-T-000014		186,384	0
SUBTOTAL DIRECT FROM:							864,511	0
PASS-THROUGH PROGRAMS FROM:								
NATIONAL COOP. HIGHWAY RESEARCH PROGRAM								
R&D				GGB	20.HR 14-17		65,370	36,216
NORTH DAKOTA STATE UNIVERSITY								
R&D				GGB	20.08205507		914	0
R&D				GGB	20.08229703		21,657	0
R&D				GGB	20.08229801		8,364	0
R&D				GGB	20.08229901		782	0
R&D				GGB	20.08230004		18,190	0
R&D				GGB	20.08230102		21,119	0
R&D				GGB	20.08230202		35,490	0
R&D				GGB	20.08230301		23,410	0
R&D				GGB	20.08230402		13,218	0
R&D				GGB	20.08230601		11,825	0
R&D				GGB	20.08230702		1,276	0
R&D				GGB	20.DTRT07-G-0008		115,263	0
National Academy of Sciences								
R&D				GLA	20.HR 21-09		96,210	0
SPONSOR NAME NOT FOUND FOR YCDU01 **								
R&D				GGB	20.08202702		679	0
SPONSOR NAME NOT FOUND FOR YCLS01 **								
R&D				GGB	20.TCRP PROJECT H-38		1,789	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							435,556	36,216
SUBTOTAL DEPARTMENT OF TRANSPORTATION							1,300,067	36,216
FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION								
DIRECT FROM:								
FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION								
Aviation Research Grants				GFB	20.108		147,986	0
SUBTOTAL DIRECT FROM:							147,986	0
SUBTOTAL FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION							147,986	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION								
DIRECT FROM:								
FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION								
Highway Research and Development Program				GGB	20.200		144,079	0
SUBTOTAL DIRECT FROM:							144,079	0
SUBTOTAL FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION							144,079	0
SUBTOTAL DEPARTMENT OF TRANSPORTATION							1,592,132	36,216
-----								
OFFICE OF PERSONNEL MANAGEMENT								
OFFICE OF PERSONNEL MANAGEMENT								
DIRECT FROM:								
OFFICE OF PERSONNEL MANAGEMENT								
Federal Civil Service Employment				GFE	27.001		73,141	0
Intergovernmental Personnel Act (IPA) Mobility Program				GFE	27.011		2,010,213	0
SUBTOTAL DIRECT FROM:							2,083,354	0
SUBTOTAL OFFICE OF PERSONNEL MANAGEMENT							2,083,354	0
SUBTOTAL OFFICE OF PERSONNEL MANAGEMENT							2,083,354	0
-----								
LIBRARY OF CONGRESS								
LIBRARY OF CONGRESS								
DIRECT FROM:								
LIBRARY OF CONGRESS								
Books for the Blind and Physically Handicapped				GFB	42.001		59,991	0
Government Publications Sales and Distribution				GFB	42.002		205,441	0
Distribution of Library of Congress Cataloging				GFB	42.003		2,170,447	55,938
SUBTOTAL DIRECT FROM:							2,435,879	55,938
SUBTOTAL LIBRARY OF CONGRESS							2,435,879	55,938
SUBTOTAL LIBRARY OF CONGRESS							2,435,879	55,938
-----								
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION								
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION								
DIRECT FROM:								
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION								
Aerospace Education Services Program				GFB	43.001		904,326	0
Aerospace Education Services Program				GFC	43.001		155,289	0
Aerospace Education Services Program				GGB	43.001		35,450	106
Aerospace Education Services Program				GLA	43.001 / 43.NNG05GL52H		(123)	0
Technology Transfer				GFB	43.002		40,170,037	4,934,669
Technology Transfer				GFE	43.002		(1,821)	0
Technology Transfer				GGB	43.002		3,948	0
Technology Transfer				GLA	43.002 / 43.NNA06CB64G		81,240	0
Technology Transfer				GLA	43.002 / 43.NNC8-238		(91,472)	0
Technology Transfer				GLA	43.002 / 43.NN306AH15G		278,642	0
SUBTOTAL DIRECT FROM:							41,535,516	4,934,775
PASS-THROUGH PROGRAMS FROM:								
CALIF. INST. OF TECH/JET PROPULSION LAB								
Technology Transfer				GGB	43.002 / 43.1370939		19,166	0
MONTANA STATE UNIVERSITY								
Aerospace Education Services Program				GGB	43.001 / 43.G223-07-W1439		71,187	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
University of California					GLA	43.002 / 43.S-00000167	38,212	0
Technology Transfer								
University of Central Florida					GLA	43.002 / 43.P0#110110	31,669	0
Technology Transfer								
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							160,234	0
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							41,695,750	4,934,775
National Aeronautics and Space Administration								
DIRECT FROM:								
National Aeronautics and Space Administration								
R&D				GGB	43.NAC9-1569	SUPP #17	900,105	264,934
R&D				GGB	43.NAS5-99237	MOD 39	907,783	0
R&D				GGB	43.NAS5-99237	MOD. 39	1,187,393	7,461
R&D				GGB	43.NNA06CB25G		66,234	0
R&D				GGB	43.NNG04GD75G	SUPPLEMENT 5	3,132	0
R&D				GGB	43.NNG04GF52A	#4	160,047	0
R&D				GGB	43.NNG04GH53G	SUPP 3	0	(29)
R&D				GGB	43.NNG04GH63G	SUPP. 2	0	19,315
R&D				GGB	43.NNG04GO73G		0	(17,344)
R&D				GGB	43.NNG04GP59G	#2	(458)	0
R&D				GGB	43.NNG04GR44G	MOD 2	32,338	0
R&D				GGB	43.NNG05GA33G		58,005	22,864
R&D				GGB	43.NNG05GD15G	AMD3	(19)	0
R&D				GGB	43.NNG05GF41G	#03	483	0
R&D				GGB	43.NNG05GL07G		93,571	0
R&D				GGB	43.NNG05GP53H	SUP2	35	0
R&D				GGB	43.NNG06GA54G	SUPP 2	128,701	0
R&D				GGB	43.NNG06GB41G		21,364	0
R&D				GGB	43.NNG06GB60G		69,016	0
R&D				GGB	43.NNG06GC10G		62,724	0
R&D				GGB	43.NNG06GC42G		70,020	0
R&D				GGB	43.NNG06GC46G		74,774	0
R&D				GGB	43.NNG06GE11A		34,393	58,115
R&D				GGB	43.NNG06GF00G		180,710	0
R&D				GGB	43.NN104HD83G	SUPP 11	152,611	0
R&D				GGB	43.NN506AB01A		43,752	0
R&D				GGB	43.NNX06AB66G	#001	41,089	0
R&D				GGB	43.NNX06AC11G	SUPP 4	122,263	0
R&D				GGB	43.NNX06AC75G	SUPP3	162,079	0
R&D				GGB	43.NNX06AC76G	AMD3	146,321	0
R&D				GGB	43.NNX06AH36G		203,135	63,449
R&D				GGB	43.NNX07AB64G	AMD002	39,787	0
R&D				GGB	43.NNX07AD35G	SUPP 2	144,717	0
R&D				GGB	43.NNX07AD37G	S03	105,269	0
R&D				GGB	43.NNX07AD47G	#2	129,738	0
R&D				GGB	43.NNX07AD51G		185,091	0
R&D				GGB	43.NNX07AD75G		331,502	0
R&D				GGB	43.NNX07AD81G	SUPP 2	64,553	0
R&D				GGB	43.NNX07AN88H		29,576	0
R&D				GGB	43.NNX07AO24H	AMD000001	29,725	0
R&D				GGB	43.NNX07AO55H		29,109	0
R&D				GGB	43.NNX07AP85G	SUP 4	287,306	0
R&D				GGB	43.NNX07AR11G		205,485	0
R&D				GGB	43.NNX07AR97G	AMD2	134,022	0
R&D				GGB	43.NNX08AB65G	SUPP 0002	126,929	0
R&D				GGB	43.NNX08AE11G		51,396	0
R&D				GGB	43.NNX08AE29G	S01	84,138	0
R&D: Mars Lava Flow Surface Morphology				GKA	43.NNX08AF36G		35,656	7,961
R&D				GGB	43.NNX08AF74G		116,448	0
R&D				GGB	43.NNX08AI03G		62,231	0
R&D				GGB	43.NNX08AI77G		139,859	8,868
R&D				GGB	43.NNX08AK08G		149,852	26,572
R&D				GGB	43.NNX08AL32G		110,916	0
R&D				GGB	43.NNX08AL72G		109,611	0
R&D				GGB	43.NNX08AM56G		116,242	0
R&D				GGB	43.NNX08AN75G		12,432	0
R&D				GGB	43.NNX08AT04A		226,254	23,630
R&D				GGB	43.NNX08AT77G		91,391	0
R&D				GGB	43.NNX08AV04H		26,051	0
R&D				GGB	43.NNX08AV21G		96,212	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY					
MAJOR SUBDIVISION OF FEDERAL AGENCY					
SOURCE TYPE (DIRECT OR PASS-THROUGH)					
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)					
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
R&D		GGB	43.NNX09AF77G	1,647	0
R&D		GGB	43.NNX09AG49G	2,529	0
R&D		GGB	43.NNX09AH56G	650	2,000
SUBTOTAL DIRECT FROM:				8,197,925	487,796
PASS-THROUGH PROGRAMS FROM:					
ADA Technologies, Inc.					
R&D		GLA	43.07-0241S	72,991	0
R&D		GLA	43.09-0257S	7,578	0
CALIF. INST. OF TECH/JET PROPULSION LAB					
R&D		GGB	43.1280999	973,760	24,699
COLORADO POWER ELECTRONICS, INC.					
R&D		GGB	43.07812003	56,518	0
R&D		GGB	43.07813902	42,160	0
Guigne International Limited					
R&D		GLA	43.Unknown	(17,938)	0
Lockheed Martin Mission Services					
R&D		GLA	43.P07100034985	71,313	0
MISSISSIPPI STATE UNIVERSITY					
R&D		GGB	43.191000-361628-01	38,414	0
R&D		GGB	43.191000-361631-01 MOD 1	40,014	0
R&D		GGB	43.191000-361632-01 MOD 1	35,042	0
NATIONAL SPACE BIOMEDICAL RESEARCH INST.					
R&D		GGB	43.NCC 9-58-10 PROJ RE01301	123,586	33,395
Oklahoma State University					
R&D: Martian Volcanic Deposits		GKA	43.AA-5-27209	7,219	0
PURDUE UNIVERSITY					
R&D		GGB	43.521-0438-01	(1,782)	0
Planetary Science institute					
R&D: Investigations of Terrestrial & Planetary Lava Flows		GKA	43.495	7,219	0
SPONSOR NAME NOT FOUND FOR YCPR10 **					
R&D		GGB	43.PC-0001	32,839	0
SPONSOR NAME NOT FOUND FOR YUUN03 **					
R&D		GGB	43.5-35843	151,572	0
Southwest Research Institute					
R&D		GLA	43.699021X	9,409	0
UCAR-NCAR-COMET ATMOSPHERIC TECH. DIVIS.					
R&D		GGB	43.503-43483 MOD. M11	965,057	0
Universities Space Research Assoc					
R&D		GLA	43.2502.001	7,575	0
ZONA Technologies					
R&D		GLA	43.ZTCoS012209-DUST/NNX09C	18	0
ZONA Technology Inc.					
R&D		GLA	43.ZTCoS012209-DUST/NNX09C	2,851	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				2,625,415	58,094
SUBTOTAL National Aeronautics and Space Administration				10,823,340	545,890
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				52,519,090	5,480,665
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NATIONAL ENDOWMENT FOR THE HUMANITIES					
INSTITUTE OF MUSEUM AND LIBRARY SERVICES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES					
DIRECT FROM:					
INSTITUTE OF MUSEUM AND LIBRARY SERVICES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES					
Conservation Project Support		GGB	45.303	80,891	0
Grants to States		GZA	45.310	37,327	0
Laura Bush 21st Century Librarian Program		GFB	45.313	32,205	9,026
Laura Bush 21st Century Librarian Program		GFE	45.313	70,062	0
SUBTOTAL DIRECT FROM:				220,485	9,026
SUBTOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				220,485	9,026
NATIONAL ENDOWMENT FOR THE HUMANITIES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES					
DIRECT FROM:					
NATIONAL ENDOWMENT FOR THE HUMANITIES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES					

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>	CFDA / OTHER ID NUMBER	DIRECT	PASSED TO	
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY		EXPENDITURES	SUBRECIPIENTS	
SOURCE TYPE (DIRECT OR PASS-THROUGH)									
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)									
PROGRAM NAME									
Promotion of the Humanities: Division of Preservation and Access					GFB	45.149	4,977	0	
Promotion of the Humanities_Professional Development					GFB	45.163	38,881	0	
SUBTOTAL DIRECT FROM:							43,858	0	
SUBTOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES							43,858	0	
SUBTOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES							264,343	9,026	
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NATIONAL SCIENCE FOUNDATION									
NATIONAL SCIENCE FOUNDATION									
DIRECT FROM:									
NATIONAL SCIENCE FOUNDATION									
Unclassified Grants and Contracts					GFB	47.000	3,616,779	0	
Unclassified Grants and Contracts					GFE	47.000	54,802	0	
Unclassified Grants and Contracts					GLA	47.000 / 47.DMR-0746086	88,520	0	
Engineering Grants					GFB	47.041	3,353,708	180,205	
Engineering Grants					GFC	47.041	89,685	0	
Engineering Grants					GFE	47.041	128,432	0	
Engineering Grants					GGB	47.041	2,059,421	2,423,679	
Engineering Grants					GLA	47.041	22,225	0	
Engineering Grants					GLA	47.041 / 47.618380	40,960	0	
Engineering Grants					GLA	47.041 / 47.BES-0628282	166,800	0	
Engineering Grants					GLA	47.041 / 47.CBET-0731319	35,305	0	
Engineering Grants					GLA	47.041 / 47.CBET-0828649	19,551	0	
Engineering Grants					GLA	47.041 / 47.CBET-0829043	58,178	0	
Engineering Grants					GLA	47.041 / 47.CMMI-0700869	57,936	0	
Engineering Grants					GLA	47.041 / 47.CMMI-0729114	57,954	0	
Engineering Grants					GLA	47.041 / 47.CMMI-0825592	10,111	0	
Engineering Grants					GLA	47.041 / 47.CMMI-0826323	42,621	0	
Engineering Grants					GLA	47.041 / 47.CMMI-0855918	10,696	0	
Engineering Grants					GLA	47.041 / 47.CMS-0408150	93,292	0	
Engineering Grants					GLA	47.041 / 47.CTS-0419204	(11,066)	0	
Engineering Grants					GLA	47.041 / 47.CTS-0626226	112,297	0	
Engineering Grants					GLA	47.041 / 47.DMI-0547649	71,780	0	
Engineering Grants					GLA	47.041 / 47.DUE-0630888	148,978	0	
Engineering Grants					GLA	47.041 / 47.ECCS-0725752	61,217	0	
Engineering Grants					GLA	47.041 / 47.ECCS-0757956	64,903	0	
Engineering Grants					GLA	47.041 / 47.ECCS-0847964	10,000	0	
Engineering Grants					GLA	47.041 / 47.ECS-0134130	1,719	0	
Engineering Grants					GLA	47.041 / 47.ECS-0134132	8,777	0	
Engineering Grants					GLA	47.041 / 47.EEC-0529777	68,145	0	
Engineering Grants					GLA	47.041 / 47.EEC-0550169	150,094	0	
Engineering Grants					GLA	47.041 / 47.EEC-0819106	50,762	0	
Engineering Grants					GLA	47.041 / 47.ES-I0623808	(29,154)	0	
Engineering Grants					GLA	47.041 / 47.IIP-0855797	846	0	
Mathematical and Physical Sciences					GFB	47.049	7,453,102	179,191	
Mathematical and Physical Sciences					GFC	47.049	306,997	0	
Mathematical and Physical Sciences					GFE	47.049	204,660	0	
Mathematical and Physical Sciences					GGB	47.049	2,903,710	60,154	
Mathematical and Physical Sciences					GKA	47.049	11,594	0	
Mathematical and Physical Sciences					GLA	47.049 / 47.CHE-0515521	78,202	0	
Mathematical and Physical Sciences					GLA	47.049 / 47.CNS-0720875	105,254	0	
Mathematical and Physical Sciences					GLA	47.049 / 47.DMR 0606054	11,889	0	
Mathematical and Physical Sciences					GLA	47.049 / 47.DMR-0606054	141,118	0	
Mathematical and Physical Sciences					GLA	47.049 / 47.DMR-0702351	180,578	0	
Mathematical and Physical Sciences					GLA	47.049 / 47.DMR-0820518	647,119	0	
Mathematical and Physical Sciences					GLA	47.049 / 47.DMS-0453600	62,641	0	
Mathematical and Physical Sciences					GLA	47.049 / 47.DMS-0539176	527	0	
Mathematical and Physical Sciences					GLA	47.049 / 47.DMS-0621118	77,523	0	
Mathematical and Physical Sciences					GLA	47.049 / 47.DMS-0724715	1,030	0	
Mathematical and Physical Sciences					GLA	47.049 / 47.DMS-0724717	439	0	
Mathematical and Physical Sciences					GLA	47.049 / 47.PHY-0420357	4,159	0	
Mathematical and Physical Sciences					GLA	47.049 / 47.PHY-0547845	113,968	0	
Geosciences					GFB	47.050	9,236,264	274,795	
Geosciences					GFE	47.050	132,872	0	
Geosciences					GGB	47.050	7,285,828	1,616,916	
Geosciences					GLA	47.050 / 47.EAR-0337379	(2,977)	0	
Geosciences					GLA	47.050 / 47.EAR-0609595	49,313	0	

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH		STATE <sup>1</sup>	DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR		AGENCY		
SOURCE TYPE (DIRECT OR PASS-THROUGH)							EXPENDITURES	SUBRECIPIENTS
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME						CFDA / OTHER ID NUMBER		
Geosciences					GLA	47.050 / 47.EAR-0720257	64,507	0
Geosciences					GLA	47.050 / 47.EAR-0733782	20,050	0
Geosciences					GLA	47.050 / 47.EAR-0749035	41,357	0
Geosciences					GLA	47.050 / 47.OCE-0551715	137,011	0
Computer and Information Science and Engineering					GFB	47.070	4,657,179	323,837
Computer and Information Science and Engineering					GFC	47.070	24,980	0
Computer and Information Science and Engineering					GFE	47.070	121,219	0
Computer and Information Science and Engineering					GGB	47.070	672,732	14,946
Computer and Information Science and Engineering					GLA	47.070 / 47.CCF-0830320	7,730	0
Computer and Information Science and Engineering					GLA	47.070 / 47.CCF-0830783	53,762	0
Computer and Information Science and Engineering					GLA	47.070 / 47.CNS-0634278	1,301	0
Computer and Information Science and Engineering					GLA	47.070 / 47.CNS-0635376	139,303	0
Computer and Information Science and Engineering					GLA	47.070 / 47.CNS-0702875	10,869	0
Computer and Information Science and Engineering					GLA	47.070 / 47.CNS-0702875	11,630	0
Computer and Information Science and Engineering					GLA	47.070 / 47.CNS-0722415	468,169	0
Computer and Information Science and Engineering					GLA	47.070 / 47.CNS-0738102	49,551	0
Computer and Information Science and Engineering					GLA	47.070 / 47.CNS-0739233	138,294	0
Computer and Information Science and Engineering					GLA	47.070 / 47.CNS-0824670	133,337	0
Biological Sciences					GFB	47.074	3,669,852	107,670
Biological Sciences					GFE	47.074	442,993	0
Biological Sciences					GGB	47.074	4,426,944	1,014,902
Biological Sciences					GKA	47.074	21,086	0
Biological Sciences					GLA	47.074 / 47.624789	2,175	0
Biological Sciences					GLA	47.074 / 47.DBI-0454686	71,744	0
Biological Sciences					GLA	47.074 / 47.DBI-0852868	12,837	0
Biological Sciences					GLA	47.074 / 47.DEB 0614350	53,533	0
Social, Behavioral, and Economic Sciences					GFB	47.075	1,855,385	337,497
Social, Behavioral, and Economic Sciences					GFC	47.075	38,739	0
Social, Behavioral, and Economic Sciences					GFE	47.075	22,622	0
Social, Behavioral, and Economic Sciences					GGB	47.075	649,568	73,573
Education and Human Resources					GFB	47.076	4,896,265	683,448
Education and Human Resources					GFC	47.076	20,576	0
Education and Human Resources					GFE	47.076	118,881	75,621
Education and Human Resources					GGB	47.076	1,758,233	413,826
Education and Human Resources					GKA	47.076	117,192	57,045
Education and Human Resources					GLA	47.076 / 47.4101-19739	3,510	0
Education and Human Resources					GLA	47.076 / 47.DGE 0638719	147,659	0
Education and Human Resources					GLA	47.076 / 47.DGE-0231611	(2,977)	0
Education and Human Resources					GLA	47.076 / 47.DGE-0531499	52,630	0
Education and Human Resources					GLA	47.076 / 47.DGE-0638719	258,993	0
Education and Human Resources					GLA	47.076 / 47.DGE-0801692	54,095	0
Education and Human Resources					GLA	47.076 / 47.DUE-0532684	7,838	0
Education and Human Resources					GLA	47.076 / 47.DUE-071775	7,993	0
Education and Human Resources					GLA	47.076 / 47.DUE-0717751	12,268	0
Education and Human Resources					GLA	47.076 / 47.DUE-0814788	11,533	0
Education and Human Resources					GLA	47.076 / 47.P00527	124,744	0
Polar Programs (B) -					GFB	47.078	4,354,436	125,254
Polar Programs (B) -					GGB	47.078	452,925	35,299
International Science and Engineering (OISE)					GFB	47.079	263,522	0
International Science and Engineering (OISE)					GGB	47.079	5,397	0
International Science and Engineering (OISE)					GLA	47.079 / 47.OISE-0106665	50	0
Office of Cyberinfrastructure					GGB	47.080	208,043	47,925
R&D					GJB	47.0802439	63,745	10,119
ARRA-R&D					GFB	47.082	94,365	0
ARRA-R&D CAREER: ORGANIZATION OF SOCIAL STR-NSF-NATIONAL SCIENCE FOUNDATIO					GGB	47.082	10,175	0
ARRA-R&D LABORATORY AND GROUND-BASED STUDIE-NSF-NATIONAL SCIENCE FOUNDATION					GGB	47.082	584	0
ARRA-R&D RAPID: PRE-DISTURBANCE SURVEYS OF W-NSF-NATIONAL SCIENCE FOUNDATI					GGB	47.082	1,533	0
Trans- NSF Recovery Act Research Support					GGB	47.082	412	0
R&D					GGB	47.09033902	251	0
R&D					GGB	47.ATM-0456270 NO. 004	34,899	0
R&D					GGB	47.ATM-0500061 AMD003	217,467	0
R&D					GGB	47.ATM-0545221 AMD007	241,361	0
R&D					GGB	47.CBET-0808987	234,357	0
R&D					GGB	47.CBET-0847016	14,080	0
R&D					GGB	47.CHE-0707223 AMD002	192,305	0
R&D					GGB	47.DEB-0618302 AMD 003	7,084	0
R&D					GGB	47.DEB-0743786	20,414	0
R&D					GGB	47.DEB-0840869	13,471	0
R&D					GGB	47.DMR-0645781 #002	118,458	0
R&D					GGB	47.EAR-0552526 #002	59,870	0
R&D					GLA	47.EAR-0716153	(13,499)	0
R&D					GGB	47.EAR-0847683	6,590	0
R&D					GGB	47.ECS-0647380 #002	2,370	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH		STATE <sup>1</sup>	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER		
SOURCE TYPE (DIRECT OR PASS-THROUGH)				ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)				
PROGRAM NAME								
R&D					GGB	47.EEC-0310717 #014	860,923	11,999
R&D					GGB	47.EEC-0310717 #13	2,946	(15,000)
R&D					GGB	47.EEC-0310717 AMENDMENT 01	514,144	0
R&D					GGB	47.EEC-0310717#014	292,681	0
R&D					GGB	47.I0B-0444471 ADM002	5,144	0
R&D					GGB	47.MCB-0314644 004	6,835	0
R&D					GGB	47.MCB-0314644 006	361	0
R&D					GLA	47.OCE-0809351	150,305	0
SUBTOTAL DIRECT FROM:							73,770,000	8,052,901
PASS-THROUGH PROGRAMS FROM:								
American Society for Engineering Education					GLA	47.076 / 47.DUE-0517528.	27,574	0
Education and Human Resources								
American Society for Engr Ed					GLA	47.076 / 47.DUE-0341127	(120)	0
Education and Human Resources								
Association of American Geographers					GKA	47.076 / 47.7055	37,524	0
Education and Human Resources								
BOYCE THOMPSON INSTITUTE FOR PLANT RES.					GGB	47.074 / 47.AGREEMENT NUMBER 06-0	34,999	0
Biological Sciences					GGB	47.08009004	8,280	0
R&D								
CLEMSON UNIVERSITY								
Engineering Grants					GGB	47.041 / 47.1105-7558-206-2005924	25,014	0
R&D					GGB	47.1105-7558-206-2005924 #1	4,047	0
CRDF CIVILIAN RSRCH & DVLPMT FOUNDATION								
International Science and Engineering (OISE)					GGB	47.079 / 47.RUC2-2830-M0-06	584	0
International Science and Engineering (OISE)					GGB	47.079 / 47.RUP2-2845-M0-06	9,100	0
ITN Energy Systems Inc.								
Engineering Grants					GLA	47.041 / 47.P0#05I-0564	250,629	0
ITN Engery Systems, Inc.								
Engineering Grants					GLA	47.041 / 47.P0#05I-0564	63	0
R&D					GLA	47.071-0405	9,168	0
KANSAS STATE UNIVERSITY								
Biological Sciences					GGB	47.074 / 47.S05005	15,495	0
Kapteyn-Murnane Laboratories Inc.								
R&D					GLA	47.Unknown	46,214	0
MONTANA STATE UNIVERSITY								
Education and Human Resources					GGB	47.076 / 47.GC046-02-Z2484 MOD 09	54,570	0
Michigan Technological University								
Education and Human Resources					GLA	47.076 / 47.08033622	18,369	0
Montana State University								
Education and Human Resources					GKA	47.076 / 47.NSF ESI-0119786	6,139	0
Northern Illinois University								
Mathematical and Physical Sciences					GLA	47.049 / 47.44-G6A63809/PO#80907	6,116	0
R&D					GLA	47.44-G6A63809/PO800080907	49,204	0
OHIO STATE UNIVERSITY								
Education and Human Resources					GGB	47.076 / 47.RF00941233	1,882	0
OREGON STATE UNIVERSITY								
Engineering Grants					GGB	47.041 / 47.S1148A-A	54,201	0
PORTLAND STATE UNIVERSITY								
Polar Programs (B) -					GGB	47.078 / 47.208FOU071	21,972	0
PURDUE UNIVERSITY								
Biological Sciences					GGB	47.074 / 47.4101-22871	31,142	0
Biological Sciences					GGB	47.074 / 47.S01-1226-01	20,061	0
Purdue University								
Engineering Grants					GLA	47.041 / 47.4101-20587/CBET074275	7,544	0
RUTGERS - STATE UNIVERSITY OF NEW JERSEY								
Education and Human Resources					GGB	47.076 / 47.2283 RU ACCT 4-28876	101,526	0
Rutgers University								
Geosciences					GLA	47.050 / 47.S958312/4-20488	32,897	0
SECURICS, INC								
Engineering Grants					GFC	47.041	118,747	0
SPONSOR NAME NOT FOUND FOR YCVI09 **								
Engineering Grants					GGB	47.041 / 47.08018502	23,963	0
SPONSOR NAME NOT FOUND FOR YMAM79 **								
Biological Sciences					GGB	47.074 / 47.AGREEMENT NUMBER N44	27,430	0
SPONSOR NAME NOT FOUND FOR YUCA12 **								
Biological Sciences					GGB	47.074 / 47.S-000201	158,132	0
SPONSOR NAME NOT FOUND FOR YUJA00 **								
Office of Cyberinfrastructure					GGB	47.080 / 47.SUBCONTRACT NUMBER 63	15,856	0
SPONSOR NAME NOT FOUND FOR YUWA06 **								
Social, Behavioral, and Economic Sciences					GGB	47.075 / 47.WU-HT-09-18 PO# 29053	18,219	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
MAJOR SUBDIVISION OF FEDERAL AGENCY								
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
SPONSOR NAME NOT FOUND FOR YUWE04 **								
Education and Human Resources					GGB	47.076 / 47.06060208	16,557	0
Texas Tech University								
Education and Human Resources					GLA	47.076 / 47.21P133-02	950	0
UCAR-NCAR-NAT CTR FOR ATMOSPHERIC RES								
Geosciences					GGB	47.050 / 47.S06-58489	31,910	0
R&D					GGB	47.08334906	26,574	0
UMASS-UNIVERSITY OF MASSACHUSETTS								
Engineering Grants					GGB	47.041 / 47.UM#04-002341 B 09	4,597	0
Engineering Grants					GGB	47.041 / 47.UM#04-002341 B10 P000	657,912	0
UNIV. OF CALIFORNIA AT SANTA BARBARA								
Biological Sciences					GGB	47.074 / 47.KK7107	18,787	0
UNIV. OF WASHINGTON								
Education and Human Resources					GLA	47.076 / 47.ESI-0227558	78,821	0
Education and Human Resources					GLA	47.076 / 47.NSF NO.ESI-0227558	2,150	0
UNIVERSITY OF CALIFORNIA								
Polar Programs (B) -					GGB	47.078 / 47.KK8112	87,230	0
UNIVERSITY OF DELAWARE								
Mathematical and Physical Sciences					GGB	47.049 / 47.17871	7,704	0
UNIVERSITY OF MASSACHUSETTS AMHERST								
Engineering Grants					GFC	47.041 / 47.04-002341 J 00	50,860	0
UNIVERSITY OF NEVADA								
Geosciences					GGB	47.050 / 47.UNR-09-20 PO#19B	14,513	0
UNIVERSITY OF SOUTHERN CALIFORNIA								
Computer and Information Science and Engineering					GGB	47.070 / 47.115674	47,887	0
UNIVERSITY OF WASHINGTON								
Geosciences					GGB	47.050 / 47.418119	36,030	0
US CIVILIAN RESEARCH/DEVELOPMENT FDN								
International Science and Engineering (OISE)					GFC	47.079 / 47.UKM2-2811-00-06	1,170	0
University of North Texas								
Social, Behavioral, and Economic Sciences					GLA	47.075 / 47.GN0002275	10,454	0
VIRGINIA POLYTECHNIC INSTITUTE								
Engineering Grants					GGB	47.041 / 47.CR-19019-478025	70,746	0
Virginia Polytechnic Institute & State University								
Engineering Grants					GLA	47.041 / 47.CR-19459-477587	1,425	0
Social, Behavioral, and Economic Sciences					GLA	47.075 / 47.19459-477347	19,156	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							2,421,974	0
SUBTOTAL NATIONAL SCIENCE FOUNDATION							76,191,974	8,052,901
SUBTOTAL NATIONAL SCIENCE FOUNDATION							76,191,974	8,052,901
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TENNESSEE VALLEY AUTHORITY								
TENNESSEE VALLEY AUTHORITY								
DIRECT FROM:								
TENNESSEE VALLEY AUTHORITY								
TVA Energy Research and Technology Applications					GFB	62.001	231,683	0
SUBTOTAL DIRECT FROM:							231,683	0
SUBTOTAL TENNESSEE VALLEY AUTHORITY							231,683	0
SUBTOTAL TENNESSEE VALLEY AUTHORITY							231,683	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
DEPARTMENT OF VETERANS AFFAIRS								
VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS								
DIRECT FROM:								
VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS								
Sharing Specialized Medical Resources				GFE	64.018		68,582	0
SUBTOTAL DIRECT FROM:							68,582	0
SUBTOTAL VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS							68,582	0
SUBTOTAL DEPARTMENT OF VETERANS AFFAIRS							68,582	0
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ENVIRONMENTAL PROTECTION AGENCY								
ENERGY								
DIRECT FROM:								
ENERGY								
R&D				GLA	66.606		10,233	0
SUBTOTAL DIRECT FROM:							10,233	0
SUBTOTAL ENERGY							10,233	0
ENVIRONMENTAL PROTECTION AGENCY								
DIRECT FROM:								
ENVIRONMENTAL PROTECTION AGENCY								
Unclassified Grants and Contracts				GFB	66.000		5,465	0
SUBTOTAL DIRECT FROM:							5,465	0
PASS-THROUGH PROGRAMS FROM:								
Malcom Pirnie								
R&D				GLA	66.5322009		78,595	0
SPONSOR NAME NOT FOUND FOR YCIC01 **								
R&D				GGB	66.PO# 26BL00019		6,002	0
SPONSOR NAME NOT FOUND FOR YCSC08 **								
R&D				GGB	66.EP-D-09-032		1,404	0
SPONSOR NAME NOT FOUND FOR YMLA05 **								
R&D				GGB	66.1703		34,097	0
WATER ENVIRONMENT RESEARCH								
R&D				GLA	66.X-83085101		55,770	0
WATER ENVIRONMENT RESEARCH FOUNDATION								
Surveys, Studies, Investigations and Special Purpose Grants (B) -				GGB	66.606 / 66.06-CTS-1C0		73,451	0
Water Environment Research Fou								
Surveys, Studies, Investigations and Special Purpose Grants (B) -				GLA	66.606 / 66.DEC14U06		19,162	0
Surveys, Studies, Investigations and Special Purpose Grants (B) -				GLA	66.606 / 66.DEC1R06		472,727	0
Water Environment Research Foundation								
Surveys, Studies, Investigations and Special Purpose Grants (B) -				GLA	66.606 / 66.4-Dec-06		5,684	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							746,892	0
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY							752,357	0
Environmental Protection Agency / Office of Air and Radiation								
PASS-THROUGH PROGRAMS FROM:								
University of Montana								
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the				GLA	66.034 / 66.PG08-67099-01		18,477	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							18,477	0
SUBTOTAL Environmental Protection Agency / Office of Air and Radiation							18,477	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY

MAJOR SUBDIVISION OF FEDERAL AGENCY

SOURCE TYPE (DIRECT OR PASS-THROUGH)

ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)

PROGRAM NAME

NONCASH  
INDICATOR

STATE<sup>1</sup>  
AGENCY

CFDA / OTHER ID NUMBER

DIRECT  
EXPENDITURES

PASSED TO  
SUBRECIPIENTS

Environmental Protection Agency / Office of Pollution Prevention and Toxics Substances

DIRECT FROM:

Environmental Protection Agency / Office of Pollution Prevention and Toxics Substances  
Pesticide Environmental Stewardship Regional Grants  
Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies

GGB 66.714  
GGB 66.716

57,782  
114,145

0  
0

SUBTOTAL DIRECT FROM:

171,927

0

SUBTOTAL Environmental Protection Agency / Office of Pollution Prevention and Toxics Substances

171,927

0

Environmental Protection Agency / Office of Research and Development

DIRECT FROM:

Environmental Protection Agency / Office of Research and Development  
Science To Achieve Results (STAR) Research Program  
Science To Achieve Results (STAR) Research Program  
Science To Achieve Results (STAR) Research Program  
Science To Achieve Results (STAR) Research Program  
Surveys, Studies, Investigations and Special Purpose Grants within the Office of Research and Development  
Science To Achieve Results (STAR) Fellowship Program  
P3 Award: National Student Design Competition for Sustainability

GFB 66.509  
GGB 66.509  
GLA 66.509 / 66.RD-83153001-1  
GLA 66.509 / 66.RD-83332401-01  
GGB 66.510  
GFB 66.514  
GFE 66.516

313,215  
413,203  
(5,010)  
137,881  
70,525  
20,858  
35,689

103,790  
257,176  
0  
0  
0  
0  
0

SUBTOTAL DIRECT FROM:

986,361

360,966

PASS-THROUGH PROGRAMS FROM:

UNIVERSITY OF HOUSTON  
Science To Achieve Results (STAR) Research Program  
UNIVERSITY OF MONTANA  
Regional Environmental Monitoring and Assessment Program (REMAP) Research Projects  
WASHINGTON STATE UNIVERSITY  
Science To Achieve Results (STAR) Research Program  
WATER ENVIRONMENT RESEARCH FOUNDATION  
Office of Research and Development Consolidated Research/Training/Fellowships  
Office of Research and Development Consolidated Research/Training/Fellowships  
Office of Research and Development Consolidated Research/Training/Fellowships

GGB 66.509 / 66.R-07-0173  
GGB 66.512 / 66.PG09-25709-01  
GGB 66.509 / 66.106814\_G002233  
GGB 66.511 / 66.06-SW-1 TO#2 ADDENDUM  
GGB 66.511 / 66.SWC1R06 TASK ORDER #3  
GGB 66.511 / 66.SWC1R06 TASK ORDER #4

57,059  
21,233  
206  
72,032  
2,066  
5,495

0  
0  
0  
56,897  
23,076  
35,461

SUBTOTAL PASS-THROUGH PROGRAMS FROM:

158,091

115,434

SUBTOTAL Environmental Protection Agency / Office of Research and Development

1,144,452

476,400

Environmental Protection Agency / Office of Water

DIRECT FROM:

Environmental Protection Agency / Office of Water  
Regional Wetland Program Development Grants

GGB 66.461

67,235

0

SUBTOTAL DIRECT FROM:

67,235

0

PASS-THROUGH PROGRAMS FROM:

BOULDER COUNTY PARKS & OPEN SPACES  
Regional Wetland Program Development Grants  
SPONSOR NAME NOT FOUND FOR YHCHO1 \*\*  
Regional Wetland Program Development Grants

GGB 66.461 / 66.PO# 46588  
GGB 66.461 / 66.07764705

6,959  
115,000

0  
0

SUBTOTAL PASS-THROUGH PROGRAMS FROM:

121,959

0

SUBTOTAL Environmental Protection Agency / Office of Water

189,194

0

OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY

DIRECT FROM:

OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY  
Environmental Protection-Consolidated Research

GLA 66.500 / 66.EP08H001132

20,712

0

SUBTOTAL DIRECT FROM:

20,712

0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
PASS-THROUGH PROGRAMS FROM:								
AMERICAN WATER WORKS ASSC. RESEARCH FD.								
Environmental Protection-Consolidated Research				GGB		66.500 / 66.4029 #3	35,944	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							35,944	0
SUBTOTAL OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY							56,656	0
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY							2,343,296	476,400
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NUCLEAR REGULATORY COMMISSION								
Nuclear Regulatory Commission								
DIRECT FROM:								
Nuclear Regulatory Commission								
U. S. Nuclear Regulatory Commission Nuclear Education Grant Program								
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program				GLA		77.006 / 77.NRC-38-08-923	89,036	0
				GLA		77.008 / 77.NRC-38-08-954	6,278	0
SUBTOTAL DIRECT FROM:							95,314	0
SUBTOTAL Nuclear Regulatory Commission							95,314	0
SUBTOTAL NUCLEAR REGULATORY COMMISSION							95,314	0
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DEPARTMENT OF ENERGY								
DEPARTMENT OF ENERGY								
DIRECT FROM:								
DEPARTMENT OF ENERGY								
Unclassified Grants and Contracts				GFB		81.000	1,578,495	277,700
R&D				GLA		81.07122-09	107,923	0
R&D				GGB		81.08161202	39,952	0
R&D				GLA		81.2006-3434300048178	(11,220)	0
R&D				GLA		81.4300065909	21,970	0
R&D				GLA		81.4300065924	175,340	0
R&D				GLA		81.9-99001-3	5,969	0
R&D				GLA		81.B575251	40,146	0
R&D				GLA		81.B581603	40,494	0
R&D				GLA		81.DE-AF26-06NT03205	43,440	0
R&D				GGB		81.DE-AP36-07C027452	11,916	0
R&D				GGB		81.DE-FG02-03ER15451	787	0
R&D				GGB		81.DE-FG02-04ER15591 AMD A	233,449	0
R&D				GLA		81.DE-FG02-05ER15739	59,828	0
R&D				GGB		81.DE-FG02-05ER64087 A005	125,440	61,982
R&D				GGB		81.DE-FG02-06ER25724	47,792	0
R&D				GGB		81.DE-FG02-07ER46448	83,015	0
R&D				GGB		81.DE-FG02-07ER64350 A02	280,667	0
R&D				GGB		81.DE-FG02-08ER64622	55,384	0
R&D				GGB		81.DE-FG02-94ER61748 AMEND.	39,878	0
R&D				GLA		81.DE-FG36-08G088100	730,278	0
R&D				GGB		81.DE-FG52-06NA26152 #002	187,864	33,173
R&D				GGB		81.DE-FG02-96ER14625 A018	144,695	0
R&D				GLA		81.DE-NT0005202	187,963	0
R&D				GLA		81.KXEA-3-33607-25	25,661	0
R&D				GLA		81.KXEA-3-33607-33	35,606	0
R&D				GGB		81.ORDER # DE-AP36-08G02837	3,733	0
R&D				GLA		81.PO 865963/A0344	78,870	0
R&D				GLA		81.P0# MIEI38374/IPA Caro1	92,742	0
R&D				GLA		81.P0#173797	8,374	0
R&D				GLA		81.Unknown	(311)	0
R&D				GLA		81.ZFT-8-88517-01	48,642	0
SUBTOTAL DIRECT FROM:							4,524,782	372,855

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
PASS-THROUGH PROGRAMS FROM:						
3M Company						
R&D			GLA	81.USMMM258U9	291,369	0
Agouron Institute, Inc.						
R&D			GLA	81.KXEA-3-33607-22	27,195	0
Argonne National Labs						
R&D			GLA	81.W-31-109-ENG-38	42,005	0
BOISE STATE UNIVERSITY						
R&D			GLA	81.BSU NO. 130G106009	758	0
Battelle Energy Alliance						
R&D			GLA	81.72949	36,282	0
Battelle-Pacific Northwest National Laboratory						
R&D			GLA	81.75542	13,591	0
R&D			GLA	81.79048	9,216	0
Battelle Memorial Institute						
R&D			GLA	81.36101	6,387	0
Bechtel Nevada						
R&D			GLA	81.53084	(2,481)	0
Brookhaven National Laboratory						
R&D			GLA	81.114940	25,015	0
CITY OF FORT COLLINS						
R&D			GGB	81.08299407	28,001	0
FERMI NTL ACCELERATOR LAB (FERMILAB)						
R&D			GGB	81.PO # 583071	12,544	0
Honeywell Federal Manufacturing & Technologies						
R&D			GLA	81.EP23677	8,384	0
Knolls Atomic Power Laboratory						
R&D			GLA	81.KN6007286	87,739	0
R&D			GLA	81.P06013555	11,053	0
Lawrence Berkeley National Labs						
R&D			GLA	81.6854461	11,279	0
Lawrence Livermore Laboratories						
R&D			GLA	81.B583018	3,436	0
Lawrence Livermore National Laboratory						
R&D			GLA	81.B570356	95,746	0
R&D			GLA	81.B580449	6,861	0
Los Alamos National Labs						
R&D			GLA	81.24498-001-06 2A	73,979	0
R&D			GLA	81.47291-001-07	50,886	0
R&D			GLA	81.47501-001-07	5,557	0
R&D			GLA	81.52533-001-07	66,091	0
R&D			GLA	81.72337-001-09	8,727	0
MIDWEST RESEARCH INSTITUTE - NREL						
R&D			GGB	81.XEE-8-77562-01 MOD 2	27,574	0
R&D			GGB	81.XXL-5-44205-02 MOD. 11	76,080	0
R&D			GGB	81.XXL-5-44205-03	9,176	0
R&D			GGB	81.ZCO-7-77386-01 MOD 2	72,751	0
R&D			GGB	81.ZEJ-7-77039-01	78,656	0
R&D			GGB	81.ZFT-8-88524-01	90,324	0
MSE Technology Applications						
R&D			GLA	81.06C733F	15,810	0
National Renewable Energy Labs						
R&D			GLA	81.AFT-8-88533-01	68,382	0
R&D			GLA	81.GLO33-RGF0211	5,509	0
R&D			GLA	81.KXEA-3-33607-19	(14,396)	0
R&D			GLA	81.KXEA-3-33607-21	22,994	0
R&D			GLA	81.KXEA-3-33607-22	23,491	0
R&D			GLA	81.KXEA-3-33607-24	3,388	0
R&D			GLA	81.KXEA-3-33607-26	64,826	0
R&D			GLA	81.KXEA-3-33607-27	44,263	0
R&D			GLA	81.KXEA-3-33607-29	97,586	0
R&D			GLA	81.KXEA-3-33607-30	31,364	0
R&D			GLA	81.KXEA-3-33607-32	42,236	0
R&D			GLA	81.KXEA-3-33607-33	16,900	0
R&D			GLA	81.KXEA-3-33607-34	17,295	0
R&D			GLA	81.KXEA-3-33607-35	28,695	0
R&D			GLA	81.KXEA-3-33607-36	30,766	0
R&D			GLA	81.KXEA-3-33607-37	34,352	0
R&D			GLA	81.KXEA-3-33607-38	33,980	0
R&D			GLA	81.KXEA-3-33607-40	39,847	0
R&D			GLA	81.KXEA-3-33607-41	31,931	0
R&D			GLA	81.KXEA-3-33607-42	20,359	0
R&D			GLA	81.NEV-7-77395-01	12,583	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		STATE <sup>1</sup>		DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
MAJOR SUBDIVISION OF FEDERAL AGENCY	SOURCE TYPE (DIRECT OR PASS-THROUGH)	NONCASH INDICATOR	CFDA / OTHER ID NUMBER		
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)	PROGRAM NAME				
	R&D		GLA 81.PO 187325	3,450	0
	R&D		GLA 81.P0# 187179	242,672	0
	R&D		GLA 81.XEA-5-44245-01	68,565	0
	R&D		GLA 81.XEA-5-44245-01/Mod 8	1,109	0
	R&D		GLA 81.XEA-5-44245-01/Mod 8	16,883	0
	R&D		GLA 81.XEE-9-99409-01	37,126	0
	R&D		GLA 81.XEJ-9-88037-01	11,633	0
	R&D		GLA 81.ZDJ-7-77605-02	53,838	0
	R&D		GLA 81.ZFH-9-88673-01	58,209	0
	R&D		GLA 81.ZFT-8-88565-01	83,628	0
	R&D		GLA 81.ZFW-9-99114-01	44,151	0
Pall Corporation					
	R&D		GLA 81.DE-FG36-05G015093	130,688	0
Petroleum Technology Transfer Council					
	R&D		GLA 81.Subcontract No. 0895	99,199	0
Praxair, Inc					
	R&D		GLA 81.DE-FC26-07NT43054	113,282	0
Research Partnership to Secure Energy for America					
	R&D		GLA 81.07122-12	496,603	0
	R&D		GLA 81.07122-15	671,857	0
Research Partnership to Secure Energy for America					
	R&D		GLA 81.07122-14	152,078	0
SANDIA CORPORATION/SANDIA NATIONAL LAB.					
	R&D		GGB 81.LC-3449 REV. 20	(7,938)	0
SPONSOR NAME NOT FOUND FOR YMAL06 **					
	R&D		GGB 81.09004808	21,892	0
	R&D		GGB 81.09116502	373	0
	R&D		GGB 81.09116703	1,287	0
	R&D		GGB 81.09116802	3,691	0
	R&D		GGB 81.KXFE-9-99005-00	21,619	0
	R&D		GGB 81.KXFE-9-99005-01	11,250	0
	R&D		GGB 81.KXFE-9-99005-02	30,353	0
	R&D		GGB 81.KXFE-9-99005-04	19,300	0
SPONSOR NAME NOT FOUND FOR YMBA03 **					
	R&D		GGB 81.00069249 AMENDMENT 001	40,416	0
	R&D		GGB 81.00069249 AMENDMENT 002	97,345	0
Sandia National Laboratories					
	R&D		GLA 81.403684	79,222	0
	R&D		GLA 81.P0#A0344/814697	99,471	0
South Dakota School of Mines and Tech					
	R&D		GLA 81.CSM 08-02	104,977	0
Southwest Research Institute					
	R&D		GLA 81.799171L	71,621	0
Stratus Consulting					
	R&D		GLA 81.R130-85-1228	61,709	0
TDA Research, Inc.					
	R&D		GLA 81.CSM-08.01	115,947	0
The Regents of the University of California Davis					
	R&D		GLA 81.07-004426-CSM-1	20,134	0
UNIV CHICAGO/ARGONNE UNIV ASSOC-ARGN LAB					
	R&D		GGB 81.7F-00323	5,019	0
UNIV. CALIFORNIA-LAWRENCE LIVERMORE LAB					
	R&D		GGB 81.8539675 #3	29,424	0
	R&D		GGB 81.8559895 MOD #5	5,825	0
	R&D		GGB 81.8573139	588	0
UNIV. CALIFORNIA-LOS ALAMOS NATIONAL LAB					
	R&D		GGB 81.29598-001-06 MOD 11	114,635	834,649
UNIVERSITY OF CALIFORNIA AT DAVIS					
	R&D		GGB 81.K012567-01	9,168	0
UQM TECHNOLOGIES INC					
	R&D		GLA 81.non-given	21,885	0
United Solar Ovonic, LLC					
	R&D		GLA 81.DE-FC36-07G017053	86,054	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				5,296,580	834,649
SUBTOTAL DEPARTMENT OF ENERGY				9,821,362	1,207,504

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
Department of Energy								
DIRECT FROM:								
Department of Energy								
State Energy Program								
Office of Science Financial Assistance Program				GFB	81.041		358,065	0
Office of Science Financial Assistance Program				GFB	81.049		3,699,498	0
Office of Science Financial Assistance Program				GFE	81.049		992	0
Office of Science Financial Assistance Program				GGB	81.049		3,062,398	294,057
Office of Science Financial Assistance Program				GLA	81.049	/ 81.DE-FG02-04ER54775	24,096	0
Office of Science Financial Assistance Program				GLA	81.049	/ 81.DE-FG02-05ER46242	250,648	0
Office of Science Financial Assistance Program				GLA	81.049	/ 81.DE-FG02-06ER15778	45,234	0
Office of Science Financial Assistance Program				GLA	81.049	/ 81.DE-FG02-06ER64233	95,699	0
Office of Science Financial Assistance Program				GLA	81.049	/ 81.DE-FG02-07ER15841	63,608	0
Office of Science Financial Assistance Program				GLA	81.049	/ 81.DE-FG02-07ER46397	111,192	0
Office of Science Financial Assistance Program				GLA	81.049	/ 81.DE-FG02-07ER64419	54,951	0
Office of Science Financial Assistance Program				GLA	81.049	/ 81.DE-FG02-07ER64423	197,254	0
Office of Science Financial Assistance Program				GLA	81.049	/ 81.DE-FG02-08ER646559	204,209	0
Office of Science Financial Assistance Program				GLA	81.049	/ 81.DE-FG02-93ER14363	95,438	0
Office of Science Financial Assistance Program				GLA	81.049	/ 81.DE-FG02-93ER40789	275,558	0
Office of Scientific and Technical Information				GFB	81.064		351,894	0
Renewable Energy Research and Development				GFB	81.087		557,648	0
Renewable Energy Research and Development				GLA	81.087	/ 81.DE-FG36-06G016032	331,086	0
Fossil Energy Research and Development				GLA	81.089	/ 81.DE-FG36-08G018195	45,776	0
Fossil Energy Research and Development				GLA	81.089	/ 81.DE-NT0005202	212,449	0
Fossil Energy Research and Development				GLA	81.089	/ 81.DE-NT0005663	218,026	0
Fossil Energy Research and Development				GLA	81.089	/ 81.DE-NT0005672	221,335	0
Fossil Energy Research and Development				GLA	81.089	/ 81.DE-NT0006554	97,313	0
Defense Nuclear Nonproliferation Research				GFB	81.113		(3,312)	0
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis				GFB	81.117		1,662,146	0
SUBTOTAL DIRECT FROM:							12,233,201	294,057
PASS-THROUGH PROGRAMS FROM:								
AEROSOL DYNAMICS INC.								
Office of Science Financial Assistance Program				GGB	81.049	/ 81.DE-FG-04ER86179	716	0
American Water Works Research Assoc.				GLA	81.049	/ 81.4150	55,049	0
Office of Science Financial Assistance Program				GGB	81.049	/ 81.07812705	25,167	0
CITY OF FORT COLLINS				GGB	81.049	/ 81.09087403	6,945	0
Office of Science Financial Assistance Program				GGB	81.087	/ 81.ZFT-9-99323-01	6,744	0
Renewable Energy Research and Development				GGB	81.087	/ 81.ZFT-9-99323-01	6,744	0
MTU - MICHIGAN TECHNOLOGICAL UNIVERSITY								
Office of Science Financial Assistance Program				GGB	81.049	/ 81.050516Z17 PO# P00722	20,724	0
Office of Science Financial Assistance Program				GGB	81.049	/ 81.MTU 050516Z14 PO #P0	177,657	0
NORTHERN ARIZONA UNIVERSITY								
Office of Science Financial Assistance Program				GGB	81.049	/ 81.MPC3STA-A1	41,780	0
Office of Science Financial Assistance Program				GGB	81.049	/ 81.MPC3STA-A4	9,076	10,142
PENNSYLVANIA STATE UNIVERSITY								
Office of Science Financial Assistance Program				GGB	81.049	/ 81.3454-CSU-DOE-4157	100,706	0
Rutgers University								
Stewardship Science Grant Program				GLA	81.112	/ 81.PO S1063876	84,565	0
SPONSOR NAME NOT FOUND FOR YCCA14 **				GGB	81.087	/ 81.C174092	189,063	0
Renewable Energy Research and Development				GGB	81.087	/ 81.C174092	189,063	0
SPONSOR NAME NOT FOUND FOR YUCA12 **				GGB	81.049	/ 81.S-00000287	75,987	0
Office of Science Financial Assistance Program				GGB	81.049	/ 81.S-00000287	75,987	0
SPONSOR NAME NOT FOUND FOR YUST01 **				GGB	81.049	/ 81.39745/1055595 AMD11	330,082	0
Office of Science Financial Assistance Program				GGB	81.049	/ 81.39745/1055595 AMD11	330,082	0
UNIVERSITY OF OREGON								
Office of Science Financial Assistance Program				GGB	81.049	/ 81.234151T	7	0
University of Florida								
Office of Science Financial Assistance Program				GLA	81.049	/ 81.UF-EIES-0804021-CSM	21,767	0
University of Nevada, Las Vegas								
Renewable Energy Research and Development				GLA	81.087	/ 81.17GC00000022 UNR-07-1	14,051	0
YALE UNIVERSITY								
Office of Science Financial Assistance Program				GGB	81.049	/ 81.Y-05-00-08	14,681	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							1,174,767	10,142
SUBTOTAL Department of Energy							13,407,968	304,199

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
OFFICE OF NUCLEAR ENERGY, SCIENCE AND TECHNOLOGY, DEPARTMENT OF ENERGY								
DIRECT FROM:								
OFFICE OF NUCLEAR ENERGY, SCIENCE AND TECHNOLOGY, DEPARTMENT OF ENERGY					GLA	81.121 / 81.DE-FC07-051D14648	8,765	0
Nuclear Energy Research, Development and Demonstration					GLA	81.121 / 81.DE-FG07-071D14849	9,062	0
Nuclear Energy Research, Development and Demonstration							-----	-----
SUBTOTAL DIRECT FROM:							17,827	0
PASS-THROUGH PROGRAMS FROM:								
Georgia Institute of Technolog					GLA	81.121 / 81.R8895-G3/DPO#25000161	148,723	0
Nuclear Energy Research, Development and Demonstration							-----	-----
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							148,723	0
SUBTOTAL OFFICE OF NUCLEAR ENERGY, SCIENCE AND TECHNOLOGY, DEPARTMENT OF ENERGY							-----	-----
							166,550	0
ROCKY FLATS ENVIRONMENTAL TECHNOLOGY SITE, OFFICE OF CIVIL RIGHTS AND DIVERSITY MANAGEMENT, DEPARTMENT OF ENERGY								
DIRECT FROM:								
ROCKY FLATS ENVIRONMENTAL TECHNOLOGY SITE, OFFICE OF CIVIL RIGHTS AND DIVERSITY MANAGEMENT, DEPARTMENT OF ENERGY					GFB	81.116	18,307	0
Science & Engineering Training to Support Diversity-Related Programs							-----	-----
SUBTOTAL DIRECT FROM:							18,307	0
SUBTOTAL ROCKY FLATS ENVIRONMENTAL TECHNOLOGY SITE, OFFICE OF CIVIL RIGHTS AND DIVERSITY MANAGEMENT, DEPARTMENT OF ENERGY							-----	-----
							18,307	0
SUBTOTAL DEPARTMENT OF ENERGY							-----	-----
							23,414,187	1,511,703
-----								
DEPARTMENT OF EDUCATION								
ASSISTANT SECRETARY FOR EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT, DEPARTMENT OF EDUCATION								
PASS-THROUGH PROGRAMS FROM:								
ROCKY MOUNTAIN PUBLIC BROADCASTING NETWORK, INC.					GFC	84.286 / 84.AGREEMENT 10/12/05	190,084	11,000
Ready to Teach							-----	-----
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							190,084	11,000
SUBTOTAL ASSISTANT SECRETARY FOR EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT, DEPARTMENT OF EDUCATION							-----	-----
							190,084	11,000
DEPARTMENT OF EDUCATION								
DIRECT FROM:								
DEPARTMENT OF EDUCATION					GFB	84.000	143,284	0
Unclassified Grants and Contracts							-----	-----
SUBTOTAL DIRECT FROM:							143,284	0
PASS-THROUGH PROGRAMS FROM:								
American Printing House for the Blind					GKA	84.FT08-100	77,126	0
R&D: Research Lit Low Vision APHB					GGB	84.03-C003	4,695	0
NATIONAL WRITING PROJECT							-----	-----
R&D							81,821	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							-----	-----
SUBTOTAL DEPARTMENT OF EDUCATION							225,105	0
Department of Education / Office Of Educational Research And Improvement								
DIRECT FROM:								
Department of Education / Office Of Educational Research And Improvement					GFB	84.305	766,844	0
Education Research, Development and Dissemination							-----	-----
SUBTOTAL DIRECT FROM:							766,844	0
SUBTOTAL Department of Education / Office Of Educational Research And Improvement							-----	-----
							766,844	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
Department of Education / Office Of Special Education And Rehabilitative Services								
DIRECT FROM:								
Department of Education / Office Of Special Education And Rehabilitative Services					GFB	84.324	183,508	0
Research in Special Education					GFE	84.324	402,492	0
Research in Special Education							-----	-----
SUBTOTAL DIRECT FROM:							586,000	0
PASS-THROUGH PROGRAMS FROM:								
UNIVERSITY OF NORTHERN IOWA					GFC	84.324 / 84.SUBC. NO:54728B	9,110	0
Research in Special Education							-----	-----
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							9,110	0
SUBTOTAL Department of Education / Office Of Special Education And Rehabilitative Services							-----	-----
							595,110	0
OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION								
DIRECT FROM:								
OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION								
National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and Internation					GFB	84.015	442,414	0
Undergraduate International Studies and Foreign Language Programs					GFB	84.016	(2,472)	0
Undergraduate International Studies and Foreign Language Programs					GGB	84.016	60,711	0
Overseas Programs - Group Projects Abroad					GFB	84.021	111,395	0
Graduate Assistance in Areas of National Need					GFB	84.200	689,023	0
Graduate Assistance in Areas of National Need					GFE	84.200	(1,203)	0
Graduate Assistance in Areas of National Need					GLA	84.200 / 84.P200A060133	146,747	0
Graduate Assistance in Areas of National Need					GLA	84.200 / 84.P200A070503	127,645	0
Demonstration Projects to Support Postsecondary Faculty, Staff, and Administrations in Educating Students w					GGB	84.333	213,089	0
SUBTOTAL DIRECT FROM:							-----	-----
							1,787,349	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION							-----	-----
							1,787,349	0
OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION								
DIRECT FROM:								
OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION					GGB	84.116	132,461	0
Fund for the Improvement of Postsecondary Education					GKA	84.116	54,416	41,743
Fund for the Improvement of Postsecondary Education					GLA	84.116 / 84.P116B040030	52,161	0
Fund for the Improvement of Postsecondary Education					GGB	84.128	65,834	17,677
Rehabilitation Services_Service Projects					GFE	84.133	1,044,230	436,102
National Institute on Disability and Rehabilitation Research							-----	-----
SUBTOTAL DIRECT FROM:							1,349,102	495,522
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION							-----	-----
							1,349,102	495,522
OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION								
DIRECT FROM:								
OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION								
Bilingual Education: Professional Development					GFB	84.195	874,585	35,000
SUBTOTAL DIRECT FROM:							-----	-----
							874,585	35,000
SUBTOTAL OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION							-----	-----
							874,585	35,000
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION								
DIRECT FROM:								
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION								
Civil Rights Training and Advisory Services					GFB	84.004	254,405	0
Migrant Education: College Assistance Migrant Program					GFB	84.149	389,881	0
Safe and Drug-Free Schools and Communities: National Programs					GFB	84.184	360,048	0
SUBTOTAL DIRECT FROM:							-----	-----
							1,004,334	0
SUBTOTAL OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION							-----	-----
							1,004,334	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION								
DIRECT FROM:								
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION					GKA	84.235	161,194	0
Rehabilitation Services Demonstration and Training Programs					GFB	84.325	261,217	0
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities					GFE	84.325	495,119	0
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities								
SUBTOTAL DIRECT FROM:							917,530	0
SUBTOTAL OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION							917,530	0
SUBTOTAL DEPARTMENT OF EDUCATION							7,710,043	541,522
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SCHOLARSHIP AND FELLOWSHIP FOUNDATIONS								
Morris K. Udall Foundation								
DIRECT FROM:								
Morris K. Udall Foundation					GFE	85.400	4,377	0
Morris K. Udall Scholarship Program								
SUBTOTAL DIRECT FROM:							4,377	0
SUBTOTAL Morris K. Udall Foundation							4,377	0
SUBTOTAL SCHOLARSHIP AND FELLOWSHIP FOUNDATIONS							4,377	0
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UNITED STATES INSTITUTE OF PEACE								
United States Institute Of Peace								
DIRECT FROM:								
United States Institute Of Peace					GFB	91.001	5,457	0
Annual Grant Competition								
SUBTOTAL DIRECT FROM:							5,457	0
SUBTOTAL United States Institute Of Peace							5,457	0
SUBTOTAL UNITED STATES INSTITUTE OF PEACE							5,457	0
-----								
DEPARTMENT OF HEALTH AND HUMAN SERVICES								
ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
DIRECT FROM:								
ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					GGB	93.086	304,938	58,934
Healthy Marriage Promotion and Responsible Fatherhood Grants					GFE	93.592	1,568	0
Family Violence Prevention and Services/Grants for Battered Women's Shelters_Discretionary Grants					GFE	93.647	35,942	0
Social Services Research and Demonstration								
SUBTOTAL DIRECT FROM:							342,448	58,934
PASS-THROUGH PROGRAMS FROM:								
Abstinence & Marriage Education Partnership					GKA	93.010 / 93.12/3/2008	35,304	0
Community-Based Abstinence Education (CBAE)								
Congregacione Leon de Juda					GKA	93.010 / 93.2/24/2009	36,800	0
Community-Based Abstinence Education (CBAE)								
Earle School District					GKA	93.010 / 93.Prime Award #90AE0219	51,119	0
Community-Based Abstinence Education (CBAE)								
GEO EDUCATION & RESEARCH					GFC	93.592	42,907	0
Family Violence Prevention and Services/Grants for Battered Women's Shelters_Discretionary Grants								
Life Center of Long Island					GKA	93.010 / 93.7/17/2008	44,714	0
Community-Based Abstinence Education (CBAE)								

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
Weld County Department of Social Svs								
Healthy Marriage Promotion and Responsible Fatherhood Grants				GKA		93.086 / 93.90FE0134/01	60,303	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							271,147	0
SUBTOTAL ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES							613,595	58,934
ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
DIRECT FROM:								
ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Special Programs for the Aging: Title III, Part D: In-Home Services for Frail Older Individuals				GFE		93.046	100,092	0
Special Programs for the Aging: Title IV: and Title II: Discretionary Projects				GFE		93.048	3,254,160	574,817
Alzheimer's Disease Demonstration Grants to States				GGB		93.051	22,288	0
SUBTOTAL DIRECT FROM:							3,376,540	574,817
SUBTOTAL ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES							3,376,540	574,817
CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
DIRECT FROM:								
CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Centers for Genomics and Public Health				GFE		93.063	18,454	12,500
Centers for Research and Demonstration for Health Promotion and Disease Prevention				GFE		93.135	1,063,443	22,843
Occupational Safety and Health: Training Grants				GLA		93.263 / 93.214-2008-M-25560	17,856	0
Centers for Disease Control and Prevention: Investigations and Technical Assistance				GFB		93.283	25,903	0
Centers for Disease Control and Prevention: Investigations and Technical Assistance				GFE		93.283	359,392	0
Centers for Disease Control and Prevention: Investigations and Technical Assistance				GGB		93.283	374,173	265,799
Assistance Programs for Chronic Disease Prevention and Control				GFE		93.945	745,461	25,000
SUBTOTAL DIRECT FROM:							2,604,682	326,142
SUBTOTAL CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES							2,604,682	326,142
CENTERS FOR MEDICARE AND MEDICAID SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
DIRECT FROM:								
CENTERS FOR MEDICARE AND MEDICAID SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Medicare Supplementary Medical Insurance				GFE		93.774	854,246	0
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations				GFE		93.779	141,797	0
SUBTOTAL DIRECT FROM:							996,043	0
SUBTOTAL CENTERS FOR MEDICARE AND MEDICAID SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES							996,043	0
DEPARTMENT OF HEALTH AND HUMAN SERVICES								
DIRECT FROM:								
DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Unclassified Grants and Contracts				GFB		93.000	611,531	0
Unclassified Grants and Contracts				GFE		93.000	542,934	0
R&D				GGB		93.2 R01 CA 085419-09	525	0
R&D				GGB		93.5 APHPA006045-02-00 (YR	264,432	61,726
SUBTOTAL DIRECT FROM:							1,419,422	61,726
PASS-THROUGH PROGRAMS FROM:								
PalTech								
R&D: Family & Youth Services Bureau				GKA		93.GS-10F-0311K FYSB	6,955	0
SPONSOR NAME NOT FOUND FOR YCCR08 **								
R&D				GGB		93.08304802	17,235	0
SPONSOR NAME NOT FOUND FOR YMTH04 **								
R&D				GGB		93.07924805	17,051	0
R&D				GGB		93.08265101	30,000	0
UNIVERSITY OF UTAH								
R&D				GGB		93.10002211-02 PO 00001374	7,527	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							78,768	0
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES							1,498,190	61,726

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
Department of Health and Human Services / Administration For Children And Families								
DIRECT FROM:								
Department of Health and Human Services / Administration For Children And Families					GFE	93.551	215,926	0
Abandoned Infants					GFE	93.631	205,937	69,989
Developmental Disabilities Projects of National Significance								
SUBTOTAL DIRECT FROM:							421,863	69,989
PASS-THROUGH PROGRAMS FROM:								
Island Grove Regional Treatment Center					GKA	93.087 / 93.6/3/2008	77,609	88,290
Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse								
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							77,609	88,290
SUBTOTAL Department of Health and Human Services / Administration For Children And Families							499,472	158,279
Department of Health and Human Services / Agency for Healthcare Research and Quality								
DIRECT FROM:								
Department of Health and Human Services / Agency for Healthcare Research and Quality					GFE	93.226	1,791,405	483,535
Research on Healthcare Costs, Quality and Outcomes								
SUBTOTAL DIRECT FROM:							1,791,405	483,535
SUBTOTAL Department of Health and Human Services / Agency for Healthcare Research and Quality							1,791,405	483,535
Department of Health and Human Services / Centers For Medicare And Medicaid Services								
DIRECT FROM:								
Department of Health and Human Services / Centers For Medicare And Medicaid Services					GFE	93.769	162,593	0
Demonstration to Maintain Independence and Employment								
SUBTOTAL DIRECT FROM:							162,593	0
SUBTOTAL Department of Health and Human Services / Centers For Medicare And Medicaid Services							162,593	0
Department of Health and Human Services / Centers for Disease Control and Prevention								
DIRECT FROM:								
Department of Health and Human Services / Centers for Disease Control and Prevention					GFE	93.061	474,871	0
Innovations in Applied Public Health Research					GFE	93.064	433,060	0
Laboratory Training, Evaluation, and Quality Assurance Programs					GFE	93.136	206,619	16,724
Injury Prevention and Control Research and State and Community Based Programs					GGB	93.136	392,777	572,648
Injury Prevention and Control Research and State and Community Based Programs					GFE	93.184	2,718	0
Disabilities Prevention					GFE	93.185	268,716	20,108
Immunization Research, Demonstration, Public Information and Education, Training and Clinical Skills Improve					GFB	93.262	374,779	(1,316)
Occupational Safety and Health Program					GFE	93.262	271,861	72,462
Occupational Safety and Health Program					GGB	93.262	548,717	87,209
Occupational Safety and Health Program					GLA	93.262 / 93.1R01 OH007493-01A2	160,589	0
Occupational Safety and Health Program					GLA	93.262 / 93.1R01OH009612-01	65,442	0
Occupational Safety and Health Program					GGB	93.943	309,271	0
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus								
SUBTOTAL DIRECT FROM:							3,509,420	767,835
PASS-THROUGH PROGRAMS FROM:								
THE CENTER TO PROTECT WORKERS' RIGHTS					GGB	93.262 / 93.AGREEMENT #1030-13-A6	149,550	0
Occupational Safety and Health Program								
UNIVERSITY OF UTAH					GGB	93.262 / 93.10002211-01	1,392	0
Occupational Safety and Health Program								
University of Missouri - Rolla					GLA	93.262 / 93.1-R25-OH003819-01	397,993	0
Occupational Safety and Health Program								
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							548,935	0
SUBTOTAL Department of Health and Human Services / Centers for Disease Control and Prevention							4,058,355	767,835

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
Department of Health and Human Services / Health Resources and Services Administration								
DIRECT FROM:								
Department of Health and Human Services / Health Resources and Services Administration								
Maternal and Child Health Federal Consolidated Programs				GFE	93.110		129,311	35,192
Universal Newborn Hearing Screening				GFB	93.251		(4,938)	0
Advanced Education Nursing Traineeships				GFC	93.358		47,206	0
Health Care and Other Facilities				GFE	93.887		240,258	0
Specially Selected Health Projects				GKA	93.888		134,200	0
SUBTOTAL DIRECT FROM:							546,037	35,192
PASS-THROUGH PROGRAMS FROM:								
SPONSOR NAME NOT FOUND FOR YUHO01 **								
AIDS Education and Training Centers				GGB	93.145	/ 93.632357-H058748	136,313	0
UNIVERSITY OF CALIFORNIA-LOS ANGELES								
Maternal and Child Health Federal Consolidated Programs				GGB	93.110	/ 93.SUBAWARD # 1920 G KB3	25,715	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							162,028	0
SUBTOTAL Department of Health and Human Services / Health Resources and Services Administration							708,065	35,192
Department of Health and Human Services / National Institutes of Health								
DIRECT FROM:								
Department of Health and Human Services / National Institutes of Health								
R&D				GGB	93.08145402		13,974	0
R&D				GGB	93.1 R25	DK067017-05	1,724	0
Oral Diseases and Disorders Research				GFB	93.121		1,369,893	0
Oral Diseases and Disorders Research				GFE	93.121		4,506,717	19,305
R&D				GGB	93.2 R01	CA070375-13	122,790	10,000
Research and Training in Complementary and Alternative Medicine				GFB	93.213		85,536	0
Research and Training in Complementary and Alternative Medicine				GFE	93.213		391,991	0
Alcohol Research Career Development Awards for Scientists and Clinicians				GFB	93.271		147,793	0
Alcohol National Research Service Awards for Research Training				GFB	93.272		54,011	0
Alcohol National Research Service Awards for Research Training				GFE	93.272		24,215	0
Alcohol Research Programs				GFB	93.273		546,399	127,986
Alcohol Research Programs				GFE	93.273		4,404,161	509,721
Alcohol Research Programs				GGB	93.273		266,807	185,889
Discovery and Applied Research for Technological Innovations to Improve Human Health				GFB	93.286		529,610	468,460
Discovery and Applied Research for Technological Innovations to Improve Human Health				GFE	93.286		343,399	0
Discovery and Applied Research for Technological Innovations to Improve Human Health				GGB	93.286		188,063	0
Nursing Research				GFE	93.361		328,472	262,596
National Center for Research Resources				GFB	93.389		1,320,493	0
National Center for Research Resources				GFE	93.389		10,392,102	6,388,855
National Center for Research Resources				GGB	93.389		1,240,432	0
R&D				GGB	93.5 R01	CA051875-17	220	0
R&D				GGB	93.5 T32	HD007031-32	108,919	0
R&D				GGB	93.5 T32	HD007031-33	22,479	0
R&D				GGB	93.5 U54	AI065357-04	192,773	0
Cardiovascular Diseases Research				GFB	93.837		1,835,984	14,350
Cardiovascular Diseases Research				GFE	93.837		5,979,085	573,304
Cardiovascular Diseases Research				GGB	93.837		523,458	0
Lung Diseases Research				GFB	93.838		362,490	0
Lung Diseases Research				GFE	93.838		9,218,200	2,032,029
Blood Diseases and Resources Research				GFE	93.839		1,131,969	244,910
Blood Diseases and Resources Research				GGB	93.839		158,467	115,557
Diabetes, Digestive, and Kidney Diseases Extramural Research				GFB	93.847		501,940	109,419
Diabetes, Digestive, and Kidney Diseases Extramural Research				GFE	93.847		13,919,872	311,223
Diabetes, Digestive, and Kidney Diseases Extramural Research				GGB	93.847		659,084	0
Extramural Research Programs in the Neurosciences and Neurological Disorders				GFB	93.853		311,387	0
Extramural Research Programs in the Neurosciences and Neurological Disorders				GFE	93.853		6,756,367	505,384
Extramural Research Programs in the Neurosciences and Neurological Disorders				GGB	93.853		1,324,617	54,720
Allergy, Immunology and Transplantation Research				GFB	93.855		1,690,995	0
Allergy, Immunology and Transplantation Research				GFE	93.855		14,306,885	2,271,057
Allergy, Immunology and Transplantation Research				GGB	93.855		2,756,148	602,936
Allergy, Immunology and Transplantation Research				GKA	93.855		39,696	0
Microbiology and Infectious Diseases Research				GFB	93.856		453,964	0
Microbiology and Infectious Diseases Research				GFE	93.856		403,516	305,873
Microbiology and Infectious Diseases Research				GGB	93.856		7,552,729	5,413,751
Biomedical Research and Research Training				GFB	93.859		10,270,262	29,888
Biomedical Research and Research Training				GFE	93.859		6,477,662	494,504
Biomedical Research and Research Training				GGB	93.859		2,621,481	165,168

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH		STATE <sup>1</sup>	DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR		AGENCY		
SOURCE TYPE (DIRECT OR PASS-THROUGH)				CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
Child Health and Human Development Extramural Research		GFB	93.865		2,900,000	581,588
Child Health and Human Development Extramural Research		GFE	93.865		4,902,646	831,794
Child Health and Human Development Extramural Research		GGB	93.865		390,410	0
Aging Research		GFB	93.866		3,754,081	379,507
Aging Research		GFC	93.866		124,480	98,150
Aging Research		GFE	93.866		4,874,935	330,583
Aging Research		GGB	93.866		257,094	3,688
International Research and Research Training		GFB	93.989		14,787	84,958
International Research and Research Training		GFE	93.989		16,097	10,000
International Research and Research Training		GGB	93.989		69,984	101,450
R&D		GGB	93.HHSN261200800439P		20,057	0
R&D		GGB	93.N01 AI-40091 MOD 8		1,079,573	0
R&D		GGB	93.N01-AI-25469 AMD #10		660,951	5,316
R&D		GGB	93.N01-AI-25491 MOD 10		891,842	532,546
R&D		GGB	93.N01-AI-95385 AMD 15		452,494	0
R&D		GGB	93.N01 AI-40091 MOD 8		2,378,575	241,410
SUBTOTAL DIRECT FROM:					138,647,237	24,417,875
PASS-THROUGH PROGRAMS FROM:						
CARING FAMILY LLC						
Aging Research		GFC	93.866		82,016	0
CASE WESTERN RESERVE UNIVERSITY						
R&D		GGB	93.RES502414		93,695	0
CITY OF HOPE NATIONAL MEDICAL CENTER						
Blood Diseases and Resources Research		GGB	93.839 / 93.30.912614 AMD 1 B0031		82,110	0
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.30.6692.915852 PROJ		1,489	0
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.PROJ 1 30.6692.915851		(2,727)	0
COLUMBIA UNIVERSITY						
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.8 (5-35467) PO 568805		9,077	0
JUVARIS BIOBIOTHERAPEUTICS						
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.AMD 1		159,038	0
M.I.T. MASSACHUSETTS INSTITUTE OF TECH.						
Discovery and Applied Research for Technological Innovations to Improve Human Health		GGB	93.286 / 93.5710002213 AMD1		121,393	0
MYCOLOGICS						
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.06236004		9,327	0
OREGON HEALTH SCIENCES UNIVERSITY						
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.GPULM0101C		20,337	0
R&D		GGB	93.GPULM0070AA AMD #1		6,044	0
SOUTH DAKOTA STATE UNIVERSITY						
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.3TA087/BRIAN GEISS		17,162	0
SPONSOR NAME NOT FOUND FOR YCMI19 **						
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.08134602		3,699	0
SPONSOR NAME NOT FOUND FOR YMIN20 **						
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.06005904		2,628	0
SPONSOR NAME NOT FOUND FOR YMN006 **						
Blood Diseases and Resources Research		GGB	93.839 / 93.001061 #2		32,273	0
SPONSOR NAME NOT FOUND FOR YUCA11 **						
Diabetes, Digestive, and Kidney Diseases Extramural Research		GGB	93.847 / 93.5411SC		4,435	0
SPONSOR NAME NOT FOUND FOR YUSA02 **						
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.AIO48391 MOD 2		49,404	0
SPONSOR NAME NOT FOUND FOR YUST01 **						
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.0176043-2-48796		29,428	0
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.43967/1065229		28,622	0
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.47049/1072355 AMD 1		314,137	0
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.# 1045556 AMD #4		39,125	0
SPONSOR NAME NOT FOUND FOR YUUN02 **						
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.523964 PO 414326-G		15,544	0
SPONSOR NAME NOT FOUND FOR YZCH00 **						
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.12.7888.B- AMD #2		160,148	0
THE SCRIPPS RESEARCH INSTITUTE						
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.5-20935		27,577	0
UMDNJ-NEW JERSEY MEDICAL SCHOOL						
Biomedical Research and Research Training		GGB	93.859 / 93.08049203		15,000	0
UNIV. OF TEXAS MEDICAL BRANCH/GALVESTON.						
R&D		GGB	93.03-030 MOD #14		933,830	93,821
International Research and Research Training		GGB	93.989 / 93.5D43TW006590-05 07-07		46	0
UNIVERSITY OF CALIFORNIA-LOS ANGELES						
Allergy, Immunology and Transplantation Research		GGB	93.855 / 93.154GKCS39		21,509	0
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.1554 G EC081 AMD 4		38,386	0
UNIVERSITY OF FLORIDA						
Child Health and Human Development Extramural Research		GGB	93.865 / 93.UF06039A		29,135	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY		INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME						
UNIVERSITY OF NEBRASKA						
Blood Diseases and Resources Research			GGB	93.839 / 93.24-1106-0002-204	85,323	0
UNIVERSITY OF NEW MEXICO						
Alcohol Research Programs			GGB	93.273 / 93.EP010448	20,064	0
UNIVERSITY OF NOTRE DAME						
Microbiology and Infectious Diseases Research			GGB	93.856 / 93.200690 AMD#4	94,487	0
UNIVERSITY OF TENNESSEE						
Microbiology and Infectious Diseases Research			GGB	93.856 / 93.R0732621194	117,051	0
UNIVERSITY OF UTAH						
Discovery and Applied Research for Technological Innovations to Improve Human Health			GGB	93.286 / 93.R01 EB000894 10003210	7,874	0
University of California						
Discovery and Applied Research for Technological Innovations to Improve Human Health			GLA	93.286 / 93.PO 10255091	151,003	0
WAYNE STATE UNIVERSITY						
Aging Research			GGB	93.866 / 93.WSU06063-A2	32,897	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					2,852,586	93,821
SUBTOTAL Department of Health and Human Services / National Institutes of Health					141,499,823	24,511,696
HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES						
DIRECT FROM:						
HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Minority Health and Health Disparities Research			GFE	93.307	678,598	76,609
Vision Research			GFB	93.867	436,276	85,121
Vision Research			GFE	93.867	1,110,512	33,601
Vision Research			GGB	93.867	121,812	0
SUBTOTAL DIRECT FROM:					2,347,198	195,331
SUBTOTAL HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					2,347,198	195,331
NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES						
DIRECT FROM:						
NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES						
R&D			GLA	93.211-2009-M-29867/DUNS:01	12,847	0
R&D			GLA	93.214-2009-M-28824/Duns010	16,612	0
R&D			GLA	93.254-2008-M-27036-DUNS 01	17,208	0
SUBTOTAL DIRECT FROM:					46,667	0
PASS-THROUGH PROGRAMS FROM:						
THE CENTER TO PROTECT WORKERS' RIGHTS						
Health and Safety Programs for Construction Work			GGB	93.955 / 93.1030-13	340	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:					340	0
SUBTOTAL NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					47,007	0
NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES						
DIRECT FROM:						
NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Environmental Health			GFE	93.113	377,803	0
Environmental Health			GGB	93.113	695,800	0
Human Genome Research			GFB	93.172	140,726	0
Human Genome Research			GFE	93.172	219,898	0
Research Related to Deafness and Communication Disorders			GFB	93.173	529,996	348,211
Research Related to Deafness and Communication Disorders			GFE	93.173	3,517,985	76,975
Research Related to Deafness and Communication Disorders			GGB	93.173	152,039	89,846
Mental Health Research Grants			GFB	93.242	5,309,554	764,574
Mental Health Research Grants			GFC	93.242	(216)	0
Mental Health Research Grants			GFE	93.242	6,652,926	738,549
Mental Health Research Grants			GGB	93.242	641,284	31,814
Drug Abuse National Research Service Awards for Research Training			GFB	93.278	221,010	0
Drug Abuse and Addiction Research Programs			GFB	93.279	3,120,604	321,274
Drug Abuse and Addiction Research Programs			GFE	93.279	5,555,363	435,792
Drug Abuse and Addiction Research Programs			GGB	93.279	153,497	6,000
Mental Health Research Career/Scientist Development Awards			GFB	93.281	58,923	0
Mental Health Research Career/Scientist Development Awards			GFE	93.281	267,161	0
Mental Health National Research Service Awards for Research Training			GFB	93.282	241,076	0
Trans-NIH Research Support			GGB	93.310	38,263	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY		NONCASH		STATE <sup>1</sup>	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
MAJOR SUBDIVISION OF FEDERAL AGENCY	SOURCE TYPE (DIRECT OR PASS-THROUGH)	INDICATOR	AGENCY	CFDA / OTHER ID NUMBER		
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)	PROGRAM NAME					
	Clinical Research	GFE	93.333		2	0
	Minority Biomedical Research Support	GFE	93.375		309,858	212,538
	Cancer Cause and Prevention Research	GFB	93.393		406,885	76,638
	Cancer Cause and Prevention Research	GFE	93.393		4,192,451	84,739
	Cancer Cause and Prevention Research	GGB	93.393		767,169	0
	Cancer Detection and Diagnosis Research	GFB	93.394		706,018	0
	Cancer Detection and Diagnosis Research	GFE	93.394		1,050,369	0
	Cancer Detection and Diagnosis Research	GGB	93.394		164,059	0
	Cancer Treatment Research	GFB	93.395		51,022	0
	Cancer Treatment Research	GFE	93.395		2,016,075	637,734
	Cancer Treatment Research	GGB	93.395		151,534	74,143
	Cancer Biology Research	GFB	93.396		1,167,460	29,956
	Cancer Biology Research	GFE	93.396		4,375,536	255,744
	Cancer Centers Support	GFE	93.397		7,136,423	451,599
	Cancer Research Manpower	GFB	93.398		25,688	0
	Cancer Research Manpower	GFE	93.398		1,330,834	0
	Cancer Research Manpower	GGB	93.398		324,779	0
	Cancer Control	GFB	93.399		148,727	80,404
	Cancer Control	GFE	93.399		2,439,865	1,127,349
	Cancer Control	GKA	93.399		191,193	0
	ARRA- R&D TETRAHYDROISOQUINOLINE ANTITUMOR D-HHS-NIH-NATIONAL INSTITUTES OF	GGB	93.701		46,968	18,000
	ARRA-R&D	GFB	93.701		70,158	0
	ARRA-R&D	GFE	93.701		132,354	0
	ARRA-R&D ISOLATION AND CHARACTERIZATION OF -HHS-NIH-NIAID-ALLERGY & INFECT	GGB	93.701		10,227	0
	Cell Biology and Biophysics Research	GFB	93.821		111,632	0
	Arthritis, Musculoskeletal and Skin Diseases Research	GFB	93.846		1,092,817	154,000
	Arthritis, Musculoskeletal and Skin Diseases Research	GFE	93.846		3,155,052	322,260
	Arthritis, Musculoskeletal and Skin Diseases Research	GGB	93.846		122,356	0
	Digestive Diseases and Nutrition Research	GFE	93.848		6,510,931	455,606
	Digestive Diseases and Nutrition Research	GGB	93.848		233,142	0
	Kidney Diseases, Urology and Hematology Research	GFE	93.849		4,347,541	119,579
	Kidney Diseases, Urology and Hematology Research	GGB	93.849		332,252	0
	Genetics and Developmental Biology Research and Research Training	GFE	93.862		59	0
	Population Research	GFB	93.864		183,235	0
	Population Research	GFE	93.864		630,256	40,618
	Medical Library Assistance	GFE	93.879		949,067	79,258
	Fogarty International Research Collaboration Award	GFE	93.934		755,786	88,319
SUBTOTAL DIRECT FROM:					73,533,472	7,121,519
PASS-THROUGH PROGRAMS FROM:						
	BRIGHAM AND WOMENS HOSPITAL					
	Mental Health Research Grants	GGB	93.242 /	93.06271405	8,681	0
	Mental Health Research Grants	GGB	93.242 /	93.07968505	234,972	0
	Creare					
	Research Related to Deafness and Communication Disorders	GKA	93.173 /	93.2R44DC005112-02A2, Su	21,641	0
	DARTMOUTH COLLEGE					
	Mental Health Research Grants	GGB	93.242 /	93.152	4,440	0
	Mental Health Research Grants	GFC	93.242 /	93.5-30676-5700	5,386	0
	HENRY FORD HEALTH SYSTEM (HOSPITAL)					
	Arthritis, Musculoskeletal and Skin Diseases Research	GGB	93.846 /	93.#3 R01 AR050562-05	80,798	0
	INDIANA UNIVERSITY					
	Kidney Diseases, Urology and Hematology Research	GGB	93.849 /	93.16845	57,395	0
	MASSACHUSETTS GENERAL HOSPITAL					
	Cancer Treatment Research	GGB	93.395 /	93.214051	115,939	0
	OHIO STATE UNIVERSITY					
	Drug Abuse and Addiction Research Programs	GGB	93.279 /	93.RF01034511	281,123	0
	SPONSOR NAME NOT FOUND FOR YCAE03 **					
	Cancer Treatment Research	GGB	93.395 /	93.06164606	17,550	0
	SPONSOR NAME NOT FOUND FOR YCKL00 **					
	Cancer Cause and Prevention Research	GGB	93.393 /	93.209-CSU	8,297	0
	Cancer Cause and Prevention Research	GGB	93.393 /	93.239-CSU	36,596	0
	Cancer Cause and Prevention Research	GGB	93.393 /	93.249-CSU	5,767	0
	SPONSOR NAME NOT FOUND FOR YMFR00 **					
	Cancer Centers Support	GGB	93.397 /	93.0000639128	54,393	0
	Cancer Centers Support	GGB	93.397 /	93.0000659881	226,408	0
	Cancer Centers Support	GGB	93.397 /	93.0000666274	3,872	0
	TRAUMTECH, INC					
	Mental Health Research Grants	GFC	93.242		38,724	0
	UMASS-UNIVERSITY OF MASSACHUSETTS					
	Research Related to Deafness and Communication Disorders	GGB	93.173 /	93.6081533/RFS8000019	80,371	0
	UNIVERSITY OF MIAMI					
	Research Related to Deafness and Communication Disorders	GGB	93.173 /	93.66350H	83,469	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
UNIVERSITY OF MICHIGAN					GGB	93.864 / 93.3000728190 (F017407)	95,587	0
Population Research								
UNIVERSITY OF MINNESOTA					GGB	93.172 / 93.H000575202	20,672	0
Human Genome Research								
UNIVERSITY OF SOUTHERN CALIFORNIA					GGB	93.393 / 93.093864 AMD 03	8,511	0
Cancer Cause and Prevention Research					GGB	93.393 / 93.094794 AMD 03	538	0
Cancer Cause and Prevention Research					GGB	93.393 / 93.SUBCONTRACT P.O. # 12	50,924	0
Cancer Cause and Prevention Research								
UNIVERSITY OF WASHINGTON					GGB	93.113 / 93.562697 AMD 1	83,309	0
Environmental Health								
Vanderbilt University					GLA	93.846 / 93.19165-S1	16,997	0
Arthritis, Musculoskeletal and Skin Diseases Research								
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							1,642,360	0
SUBTOTAL NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES							75,175,832	7,121,519
OFFICE OF MINORITY HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
PASS-THROUGH PROGRAMS FROM:								
National Institute of Occupational Safety and Health					GLA	93.006 / 93.1 R01 OH008709-01	54,098	0
State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program								
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							54,098	0
SUBTOTAL OFFICE OF MINORITY HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES							54,098	0
OFFICE OF PUBLIC HEALTH AND SCIENCE, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
DIRECT FROM:								
OFFICE OF PUBLIC HEALTH AND SCIENCE, DEPARTMENT OF HEALTH AND HUMAN SERVICES					GFB	93.111	74,081	0
Adolescent Family Life Research Grants					GKA	93.974	38,651	0
Family Planning: Service Delivery Improvement Research Grants					GGB	93.995	298,128	187,143
Adolescent Family Life: Demonstration Projects								
SUBTOTAL DIRECT FROM:							410,860	187,143
PASS-THROUGH PROGRAMS FROM:								
Friends First					GKA	93.995 / 93.Prime Award # 1 AHPHA	87,175	0
Adolescent Family Life: Demonstration Projects								
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							87,175	0
SUBTOTAL OFFICE OF PUBLIC HEALTH AND SCIENCE, DEPARTMENT OF HEALTH AND HUMAN SERVICES							498,035	187,143
OFFICE OF THE ASSISTANT SECRETARY FOR PLANNING AND EVALUATION, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
PASS-THROUGH PROGRAMS FROM:								
UNIVERSITY OF WASHINGTON					GGB	93.239 / 93.474362	915	0
Policy Research and Evaluation Grants								
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							915	0
SUBTOTAL OFFICE OF THE ASSISTANT SECRETARY FOR PLANNING AND EVALUATION, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES							915	0
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES								
DIRECT FROM:								
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					GFE	93.230	89,978	38,859
Consolidated Knowledge Development and Application (KD&A) Program					GFE	93.243	330,976	0
Substance Abuse and Mental Health Services: Projects of Regional and National Significance								
SUBTOTAL DIRECT FROM:							420,954	38,859
SUBTOTAL SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES							420,954	38,859
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES							236,352,802	34,521,008

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY					
MAJOR SUBDIVISION OF FEDERAL AGENCY					
SOURCE TYPE (DIRECT OR PASS-THROUGH)					
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)					
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
PASS-THROUGH PROGRAMS FROM:					
Colorado Compac					
Americorps		GZA	94.006 / 94.CC-MSC-N	2,454	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				2,454	0
SUBTOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				2,454	0
SUBTOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				2,454	0
-----					
SOCIAL SECURITY ADMINISTRATION					
SOCIAL SECURITY ADMINISTRATION					
DIRECT FROM:					
SOCIAL SECURITY ADMINISTRATION					
Social Security: Research and Demonstration		GFE	96.007	93,372	669,938
SUBTOTAL DIRECT FROM:				93,372	669,938
SUBTOTAL SOCIAL SECURITY ADMINISTRATION				93,372	669,938
SUBTOTAL SOCIAL SECURITY ADMINISTRATION				93,372	669,938
-----					
DEPARTMENT OF HOMELAND SECURITY					
Department of Homeland Security					
DIRECT FROM:					
Department of Homeland Security					
National Dam Safety Program		GGB	97.041	32,503	0
SUBTOTAL DIRECT FROM:				32,503	0
SUBTOTAL Department of Homeland Security				32,503	0
SUBTOTAL DEPARTMENT OF HOMELAND SECURITY				32,503	0
-----					
FEDERAL AGENCIES NOT USING CFDA NUMBERS					
OTHER FEDERAL AGENCIES					
DIRECT FROM:					
OTHER FEDERAL AGENCIES					
R&D - OF-CON		GFB	99.Unknown	12,611	0
SUBTOTAL DIRECT FROM:				12,611	0
PASS-THROUGH PROGRAMS FROM:					
Henry M Jackson Foundation					
R&D: Blast Lethality Injury Program		GKA	99.Prime Award # HU0001-07-	56,297	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				56,297	0
SUBTOTAL OTHER FEDERAL AGENCIES				68,908	0
SUBTOTAL FEDERAL AGENCIES NOT USING CFDA NUMBERS				68,908	0
SUBTOTAL RESEARCH AND DEVELOPMENT-CLUSTER				530,530,040	58,254,846
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STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY							
MAJOR SUBDIVISION OF FEDERAL AGENCY							
SOURCE TYPE (DIRECT OR PASS-THROUGH)							
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)							
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER			DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
SCHOOLS AND ROADS-CLUSTER							
*****							
DEPARTMENT OF AGRICULTURE							
FOREST SERVICE, DEPARTMENT OF AGRICULTURE							
DIRECT FROM:							
FOREST SERVICE, DEPARTMENT OF AGRICULTURE							
Schools and Roads - Grants to States		WBA	10.665			0	18,300,948
						-----	-----
						0	18,300,948
SUBTOTAL DIRECT FROM:							
						-----	-----
						0	18,300,948
SUBTOTAL FOREST SERVICE, DEPARTMENT OF AGRICULTURE							
						-----	-----
						0	18,300,948
SUBTOTAL DEPARTMENT OF AGRICULTURE							
						-----	-----
						0	18,300,948
SUBTOTAL SCHOOLS AND ROADS-CLUSTER							
						-----	-----
						0	18,300,948

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY					
MAJOR SUBDIVISION OF FEDERAL AGENCY					
SOURCE TYPE (DIRECT OR PASS-THROUGH)					
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)					
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
SECTION 8-CLUSTER					
*****					
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
DIRECT FROM:					
PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Lower Income Housing Assistance Program: Section 8 Moderate Rehabilitation		IHA	14.856	67,604	0
Lower Income Housing Assistance Program: Section 8 Moderate Rehabilitation		NAA	14.856	317,858	30,037
SUBTOTAL DIRECT FROM:				385,462	30,037
SUBTOTAL PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				385,462	30,037
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				385,462	30,037
SUBTOTAL SECTION 8-CLUSTER				385,462	30,037

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY					
MAJOR SUBDIVISION OF FEDERAL AGENCY					
SOURCE TYPE (DIRECT OR PASS-THROUGH)					
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)					
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
SNAP-CLUSTER					
*****					
DEPARTMENT OF AGRICULTURE					
Department of Agriculture / Food and Nutrition Service					
DIRECT FROM:					
Department of Agriculture / Food and Nutrition Service					
Supplemental Nutrition Assistance Program	IHA	10.551		0	442,547,160
ARRA - Food Stamp STIMULUS ADMIN	IHA	10.561		142,788	144,613
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	IHA	10.561		12,230,411	30,084,883
				-----	-----
SUBTOTAL DIRECT FROM:				12,373,199	472,776,656
				-----	-----
SUBTOTAL Department of Agriculture / Food and Nutrition Service				12,373,199	472,776,656
				-----	-----
SUBTOTAL DEPARTMENT OF AGRICULTURE				12,373,199	472,776,656
				-----	-----
SUBTOTAL SNAP-CLUSTER				12,373,199	472,776,656
-----					

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
SPECIAL EDUCATION (IDEA)-CLUSTER								
*****								
DEPARTMENT OF EDUCATION								
OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION								
DIRECT FROM:								
OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION								
Special Education_Preschool Grants				DAA	84.173		894,768	3,801,710
							-----	-----
SUBTOTAL DIRECT FROM:							894,768	3,801,710
							-----	-----
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION							894,768	3,801,710
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION								
DIRECT FROM:								
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION								
Special Education: Grants to States				DAA	84.027		10,056,461	141,710,010
ARRA Stimulus Funds IDEA Part B				DAA	84.391		0	4,049,117
							-----	-----
SUBTOTAL DIRECT FROM:							10,056,461	145,759,127
PASS-THROUGH PROGRAMS FROM:								
State of Louisiana								
Special Education: Grants to States				GKA	84.027 / 84.655305		35,520	0
State of Nevada								
Special Education: Grants to States				GKA	84.027 / 84.09-2715-34		21,000	0
							-----	-----
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							56,520	0
							-----	-----
SUBTOTAL OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION							10,112,981	145,759,127
							-----	-----
SUBTOTAL DEPARTMENT OF EDUCATION							11,007,749	149,560,837
							-----	-----
SUBTOTAL SPECIAL EDUCATION (IDEA)-CLUSTER							11,007,749	149,560,837
							-----	-----

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				DIRECT	
MAJOR SUBDIVISION OF FEDERAL AGENCY				PASSED TO	
SOURCE TYPE (DIRECT OR PASS-THROUGH)					
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)					
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
STATE FISCAL STABIL-CLUSTER					
*****					
DEPARTMENT OF EDUCATION					
DEPARTMENT OF EDUCATION					
DIRECT FROM:					
DEPARTMENT OF EDUCATION					
ARRA-State Stab					
ARRA-State Stab					
				150,676,055	0
				24,888,000	0
				-----	-----
SUBTOTAL DIRECT FROM:				175,564,055	0
				-----	-----
SUBTOTAL DEPARTMENT OF EDUCATION				175,564,055	0
				-----	-----
SUBTOTAL DEPARTMENT OF EDUCATION				175,564,055	0
				-----	-----
SUBTOTAL STATE FISCAL STABIL-CLUSTER				175,564,055	0
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STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
STUDENT FINANCIAL AID-CLUSTER								
*****								
DEPARTMENT OF EDUCATION								
DEPARTMENT OF EDUCATION								
DIRECT FROM:								
DEPARTMENT OF EDUCATION								
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)				GFE	84.379		237,000	0
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)				GKA	84.379		16,000	0
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)				GGJ	84.379 / 84.P379T091209		54,669	0
							-----	-----
SUBTOTAL DIRECT FROM:							307,669	0
							-----	-----
SUBTOTAL DEPARTMENT OF EDUCATION							307,669	0
OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION								
DIRECT FROM:								
OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION								
Academic Competitiveness Grants				GFB	84.375		612,693	0
Academic Competitiveness Grants				GFC	84.375		210,394	0
Academic Competitiveness Grants				GFE	84.375		194,210	0
Academic Competitiveness Grants				GGB	84.375		582,650	0
Academic Competitiveness Grants				GGJ	84.375		225,789	0
Academic Competitiveness Grants				GJB	84.375		10,778	0
Academic Competitiveness Grants				GJC	84.375		1,500	0
Academic Competitiveness Grants				GJE	84.375		11,425	0
Academic Competitiveness Grants				GJF	84.375		11,050	0
Academic Competitiveness Grants				GJG	84.375		4,500	0
Academic Competitiveness Grants				GJH	84.375		9,000	0
Academic Competitiveness Grants				GJJ	84.375		25,525	0
Academic Competitiveness Grants				GJL	84.375		20,875	0
Academic Competitiveness Grants				GJM	84.375		2,800	0
Academic Competitiveness Grants				GJR	84.375		45,625	0
Academic Competitiveness Grants				GJT	84.375		10,100	0
Academic Competitiveness Grants				GKA	84.375		126,500	0
Academic Competitiveness Grants				GTA	84.375		177,326	0
Academic Competitiveness Grants				GWA	84.375		62,980	0
Academic Competitiveness Grants				GYA	84.375		129,756	0
Academic Competitiveness Grants				GZA	84.375		95,050	0
Academic Competitiveness Grants				GLA	84.375 / 84.P375A0x1201		111,700	0
							-----	-----
SUBTOTAL DIRECT FROM:							2,682,226	0
							-----	-----
SUBTOTAL OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION							2,682,226	0
OFFICE OF STUDENT FINANCIAL ASSISTANCE PROGRAMS, DEPARTMENT OF EDUCATION								
DIRECT FROM:								
OFFICE OF STUDENT FINANCIAL ASSISTANCE PROGRAMS, DEPARTMENT OF EDUCATION								
Federal Supplemental Educational Opportunity Grants				GFB	84.007		880,575	0
Federal Supplemental Educational Opportunity Grants				GFC	84.007		217,871	0
Federal Supplemental Educational Opportunity Grants				GFE	84.007		234,452	0
Federal Supplemental Educational Opportunity Grants				GGB	84.007		704,901	0
Federal Supplemental Educational Opportunity Grants				GGJ	84.007		470,378	0
Federal Supplemental Educational Opportunity Grants				GJB	84.007		73,101	0
Federal Supplemental Educational Opportunity Grants				GJC	84.007		86,504	0
Federal Supplemental Educational Opportunity Grants				GJD	84.007		203,567	0
Federal Supplemental Educational Opportunity Grants				GJE	84.007		307,995	0
Federal Supplemental Educational Opportunity Grants				GJF	84.007		13,827	0
Federal Supplemental Educational Opportunity Grants				GJG	84.007		24,414	0
Federal Supplemental Educational Opportunity Grants				GJH	84.007		32,478	0
Federal Supplemental Educational Opportunity Grants				GJJ	84.007		156,523	0
Federal Supplemental Educational Opportunity Grants				GJK	84.007		150,823	0
Federal Supplemental Educational Opportunity Grants				GJL	84.007		67,077	0
Federal Supplemental Educational Opportunity Grants				GJM	84.007		74,881	0
Federal Supplemental Educational Opportunity Grants				GJR	84.007		17,141	0
Federal Supplemental Educational Opportunity Grants				GJT	84.007		27,940	0
Federal Supplemental Educational Opportunity Grants				GKA	84.007		257,791	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY			STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY			AGENCY		EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)			CFDA / OTHER ID NUMBER			
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME	NONCASH INDICATOR	AGENCY	CFDA / OTHER ID NUMBER			
Federal Supplemental Educational Opportunity Grants		GTA	84.007		490,925	0
Federal Supplemental Educational Opportunity Grants		GWA	84.007		85,760	0
Federal Supplemental Educational Opportunity Grants		GYA	84.007		145,580	0
Federal Supplemental Educational Opportunity Grants		GZA	84.007		274,021	0
Federal Supplemental Educational Opportunity Grants		GSA	84.007 / 84.P007A090715		152,319	0
Federal Supplemental Educational Opportunity Grants		GLA	84.007 / 84.P007A0x0707		111,000	0
Federal Family Education Loans		GDA	84.032		353,222,453	0
Federal Family Education Loans		GFC	84.032		32,363,778	0
Federal Family Education Loans		GFE	84.032		848,872	0
Federal Family Education Loans		GGJ	84.032		20,166,064	0
Federal Family Education Loans		GJB	84.032		8,575,558	0
Federal Family Education Loans		GJC	84.032		6,283,977	0
Federal Family Education Loans		GJD	84.032		5,760,696	0
Federal Family Education Loans		GJE	84.032		14,089,808	0
Federal Family Education Loans		GJF	84.032		1,690,839	0
Federal Family Education Loans		GJG	84.032		1,334,142	0
Federal Family Education Loans		GJJ	84.032		20,393,562	0
Federal Family Education Loans		GJK	84.032		9,154,777	0
Federal Family Education Loans		GJL	84.032		6,784,933	0
Federal Family Education Loans		GJM	84.032		1,532,081	0
Federal Family Education Loans		GJR	84.032		2,174,750	0
Federal Family Education Loans		GKA	84.032		49,554,436	0
Federal Family Education Loans		GLA	84.032		15,411,341	0
Federal Family Education Loans		GRA	84.032		(4,490,591)	0
Federal Family Education Loans		GSA	84.032		11,086,906	0
Federal Family Education Loans		GTA	84.032		84,482,645	0
Federal Family Education Loans		GYA	84.032		16,635,714	0
Federal Family Education Loans		GZA	84.032		14,458,615	0
Federal Family Education Loans		GWA	84.032 / 84.CO College Assist		6,254,251	0
Federal Family Education Loans		GWA	84.032 / 84.var state/prv lenders		74,986	0
ARRA - Fed Work Study		GJC	84.033		26,196	0
Federal Work Study Program		GFB	84.033		1,951,712	0
Federal Work Study Program		GFC	84.033		502,251	0
Federal Work Study Program		GFE	84.033		827,932	0
Federal Work Study Program		GGB	84.033		730,658	0
Federal Work Study Program		GGJ	84.033		427,325	0
Federal Work Study Program		GJB	84.033		116,933	0
Federal Work Study Program		GJC	84.033		83,929	0
Federal Work Study Program		GJE	84.033		208,789	0
Federal Work Study Program		GJF	84.033		12,355	0
Federal Work Study Program		GJG	84.033		23,377	0
Federal Work Study Program		GJH	84.033		60,820	0
Federal Work Study Program		GJJ	84.033		273,912	0
Federal Work Study Program		GJK	84.033		180,397	0
Federal Work Study Program		GJL	84.033		115,639	0
Federal Work Study Program		GJM	84.033		79,598	0
Federal Work Study Program		GJR	84.033		95,186	0
Federal Work Study Program		GJT	84.033		27,292	0
Federal Work Study Program		GKA	84.033		367,555	0
Federal Work Study Program		GTA	84.033		697,717	0
Federal Work Study Program		GWA	84.033		144,518	0
Federal Work Study Program		GYA	84.033		286,081	0
Federal Work Study Program		GZA	84.033		176,942	0
Federal Work Study Program		GSA	84.033 / 84.P033A080715		134,667	0
Federal Work Study Program		GLA	84.033 / 84.P033A0x0707		123,993	0
Federal Pell Grant Program		GFB	84.063		11,392,557	0
Federal Pell Grant Program		GFC	84.063		5,252,265	0
Federal Pell Grant Program		GFE	84.063		7,540,369	0
Federal Pell Grant Program		GGB	84.063		11,741,992	0
Federal Pell Grant Program		GGE	84.063		68,723	0
Federal Pell Grant Program		GGJ	84.063		5,719,490	0
Federal Pell Grant Program		GJB	84.063		3,814,839	0
Federal Pell Grant Program		GJC	84.063		4,135,132	0
Federal Pell Grant Program		GJD	84.063		7,117,537	0
Federal Pell Grant Program		GJE	84.063		9,174,732	0
Federal Pell Grant Program		GJF	84.063		1,071,036	0
Federal Pell Grant Program		GJG	84.063		1,450,862	0
Federal Pell Grant Program		GJH	84.063		2,314,959	0
Federal Pell Grant Program		GJJ	84.063		10,291,994	0
Federal Pell Grant Program		GJK	84.063		8,902,441	0
Federal Pell Grant Program		GJL	84.063		3,951,222	0
Federal Pell Grant Program		GJM	84.063		2,648,003	0
Federal Pell Grant Program		GJR	84.063		1,545,082	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
Federal Pell Grant Program					GJT	84.063	625,281	0
Federal Pell Grant Program					GKA	84.063	5,844,349	0
Federal Pell Grant Program					GTA	84.063	18,150,970	0
Federal Pell Grant Program					GWA	84.063	1,374,418	0
Federal Pell Grant Program					GYA	84.063	4,434,777	0
Federal Pell Grant Program					GZA	84.063	5,527,273	0
Federal Pell Grant Program					GSA	84.063 / 84.College Assist	3,271,202	0
Federal Pell Grant Program					GLA	84.063 / 84.P063P0x1201	1,639,659	0
Federal Direct Student Loans					GFB	84.268	132,047,922	0
Federal Direct Student Loans					GFE	84.268	120,239,762	0
Federal Direct Student Loans					GGB	84.268	115,194,082	0
Federal Direct Student Loans					GJB	84.268	3,483,534	0
Federal Direct Student Loans					GJC	84.268	2,310,503	0
Federal Direct Student Loans					GJD	84.268	4,106,952	0
Federal Direct Student Loans					GJE	84.268	6,059,190	0
Federal Direct Student Loans					GJF	84.268	433,152	0
Federal Direct Student Loans					GJG	84.268	491,715	0
Federal Direct Student Loans					GJK	84.268	2,544,892	0
Federal Direct Student Loans					GJL	84.268	2,868,482	0
Federal Direct Student Loans					GJM	84.268	702,436	0
Federal Direct Student Loans					GJR	84.268	460,489	0
Federal Direct Student Loans					GCJ	84.268 / 84.P268K091209	529,315	0
National Science and Mathematics Access to Retain Talent (SMART) Grants					GFB	84.376	581,491	0
National Science and Mathematics Access to Retain Talent (SMART) Grants					GFC	84.376	237,752	0
National Science and Mathematics Access to Retain Talent (SMART) Grants					GFE	84.376	261,297	0
National Science and Mathematics Access to Retain Talent (SMART) Grants					GGB	84.376	544,418	0
National Science and Mathematics Access to Retain Talent (SMART) Grants					GCJ	84.376	148,895	0
National Science and Mathematics Access to Retain Talent (SMART) Grants					GKA	84.376	28,000	0
National Science and Mathematics Access to Retain Talent (SMART) Grants					GTA	84.376	352,772	0
National Science and Mathematics Access to Retain Talent (SMART) Grants					GWA	84.376	42,000	0
National Science and Mathematics Access to Retain Talent (SMART) Grants					GYA	84.376	4,000	0
National Science and Mathematics Access to Retain Talent (SMART) Grants					GZA	84.376	129,030	0
National Science and Mathematics Access to Retain Talent (SMART) Grants					GLA	84.376 / 84.P376S0x1201	192,000	0
SUBTOTAL DIRECT FROM:							1,223,777,456	0
PASS-THROUGH PROGRAMS FROM:								
OFFICE OF CONTRACTS & GRANTS CLEARING ACCOUNT								
Federal Work Study Program					GFB	84.033 / 84.OCGA CLEARING ACCT	315,093	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:							315,093	0
SUBTOTAL OFFICE OF STUDENT FINANCIAL ASSISTANCE PROGRAMS, DEPARTMENT OF EDUCATION							1,224,092,549	0
SUBTOTAL DEPARTMENT OF EDUCATION							1,227,082,444	0
DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Department of Health and Human Services / Health Resources and Services Administration								
DIRECT FROM:								
Department of Health and Human Services / Health Resources and Services Administration								
Nursing Student Loans					GFE	93.364	16,871	0
Scholarships for Health Professions Students from Disadvantaged Backgrounds					GFE	93.925	132,980	0
Scholarships for Health Professions Students from Disadvantaged Backgrounds					GGB	93.925	87,110	0
SUBTOTAL DIRECT FROM:							236,961	0
SUBTOTAL Department of Health and Human Services / Health Resources and Services Administration							236,961	0
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES							236,961	0
SUBTOTAL STUDENT FINANCIAL AID-CLUSTER							1,227,319,405	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY						
MAJOR SUBDIVISION OF FEDERAL AGENCY						
SOURCE TYPE (DIRECT OR PASS-THROUGH)						
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)						
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS	
TANF-CLUSTER						
*****						
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Department of Health and Human Services / Administration For Children And Families						
DIRECT FROM:						
Department of Health and Human Services / Administration For Children And Families						
Temporary Assistance for Needy Families		IHA	93.558	40,645,414	104,112,306	
				-----	-----	
SUBTOTAL DIRECT FROM:				40,645,414	104,112,306	
PASS-THROUGH PROGRAMS FROM:						
City of Denver						
Temporary Assistance for Needy Families		GJD	93.558	708,151	0	
DENVER DEPT OF HUMAN SERVICES						
Temporary Assistance for Needy Families		GFE	93.558 / 93.PN200806-236	634,403	74,986	
Temporary Assistance for Needy Families		GFE	93.558 / 93.PN:200701-184	8,603	19,481	
Jefferson County						
Temporary Assistance for Needy Families		GJL	93.558	353,285	1,310,009	
				-----	-----	
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,704,442	1,404,476	
				-----	-----	
SUBTOTAL Department of Health and Human Services / Administration For Children And Families				42,349,856	105,516,782	
				-----	-----	
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				42,349,856	105,516,782	
				-----	-----	
SUBTOTAL TANF-CLUSTER				42,349,856	105,516,782	
				-----	-----	

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY					
MAJOR SUBDIVISION OF FEDERAL AGENCY					
SOURCE TYPE (DIRECT OR PASS-THROUGH)					
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)					
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
TITLE I PART A-CLUSTER *****					
DIRECT FROM:					
ARRA Stimulus Funds Title I		DAA	84.389	0	278,962
				-----	-----
SUBTOTAL DIRECT FROM:				0	278,962
				-----	-----
SUBTOTAL				0	278,962
				-----	-----
SUBTOTAL				0	278,962
-----					
DEPARTMENT OF EDUCATION					
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, Title I Grants to Local Educational Agencies		DAA	84.010	2,587,135	132,944,788
				-----	-----
SUBTOTAL DIRECT FROM:				2,587,135	132,944,788
PASS-THROUGH PROGRAMS FROM:					
Denver Public Schools Title I Grants to Local Educational Agencies		GTA	84.010	43,856	0
				-----	-----
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				43,856	0
				-----	-----
SUBTOTAL OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION				2,630,991	132,944,788
				-----	-----
SUBTOTAL DEPARTMENT OF EDUCATION				2,630,991	132,944,788
				-----	-----
SUBTOTAL TITLE I PART A-CLUSTER				2,630,991	133,223,750
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STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY					
MAJOR SUBDIVISION OF FEDERAL AGENCY					
SOURCE TYPE (DIRECT OR PASS-THROUGH)					
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)					
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
TRANSIT SERVICES-CLUSTER					
*****					
DEPARTMENT OF TRANSPORTATION					
FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
Capital Assistance Program for Elderly Persons & Persons with Disabilities		HAA	20.513	128,245	2,626,628
				-----	-----
SUBTOTAL DIRECT FROM:				128,245	2,626,628
				-----	-----
SUBTOTAL FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				128,245	2,626,628
				-----	-----
SUBTOTAL DEPARTMENT OF TRANSPORTATION				128,245	2,626,628
				-----	-----
SUBTOTAL TRANSIT SERVICES-CLUSTER				128,245	2,626,628
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STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY				NONCASH	STATE <sup>1</sup>		DIRECT	PASSED TO
MAJOR SUBDIVISION OF FEDERAL AGENCY				INDICATOR	AGENCY	CFDA / OTHER ID NUMBER	EXPENDITURES	SUBRECIPIENTS
SOURCE TYPE (DIRECT OR PASS-THROUGH)								
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)								
PROGRAM NAME								
TRIO-CLUSTER								
*****								
DEPARTMENT OF EDUCATION								
OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION								
DIRECT FROM:								
OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION								
TRIO: Student Support Services	GFB	84.042					341,234	0
TRIO: Student Support Services	GFE	84.042					230,797	0
TRIO: Student Support Services	GGB	84.042					330,211	0
TRIO: Student Support Services	GGJ	84.042					282,258	0
TRIO: Student Support Services	GJD	84.042					262,455	0
TRIO: Student Support Services	GJF	84.042					235,328	0
TRIO: Student Support Services	GJJ	84.042					204,243	0
TRIO: Student Support Services	GJK	84.042					449,111	0
TRIO: Student Support Services	GJM	84.042					329,299	0
TRIO: Student Support Services	GJR	84.042					247,701	0
TRIO: Student Support Services	GKA	84.042					272,373	0
TRIO: Student Support Services	GTA	84.042					270,741	0
TRIO: Student Support Services	GYA	84.042					269,395	0
TRIO: Student Support Services	GSA	84.042 / 84.P042A020971					273,473	0
TRIO: Talent Search	GGB	84.044					391,903	0
TRIO: Talent Search	GJB	84.044					169,089	0
TRIO: Talent Search	GSA	84.044 / 84.P044A070091					288,907	0
TRIO: Upward Bound	GFB	84.047					500,356	0
TRIO: Upward Bound	GFE	84.047					260,250	0
TRIO: Upward Bound	GGB	84.047					492,701	0
TRIO: Upward Bound	GGJ	84.047					616,334	0
TRIO: Upward Bound	GJK	84.047					357,102	0
TRIO: Upward Bound	GJM	84.047					791,674	0
TRIO: Upward Bound	GKA	84.047					342,933	0
TRIO: Upward Bound	GTA	84.047					664,835	0
TRIO: Upward Bound	GYA	84.047					451,810	0
TRIO: Upward Bound	GSA	84.047 / 84.Award # P047A080325					225,571	0
TRIO: Upward Bound	GSA	84.047 / 84.P047A030923					42,075	0
TRIO: McNair Post-Baccalaureate Achievement	GFB	84.217					252,295	0
TRIO: McNair Post-Baccalaureate Achievement	GFE	84.217					44	0
TRIO: McNair Post-Baccalaureate Achievement	GGB	84.217					270,436	0
TRIO: McNair Post-Baccalaureate Achievement	GKA	84.217					282,310	0
SUBTOTAL DIRECT FROM:							10,399,244	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION							10,399,244	0
OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION								
DIRECT FROM:								
OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION								
TRIO_Educational Opportunity Centers	GGB	84.066					102,950	0
TRIO_Educational Opportunity Centers	GGJ	84.066					393,198	0
TRIO_Educational Opportunity Centers	GJD	84.066					707,057	0
SUBTOTAL DIRECT FROM:							1,203,205	0
SUBTOTAL OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION							1,203,205	0
SUBTOTAL DEPARTMENT OF EDUCATION							11,602,449	0
SUBTOTAL TRIO-CLUSTER							11,602,449	0

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY							
MAJOR SUBDIVISION OF FEDERAL AGENCY							
SOURCE TYPE (DIRECT OR PASS-THROUGH)							
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)							
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER		DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS	
VOC REHAB-CLUSTER							
*****							
DEPARTMENT OF EDUCATION							
OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION							
DIRECT FROM:							
OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION							
Rehabilitation Services: Vocational Rehabilitation Grants to States				IHA	84.126	25,678,963	8,483,769
						-----	-----
SUBTOTAL DIRECT FROM:						25,678,963	8,483,769
						-----	-----
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION						25,678,963	8,483,769
						-----	-----
SUBTOTAL DEPARTMENT OF EDUCATION						25,678,963	8,483,769
						-----	-----
SUBTOTAL VOC REHAB-CLUSTER						25,678,963	8,483,769
						-----	-----

STATE OF COLORADO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)

FEDERAL AGENCY					
MAJOR SUBDIVISION OF FEDERAL AGENCY					
SOURCE TYPE (DIRECT OR PASS-THROUGH)					
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)					
PROGRAM NAME	NONCASH INDICATOR	STATE <sup>1</sup> AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
WIA-CLUSTER					
*****					
DEPARTMENT OF LABOR					
Department of Labor / Employment Training Administration					
DIRECT FROM:					
Department of Labor / Employment Training Administration					
WIA Adult Prog ARRA		KAA	17.258	(333)	59,800
WIA Adult Program		KAA	17.258	1,412,031	9,142,552
WIA Youth Activities		KAA	17.259	1,086,576	8,758,464
WIA Youth Prog ARRA		KAA	17.259	175,630	114,575
WIA Dislocated Workers		KAA	17.260	4,122,641	11,373,012
WIA Dislocated Workers ARRA		KAA	17.260	(703)	1,185,126
SUBTOTAL DIRECT FROM:				6,795,842	30,633,529
SUBTOTAL Department of Labor / Employment Training Administration				6,795,842	30,633,529
SUBTOTAL DEPARTMENT OF LABOR				6,795,842	30,633,529
SUBTOTAL WIA-CLUSTER				6,795,842	30,633,529
-----					
TOTAL				6,706,679,603	1,792,314,864

#### *Note 1. Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the State of Colorado agencies and institutions of higher education. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Under A-133, an award is considered expended when certain events related to the award occur. These include:

- Expenditure/expense transactions associated with grants, cost reimbursement contracts, cooperative agreements, and direct appropriations. The State of Colorado recognizes expenditures/expenses on the modified accrual or full accrual basis depending on the fund used. See note 5 of the Basic Financial Statements for additional information.
- Disbursement of amounts entitling the state to an interest subsidy
- Use of loan proceeds under loan and loan guarantee programs
- Distribution or consumption of food commodities
- Receipt of property or surplus property
- Disbursement of funds to subrecipients
- The period when insurance is in force
- Receipt or use of program income

As a result of these criteria, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

#### *Note 2. Organization of the Schedule*

Assistance reported in the Schedule of Expenditures of Federal Awards is grouped first by program clusters as defined in the Compliance Supplement then by federal agency and then by major subdivision of federal agency. Programs not included in clusters are reported under Catalog of Federal Domestic Assistance (CFDA) numbers or other identifying numbers at the front of the Schedule in a section titled Unclustered Programs. In order to determine the total assistance provided to the State of Colorado by an individual federal agency, amounts provided by the federal agency must be identified in individual clusters as well as in the Unclustered Programs section.

#### *Note 3. Other Assistance*

Most noncash assistance is reported on the final two pages of the Federal Assistance Reported by State Agencies. The following provides additional information about amounts shown in the report that federal agencies consider to be assistance.

- A. The State Department of Labor and Employment expended \$1,190,182,046 for grant 17.225 - Unemployment Insurance and 17.Unknown for Federal Employee Compensation Act (FECA) Reimbursable, Federal Extended Benefits, Temporary Extended Unemployment Compensation (TEUC) Benefit Payments and Emergency Unemployment Compensation 2008 (EUC08) Benefit Payments. The total expenditure amount includes the federal portion of the grants and the required state match in the amounts of \$196,286,781 and \$993,895,265, respectively. Included in the federal portion are American Recovery and Reinvestment Act (ARRA) funds in the amount of \$97,553,485.
- B. The State Department of Higher Education expended \$677,844,593 for grant 84.032 - Federal Family Education Loans. Of this amount, \$353,222,453 has been or will be received from the federal government related to incentive fees and reinsurance costs of student loan defaults paid to lenders. The remaining amount is made up of new loan issuances of which \$242,339,803 was guaranteed by College Assist, and \$82,282,337 was guaranteed by other entities. The outstanding balance of the Federal Family Education Loan program since its inception was \$13,254,022,448 as of June 30, 2009.
- C. The negative expenditures shown for CollegeInvest reflects amounts due to the Federal government related to loan interest earnings in excess of the current federal allowable rate.

*Note 4. Subrecipients*

All amounts passed-through to subrecipients are identified in the Schedule of Expenditures of Federal Awards under the column titled Passed to Subrecipients.

*Note 5. State Agency Codes and Names*

Agency Code	Agency Name	Agency Code	Agency Name	Agency Code	Agency Name
AMA	DOIT - BUSINESS SERVICES	GJC	COMMUNITY COLLEGE OF AURORA	JAA	JUDICIAL
BAA	DEPARTMENT OF AGRICULTURE	GJD	COMMUNITY COLLEGE OF DENVER	KAA	DEPT OF LABOR AND EMPLOYMENT
CAA	CORRECTIONS ADMINISTRATION	GJE	FRONT RANGE COMMUNITY COLLEGE	LAA	DEPARTMENT OF LAW
DAA	DEPARTMENT OF EDUCATION	GJF	LAMAR COMMUNITY COLLEGE	NAA	DEPARTMENT OF LOCAL AFFAIRS
EAA	OFFICE OF THE GOVERNOR	GJG	MORGAN COMMUNITY COLLEGE	OAA	DIVISION OF NATIONAL GUARD
EBB	COMMISSION ON COMMUNITY SRVC	GJH	OTERO JUNIOR COLLEGE	OBA	VETERANS AFFAIRS
EDA	OFFICE OF ECONOMIC DEVELOPMENT	GJJ	PIKES PEAK COMMUNITY COLLEGE	PAA	DNR - EXECUTIVE DIRECTOR
EDB	COUNCIL ON THE ARTS	GJK	PUEBLO COMMUNITY COLLEGE	PBA	DIVISION OF WILDLIFE
EFA	GOVERNOR'S ENERGY OFFICE	GJL	RED ROCKS COMMUNITY COLLEGE	PDA	WATER CONSERVATION BOARD
EGB	OFFICE OF INFORMATION TECH	GJM	TRINIDAD STATE JUNIOR COLLEGE	PEA	DIVISION OF WATER RESOURCES
ESA	OFFICE OF HOMELAND SECURITY	GJR	NORTHEASTERN JUNIOR COLLEGE	PHA	OIL AND GAS CONSERVATION COMM
FAA	DEPT OF PUB HLTH & ENVIRONMENT	GJT	NORTHWESTERN COMMUNITY COLLEGE	PIA	COLORADO GEOLOGICAL SURVEY
GAA	DEPARTMENT OF HIGHER EDUCATION	GKA	UNIVERSITY OF NORTHERN COLO	PJA	PARKS AND OUTDOOR RECREATION
GCA	STATE HISTORICAL SOCIETY	GLA	COLORADO SCHOOL OF MINES	PKA	DIV RECLAMATION, MINING, SAFETY
GDA	COLLEGE ASSIST	GMA	AURARIA HIGHER EDUCATION CTR	RAA	DEPARTMENT OF PUBLIC SAFETY
GFB	CU - BOULDER	GRA	COLLEGE INVEST	SDA	CIVIL RIGHTS DIVISION
GFC	CU - COLORADO SPRINGS	GSA	FORT LEWIS COLLEGE	SFA	DIVISION OF INSURANCE
GFE	UNIVERSITY OF COLORADO DENVER	GTA	METROPOLITAN STATE COLLEGE	SGA	PUBLIC UTILITIES COMMISSION
GGB	COLORADO STATE UNIVERSITY	GWA	WESTERN STATE COLLEGE	SJS	PHARMACY BOARD
GGE	CSU - GLOBAL CAMPUS	GYA	ADAMS STATE COLLEGE	TAA	REVENUE - ADMINISTRATION
GGJ	CO STATE UNIVERSITY - PUEBLO	GZA	MESA STATE COLLEGE	UHA	DEPT OF HLTH CARE POLICY & FIN
GJA	COLO COMMUNITY COLLEGE SYSTEM	HAA	COLO DEPT OF TRANSPORTATION	VAA	DEPARTMENT OF STATE
GJB	ARAPAHOE COMMUNITY COLLEGE	IHA	DEPARTMENT OF HUMAN SERVICES	WBA	TREASURY - OPERATING



## STATE OF COLORADO

OFFICE OF THE STATE AUDITOR  
303.869.2800  
FAX 303.869.3060

Sally Symanski, CPA  
State Auditor

Legislative Services Building  
200 East 14th Avenue  
Denver, Colorado 80203-2211

December 18, 2009

### Required Communications Letter

Members of the Legislative Audit Committee:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Colorado for the year ended June 30, 2009, and have issued our report thereon dated December 18, 2009. Professional standards require that we provide you with the following information related to our audit.

#### Our Responsibility Under Professional Standards

Our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by the Office of the State Controller are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve management of its responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

In planning and performing our audit, we considered the State of Colorado's (the State) internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered 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 U.S. Office of Management and Budget (OMB) *Circular A-133*.

As part of obtaining reasonable assurance about whether the State's financial statements are free of material misstatement, we performed tests of the State's 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. Also in accordance with OMB *Circular A-133*, we examined, on a test basis, evidence about the State's compliance with the types of compliance requirement described in the OMB *Circular A-133* Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the State's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the State's compliance with those requirements.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to management's responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

### Qualitative Aspects of Significant Accounting Policies and Practices

#### *Significant Accounting Policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the State are described in the notes to the financial statements contained in the Fiscal Year 2009 Comprehensive Annual Financial Report issued under separate cover. As described in the introduction to the Summary of Significant Accounting Policies, the State implemented Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Liabilities*, and GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments* in Fiscal Year 2009.

#### *Management Judgments and Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were taxes receivable, allowance for doubtful accounts, depreciation of capital assets, deferred revenue, compensated absence liabilities, self-insurance liabilities, medical assistance liabilities, unclaimed property liabilities, scholarship allowances, and unemployment benefits payable. We evaluated the key factors and assumptions used by management to develop these estimates and determined that they are reasonable in relation to the financial statements taken as a whole.

### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. VII. Appendix B summarizes uncorrected misstatements of the financial statements. Management has determined and we agree that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. VII. Appendix B also summarizes misstatements detected as a result of audit procedures which were corrected by management.

### Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### Management Representation

We have requested and received certain representations from management that are included in the management representation letter.

#### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the State's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### Independence

We hereby confirm that, as of December 18, 2009, we are independent with respect to the State of Colorado under all relevant professional and regulatory standards.

This information is intended solely for the use of the Legislative Audit Committee and management of the State and is not intended to be and should not be used by anyone other than these specified parties. However, upon release by the Legislative Audit Committee this report is a public document.



## APPENDIX A

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### FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
<b>Department of Agriculture</b>						
1	II - 3	Improve internal controls over payroll by (a) ensuring that human resources staff review the payroll-related data provided by division supervisors for accuracy and completeness before inputting the data into the Colorado Personnel Payroll System and (b) expanding the existing monthly payroll reconciliation process to include a review of employee job-split percentages.	N/A	Agree	12/2009	N/A
<b>Department of Corrections</b>						
2	II - 6	Improve controls over user rights in the Global Shop Solutions (Global Shop) system by (a) implementing formalized policies and procedures for adding and removing users, and establishing user rights within Global Shop and (b) periodically performing a formally documented review of all user rights in Global Shop to determine that rights are representative of each employee's role and responsibilities within the Division.	N/A	Agree	1/2010	N/A

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
<b>Department of Education</b>						
3	II - 11	Continue to improve and strengthen controls over hiring employees by (a) retaining complete personnel files, reference check forms and other selection materials to assure that important documentation regarding employee hiring is maintained; (b) assuring that the request for Personnel and/or Position Action forms (CDE-43) are reviewed by human resources before an offer is extended to assure that all signatures are appropriate, that the form has been completed prior to an offer being extended, and that all of the signatures required on the CDE-43 form have been obtained; and (c) evaluating, by an independent and objective committee, any objections made during the hiring process, with the final conclusion documented before an offer is extended to an applicant.	N/A	Agree	2/2010	N/A
52	III-3	Ensure compliance with federal grant requirements by (a) evaluating job descriptions and ensuring that descriptions are consistent with related job activities and salary allocations correspond with time worked on grants for employees, (b) documenting employee time and effort capturing the work actually performed for grant objectives, and (c) adequately supporting the allocation of non-payroll expenditures with written documentation.	84.010, 84.027, 84.173, 84.357, 84.367 (B) ED	Agree	7/2010	Dave Grier (303)866-6801

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
<b>Department of Health Care Policy and Financing</b>						
4	II - 16	Improve controls over the calculation of the Incurred But Not Reported expenditure estimate for Medicaid by (a) implementing an independent review of the calculation, including the drug rebate amounts and (b) continuing to annually evaluate the calculation methodology and modify it, if necessary, to ensure a more accurate estimate.	N/A	Agree	a. 7/2010 b. 8/2010	N/A
5	II - 18	Strengthen internal controls over financial reporting by (a) cross-training staff on the preparation and reporting of financial information and (b) segregating the responsibility for preparing year-end financial information from the responsibility for reviewing and approving that information.	N/A	Agree	7/2010	N/A
6	II - 20	Improve internal controls over financial reporting process by (a) creating and documenting the process for communicating financial adjustments to the accounting section and the Office of the State Controller and (b) providing training throughout the Department on this process.	N/A	Agree	6/2010	N/A
7	II - 21	Establish and document a process to gather and analyze related party information throughout the year to ensure appropriate analysis and understanding of how related parties' transactions may affect the State's financial statements and report this information as appropriate to the Office of the State Controller.	N/A	Agree	6/2010	N/A

## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
8	II - 23	Follow established policies in completing performance plans and consider changing policies to be consistent with current practice. If changes are warranted, a revised policy should be issued and communicated to staff.	N/A	Agree	4/2010	N/A
9	II - 24	Establish and implement policies and procedures for recording, investigating, and refunding, if appropriate, excess amounts repaid by providers.	N/A	Agree	4/2010	N/A
53	III - 10	Improve controls over documentation in Medicaid case files to support eligibility by (a) continuing to monitor counties and Medical Assistance (MA) sites to ensure that they are obtaining and maintaining the required case file documentation to support eligibility determinations, (b) requiring that counties and MA sites review case files to ensure consistency of information between the case file and CBMS, and (c) working with the Department of Human Services to identify and implement revisions to policies and procedures for documenting and monitoring Medicaid eligibility determination/redetermination for the Title IV-E population.	93.777, 93.778 (A)(B)(E)(M) HHS	a. Agree b. Agree c. Partially Agree	2/2010-12/2013	Donna Kellow (303)866-3676

## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
54	III - 14	Improve controls over Medicaid program eligibility determinations and data entry into the Colorado Benefits Management System by (a) ensuring that county departments of human/social services and medical assistance sites have in place effective supervisory reviews of CBMS data entry, including comparisons of case file data with CBMS data as part of the eligibility determination process; (b) reviewing counties' and medical assistance sites' data input and monitoring their supervisory reviews; and (c) expanding the Medicaid training and technical assistance provided to counties and medical assistance sites to emphasize the issues identified.	93.777, 93.778 (E)(M) HHS	Agree	2/2010-12/2010	Donna Kellow (303)866-3676
55	III - 17	Ensure that county departments of human/social services and medical assistance sites are addressing Income, Eligibility, and Verification System (IEVS) data discrepancies within 45 days of receiving notification of a discrepancy, including discrepancies related to Department of Labor and Employment data, as required by federal regulations and in accordance with its state plan filed with the federal government.	93.777, 93.778 (E)(M) HHS	Agree	1/2011 - Contingent upon Department of Human Services acceptance	Donna Kellow (303)866-3676
56	III - 20	Improve controls over eligibility of Medicaid providers by (a) ensuring that the Medicaid Management Information System (MMIS) contains current licensing information for all Medicaid providers that are required to have a license; (b) developing and implementing a process for verifying the current licensure of all providers that are required to have a license, including out-of-state providers; and (c) ensuring that all providers have valid current provider participation agreements or contracts.	93.777, 93.778 (N) HHS	Agree	2/2010-12/2013	Donna Kellow (303)866-3676

## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
57	III - 24	Improve controls over requests for federal funds through the American Recovery and Reinvestment Act (Recovery Act) by (a) adequately segregating duties related to preparing and approving requests for Recovery Act funds, (b) documenting written procedures and ensuring adequate review of federal draws and supporting information to ensure their accuracy, (c) submitting an adjustment on the next quarterly federal report for amounts excluded in its October 2008 Recovery Act draw, and (d) request reimbursement for those amounts not already corrected that were identified by this audit.	93.777, 93.778 (A)(B)(H)(J) HHS	Agree	a. 3/2010 b. 3/2010 c. Implemented d. 6/2010	Donna Kellow (303)866-3676
58	III - 28	Ensure that the Colorado Benefits Management System (CBMS) alerts are working as designed and that Medicaid eligibility is terminated in a timely manner, when appropriate, by (a) correcting the CBMS problem related to the Transitional Medicaid program to ensure prompt termination of eligibility when a beneficiary does not submit a Transitional Benefits Report as required; (b) ensuring that CBMS alerts are working as designed for all Medicaid programs that have specified time limitations for eligibility, such as the Medicaid Qualified Pregnant Woman program; and (c) identifying and recovering any additional erroneous Medicaid payments that may have occurred as a result of the system problems, within CBMS and MMIS, as appropriate.	93.777, 93.778 (A)(B)(E) HHS	Agree	a. 3/2010 b. 1/2011 c. Implemented	Donna Kellow (303)866-3676

## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
59	III - 33	Reduce eligibility determination errors for Children's Basic Health Plan (CBHP) by improving oversight and training of eligibility sites by (a) continuing to provide eligibility sites with CBHP training and technical assistance on eligibility and documentation requirements; (b) enforcing eligibility sites' supervisory review processes and corrective action plans by following up on problems identified through the Department's monitoring program and this audit; (c) investigating the causes of the CBMS errors identified in the audit and modify CBMS as needed to correct them; and (d) recovering payments made after a beneficiary's eligibility has ended, as appropriate.	93.767 (A)(B)(E)(M) HHS	Agree	a., b., c. 3/2009-12/2013 d. Implemented	Donna Kellow (303)866-3676
60	III - 37	Ensure that all county departments of human/social services and medical assistance sites have access to IEVS data and address any discrepancies, including those related to Department of Labor and Employment data, as required by state regulations. Additionally, the Department should incorporate IEVS requirements within the CBHP program's state plan and within the Department rules for this program.	93.767 (E)(M) HHS	Partially Agree	1/2011- Contingent upon Department of Human Services acceptance	Donna Kellow (303)866-3676
61	III - 39	Ensure that requirements related to determining whether an individual has creditable coverage and is therefore ineligible for the CBHP program are met by (a) investigating and resolving all reports of other health insurance coverage for applicants or beneficiaries and documenting the basis for the determination of whether the coverage precludes an individual from being eligible for CBHP and (b) denying eligibility or disenrolling individuals determined to have other creditable coverage and recovering any unallowable payments, as appropriate.	93.767 (A)(B)(E) HHS	Agree	a. 1/2010 b. 1/2011	Donna Kellow (303)866-3676

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
62	III - 41	Improve controls over CBHP program data entry into CBMS by (a) ensuring that county departments of human/social services and medical assistance sites have in place effective supervisory reviews of CBMS data entry, including comparisons of case file data with CBMS data as part of the eligibility determination process; (b) reviewing counties' and medical assistance sites' data input and monitoring their supervisory reviews; and (c) expanding the CBHP training and technical assistance provided to counties and medical assistance sites to emphasize the issues identified, such as CBMS income calculations.	93.767 (E)(M) HHS	Agree	2/2010-12/2013	Donna Kellow (303)866-3676
63	III - 45	Ensure compliance with federal regulations governing Medicaid and CBHP programs by (a) ensuring that all Medicaid applications include the citizenship and identity documentation required by the Deficit Reduction Act (DRA) prior to approving or denying eligibility for Medicaid, (b) maintaining DRA documentation received with Medicaid applications in CBHP case files, and (c) working with the Centers for Medicare and Medicaid Services to ensure the appropriateness of the Department's corrective action plan for implementing the DRA as it affects CBHP.	93.767 (A)(B)(E) HHS	Agree	a. 1/2010 b. 1/2010- 12/2013 c. 3/2010	Donna Kellow (303)866-3676

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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<b>Rec. No.</b>	<b>Page No.</b>	<b>Recommendation Summary</b>	<b>CFDA No. / Compliance Requirement / Federal Entity</b>	<b>Agency Response</b>	<b>Implementation Date</b>	<b>Contact for Corrective Action Plan</b>
64	III - 50	Ensure that all program processing requirements for Medicaid and Children's Basic Health Plan eligibility are met by (a) using existing mechanisms, such as CBMS reports and the Monitoring and Quality Unit, to identify all cases, including long-term-care cases, which exceed processing guidelines and (b) working with county departments of human/social services and Medical Assistance sites to improve the application processing timeliness by offering technical assistance that focuses on the cause of untimely processing to ensure that new cases and redeterminations for Medicaid and for the Children's Basic Health Plan program are processed within state and federal guidelines.	93.767, 93.777, 93.778 (E)(M) HHS	Agree	2/2010-12/2013	Donna Kellow (303)866-3676

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
65	III - 53	Improve controls over the calculation and reporting of family planning expenditures under the Medicaid Managed Care Program by (a) completing its review of the methodology used to calculate and report family planning expenditures and developing and implementing written policies and procedures for the methodology; (b) training all staff on the policies and procedures involved with the methodology; (c) maintaining all supporting documentation used for the calculation of the family planning expenditures; (d) ensuring that supervisors review the data used, the calculations, and the supporting documentation for compliance with the established methodology prior to submission of reports to the federal government; (e) ensuring all data from the State's accounting system, COFRS are extracted in a consistent manner and in accordance with policies and procedures; and (f) submitting the Department's methodology for calculating and reporting Family Planning expenditures to the federal government for approval, as appropriate.	93.777, 93.778 (A)(B)(L) HHS	Agree	a. 6/2010 b. 7/2010 c. 6/2010 d. 6/2010 e. 6/2010 f. Implemented	Donna Kellow (303)866-3676
66	III - 56	Improve controls over payments to laboratory providers for the Medicaid program by (a) ensuring that MMIS edits necessary for accepting complete certification information from providers are working as intended to ensure compliance with the Clinical Laboratory Improvement Amendment (CLIA) requirements; (b) until system edits can be completed, establishing an alternative method to verify that only providers with CLIA certification are receiving payment through the Medicaid program; and (c) identify and recover any payments erroneously made to laboratories that were not CLIA-certified.	93.777, 93.778 (A)(B)(E)(N) HHS	Agree	a. 7/2011 b. 2/2009 c. 3/2010	Donna Kellow (303)866-3676

## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
67	III - 59	Improve controls over occupational and physical therapy claims processed through MMIS by working with Affiliated Computer Services, Inc., and policy staff to ensure that the resolution text related to these claims is consistent with Department policy, including the requirement to receive authorization prior to processing these claims when the annual service limit has been reached.	93.777, 93.778 (A)(B)(E) HHS	Agree	12/2009	Donna Kellow (303)866-3676
68	III - 61	Improve controls in the Medicaid program over the date of death match process by (a) developing formal, written procedures that outline the process for performing the data match, the schedule and frequency for conducting the match, and the process for recovering payments that appear unallowable and (b) continuing to work to recoup erroneous payments identified through the date-of-death match process conducted by the Department and during our Fiscal Years 2008 and 2009 audits.	93.777, 93.778 (E) HHS	Agree	a. 12/2009 b. 11/2009	Donna Kellow (303)866-3676
69	III - 63	Improve monitoring and reporting of the State Survey and Certification grant, by ensuring that (a) all expenditures are properly recorded and included in the monitoring of grant awards and expenditures, (b) the review of supporting documentation for expenditures is adequate to identify and correct errors, and (c) the federally approved indirect cost rate is applied to indirect cost expenditures when determining the amount of reimbursement to request from the federal government.	93.777, 93.778 (L) HHS	Agree	4/2010	Donna Kellow (303)866-3676

## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
70	III - 65	Improve controls over the Medicare Supplementary Medical Insurance Benefits (SMIB) program to ensure the accuracy of, and proper support for, federal reporting and reimbursements by (a) training all staff involved in the SMIB program on the program policies and procedures; (b) ensuring that all program staff and their supervisors are cross-trained in program and accounting areas and that their supervisors perform adequate reviews; and (c) developing an automated reporting system for SMIB reporting, including performing adequate testing of the new system to ensure that it is operating as intended prior to implementation.	93.777, 93.778 (A)(B) HHS	Agree	a. 8/2010 b. 8/2010 c. 7/2010	Donna Kellow (303)866-3676
71	III - 69	Ensure compliance with federal regulations governing payments to providers for the Disproportionate Share Hospitals and the Upper Payment Limits by (a) ensuring that the Medicaid State Plan contains the current methodology used to calculate payments to providers and that the methodology has been approved by CMS prior to implementing the methodology and making payments to providers, (b) following up with the Centers for Medicare and Medicaid Services (CMS) about the allowability of payments calculated under the revised methodology and paid before the Department had obtained CMS approval of the revised methodology, and (c) performing periodic reviews of providers classified as publicly owned to ensure that these providers meet the definition of a publicly owned provider and maintaining supporting documentation of the reviews.	93.777, 93.778 (A)(B)(E) HHS	a. Agree b. Disagree c. Partially Agree	a. Implemented and Ongoing b. Not Applicable c. Implemented and Ongoing	Donna Kellow (303)866-3676

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
72	III - 72	Improve controls over expenditures by strengthening its supervisory review process to ensure the accuracy of expenditure allocations among Medicaid, the Children's Basic Health Plan, and the Old Age Pension program, and request reimbursement for the \$22,000 in federal funds identified in the audit.	93.767, 93.777, 93.778 (B)(L) HHS	Agree	4/2010	Donna Kellow (303)866-3676
73	III - 74	Improve MMIS user access controls by immediately implementing our prior year recommendation and strengthening MMIS's operating system, including (a) evaluating MMIS user access profiles and identifying those profiles, or combinations of profiles, that are appropriate for different system users. This information should be shared with the supervisors of MMIS users; (b) establishing a written procedure that HCPF IT security staff follow when MMIS access is requested; (c) ensuring that profiles or profile combinations that provide escalated system privileges are identified and tightly controlled, including the establishment of compensating controls; (d) periodically reviewing MMIS user access levels for appropriateness and promptly removing access for terminated users, including comparing active MMIS users to termination information contained in the Colorado Personnel Payroll System and requiring business managers to annually verify the accuracy and relevance of access levels belonging to the MMIS users they supervise; and (e) strengthening the configuration of the MMIS operating system by implementing the recommendations made under separate cover.	93.767, 93.777, 93.778 (A)(B)(E) HHS	Agree	a. 3/2010 b. 1/2010 c. 5/2010 d. 5/2010 e. 2/2010	Donna Kellow (303)866-3676

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
74	III - 80	Ensure that Medicare is the primary payer on claims processed through MMIS for dual-eligible Medicaid clients by (a) reviewing and revising its policies, as necessary, to require providers to submit a Medicare explanation of benefits for paper claims after Medicare makes a payment determination; (b) analyzing the paid claims for all clients whose eligibility changed from Medicaid-only to dual-eligible, identifying claims for which recovery should be sought, and instituting recovery action; (c) instituting a quarterly audit of all claims paid for dual-eligible clients and identifying claims that may have been paid incorrectly; and (d) enhancing its effort to educate providers about the Department's billing policies and processes for claims associated with dual-eligible clients.	93.777, 93.778 (A) HHS	Agree	a. 12/2011 b. Implemented c. Implemented d. 3/2010 and Ongoing	Donna Kellow (303)866-3676
75	III - 84	Review its policy that excludes certain procedures from the Medicare lower of pricing logic to assess the appropriateness of these exclusions, particularly related to cost-control strategies for the Medicaid Program.	93.777, 93.778 (A) HHS	Agree	1/2011	Donna Kellow (303)866-3676

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
76	III - 87	Improve controls to prevent Medicaid payments for services to deceased individuals by (a) periodically evaluating the effectiveness of methods used to identify payments made for services provided after a client's death and implementing changes to these methods, as necessary; (b) working with its contractor, Health Management Systems, to expand data matches and recoveries for claims paid after a client's death to include oxygen services and other rental supplies; (c) continuing to investigate the claims identified by this audit that were paid for services provided after the date of death recorded in CDPHE's or the Department's files for Medicaid clients; and (d) enhancing its efforts in educating providers on claims payment issues surrounding clients' date of death, including proper death notification and billing for services provided during the month of death.	93.777, 93.778 (A) HHS	a. Agree b. Agree c. Partially Agree d. Agree	a. 7/2010 b. 7/2011 c. 7/2010 d. 6/2010 and Ongoing	Donna Kellow (303)866-3676

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
77	III - 94	Improve monitoring of and communication with Medicaid durable medical equipment and supplies providers by (a) performing periodic clinical reviews of providers, preferably on-site, to assess whether claims paid by the Medicaid Program meet medical necessity, prior authorization, and other clinical requirements.; (b) developing uniform standards for providers to follow for the purchase and billing of new and used equipment and related-party purchases and referrals; (c) regularly updating its provider manual and bulletins to include detailed information about providers' responsibilities for maintaining documentation in each client's medical record; and (d) strengthening communication with providers and educating them about the Medicaid Program and technical assistance available to them from the Department and its contractors.	93.777, 93.778 (A) HHS	a. Partially Agree b. Agree c. Agree d. Agree	a. Ongoing b. 6/2010 c. 3/2010 d. 11/2009 and Ongoing	Donna Kellow (303)866-3676
78	III - 98	Improve oversight of Medicaid laboratory and radiology providers by (a) performing periodic clinical reviews, preferably on-site, of laboratory and radiology providers to assess whether providers comply with the six criteria established in state regulations related to laboratory and radiology services; (b) periodically reviewing laboratory and radiology claims to ensure that it has not double paid for the technical and professional components of these services; and (c) developing utilization and cost trend reports.	93.777, 93.778 (A) HHS	a. Partially Agree b. Agree c. Agree d. Agree	a. Ongoing b. 10/2009 c. 10/2009 d. 7/2011	Donna Kellow (303)866-3676

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
79	III - 105	Strengthen contract provisions and its monitoring of contractors responsible for performing prior authorization reviews of durable medical equipment and supplies requested for Medicaid clients by (a) standardizing the requirements in its contracts related to prior authorization and medical necessity activities for durable medical equipment and supplies; (b) strengthening the contracts by defining the qualifications of staff performing prior authorization and medical necessity functions; (c) implementing a formal oversight program for each of its prior authorization contractors, including on-site visits; (d) requiring its prior authorization contractors to standardize how providers submit prior authorization requests, including the use of electronic processing and interfaces; (e) assessing whether consolidating prior authorization functions under one contract would be cost-effective.	93.777, 93.778 (A) HHS	a. Agree b. Partially Agree c. Agree d. Agree	7/2010	Donna Kellow (303)866-3676
80	III - 109	Hold management staff accountable for the effectiveness of its data systems and for timely, accurate, and complete responses to audit and other information requests by oversight agencies.	93.777, 93.778 (A) HHS	Partially Agree	Implemented	Donna Kellow (303)866-3676

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
81	III - 120	Ensure a comprehensive and uniform assessment process for determining functional eligibility and the services necessary to address the needs of individuals seeking long-term care services by (a) improving written guidance to direct Single Entry Point (SEP) agencies on all aspects of the intake, functional assessment, and service planning processes, including how case managers should document information in the Benefits Utilization System; (b) modifying State Medicaid Rules to more clearly define how to score functioning when the individual uses an assistive device, and making appropriate corresponding changes to the Department's functional assessment instrument; (c) strengthening its state-sponsored training by making standard core training courses available to all SEP agencies; and (d) setting minimum standards for SEP agencies' quality assurance and case file review practices. Standards should include steps for measuring inter-rater reliability of functional assessment scoring and for systematically compiling, reporting, and addressing systematically compiling, reporting, and addressing the results of the case file reviews.	93.777, 93.778 (E) HHS	Agree	10/2009	Greg Tanner (303)866-2764

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
82	III - 127	Ensure eligible individuals have timely access to Medicaid long-term care services by developing an integrated approach to monitor the timeliness of all components of the eligibility determination process, identify problems, and make improvements by (a) providing clear and consistent written guidance to SEP agencies regarding how the timeliness of the functional assessment and other processes will be measured, (b) making improvements to the Benefits Utilization System to capture all dates necessary to evaluate the timeliness of SEP agencies' intake and functional assessment processes, (c) providing written guidance to ensure county Medicaid technicians consistently and accurately capture the start of the Medicaid application processing timeframe in CBMS, (d) making changes to weekly reports in CBMS to identify all pending Medicaid long-term care applications that exceed required processing time frames and compile summary statistics on the timely processing of Medicaid applications by county and statewide, (e) working with the disability determination contractor and county departments of human/social services to investigate and address the underlying factors contributing to delays in transmitting disability applications, (f) capturing and analyzing data on an ongoing basis to monitor and evaluate how long it takes eligible individuals to gain access to Medicaid long-term care services from the time they first enter the system, and (g) establishing an overall goal or timeframe for determining whether access to long-term care services is timely.	93.777, 93.778 (E) HHS	Agree	a. 10/2009 b. 12/2009 c. Spring 2009 d. Contingent upon available funding and joint prioritization with the Department of Human Services e. 6/2009 f. 10/2010 g. Ongoing	Greg Tanner (303)866-2764

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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<b>Rec. No.</b>	<b>Page No.</b>	<b>Recommendation Summary</b>	<b>CFDA No. / Compliance Requirement / Federal Entity</b>	<b>Agency Response</b>	<b>Implementation Date</b>	<b>Contact for Corrective Action Plan</b>
83	III - 132	Ensure that reports submitted to the federal government regarding the Home and Community Based Services (HCBS) waivers are accurate and complete by (a) developing procedures to review the accuracy of CMS-372 reports and the underlying data prior to submitting the reports to CMS and (b) completing its research on the discrepancy identified during the audit regarding the Fiscal Year 2007 CMS-372 report for the Elderly, Blind, and Disabled Waiver and submitting a corrected report to CMS as necessary.	93.777, 93.778 (L) HHS	Agree	6/2009	Greg Tanner (303)866-2764
84	III - 134	Improve monitoring and oversight of its interagency agreement with the Division to ensure compliance with agreement provisions, as well as with federal requirements. The Department should make monitoring improvements to ensure the Division (a) develops clear, written fiscal and administrative procedures for the HCBS-DD waiver program; (b) provides timely training and technical assistance to the CCBs; and (c) monitors service provision, quality, and financial accountability.	93.777, 93.778 (M) HHS	Agree	6/2010	Donna Kellow (303)866-3676
85	III - 136	Improve controls over updating Medicaid provider licenses in MMIS by (a) ensuring that all Medicaid providers required to have a license have current license information entered into MMIS, (b) continuing to develop and implement a plan to automate the process for updating licenses for providers participating in the Medicaid program, and (c) developing a process for obtaining all current licenses for all out-of-state providers.	93.777, 93.778 (N) HHS	Agree	6/2010	Donna Kellow (303)866-3676

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
<b>Department of Higher Education</b>						
<b>Colorado Historical Society</b>						
10	II - 30	Strengthen controls over travel expenditures by (a) ensuring that travel expenditures are appropriately reviewed prior to approval, that correct per diem rates are used, that travel expenditures are coded correctly in the State's accounting system, COFRS, and that all other State Fiscal Rules regarding travel are followed; (b) training staff and supervisors on state travel rules and policies; and (c) obtaining repayment from employees for excess reimbursements.	N/A	Agree	10/2009	N/A
<b>University of Colorado</b>						
86	III - 138	Implement review procedures at the University of Colorado at Denver over the Return of Title IV calculations.	84.032, 84.063 (N) ED	Agree	8/2009	Roger Cusworth (303)837-2114
<b>Colorado State University - Pueblo</b>						
87	III - 142	Develop policies and procedures to help assure that institutionally scheduled breaks are excluded from its calculation of amount earned for the return of Title IV funds for students who have withdrawn and have been recipients of Title IV grant or loan assistance.	84.007, 84.032, 84.038, 84.063, 84.375, 84.376 (N) ED	Agree	9/2009	Harvey Wilds (719)549-2952

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
88	III - 143	Implement a review process to assure the amounts reported on the Fiscal Operations Report and Application to Participate (FISAP) are reconciled to both the financial aid and financial reporting systems prior to the October 1 submission of the FISAP report. Differences noted on such reconciliations should be investigated and documented on a timely basis.	84.007, 84.033, 84.038 (L) ED	Agree	10/2010	Harvey Wilds (719)549-2952
<b>Colorado State University</b>						
89	III - 145	Ensure that discrepancies in federal grant information are investigated and addressed on a timely basis. Furthermore, any required changes should also be communicated timely to subrecipients. Differences in the Catalog of Federal Domestic Assistance (CFDA) number should be discussed by Colorado State University and the awarding agency to resolve the discrepancy in a timely manner.	93.855 (L) HHS	Agree	9/2009	Laura Streit (970)491-2389
<b>University of Northern Colorado</b>						
90	III - 147	Ensure that federal requirements for return of funds under federal Title IV are met by improving the process for calculating the number of days per semester by ensuring proper withdrawal dates are used in calculations, and implementing a review process for adjustments to student accounts.	84.032 (N) ED	Agree	7/2009	Paul Squillace (970)351-2406

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
<b>Colorado School of Mines</b>						
91	III - 149	Develop policies and procedures to assure that the calculation of amounts earned for withdrawn students who are receiving Title IV loan or grant assistance excludes institutionally scheduled breaks.	84.007, 84.032, 84.038, 84.063, 84.375, 84.376 (N) ED	Agree	9/2009	Jinous Lari (303)273-3262
92	III - 151	Implement a review process that includes a detailed review prior to the submission of the FISAP and approval by an individual other than the person preparing the report. The review should be formally documented by the reviewing individual.	84.007, 84.033, 84.038 (L) ED	Agree	9/2009	Jinous Lari (303)273-3262
93	III - 152	Use the <i>Excluded Parties List System (EPLS)</i> system to verify subrecipients (subcontracts and vendors) have not been suspended or debarred and obtain amendments to all subcontract agreements entered into prior to the addition of the certification clause in the standard federal subcontract agreement template.	12.14442, 12.80305, 47.041, 66.5322009, 66.606, 81.114940, 81.36101, 81.403684, 81.4300065909, 81.4300065924, 81.53084, 81.6854461, 81.72949, 81.75542, 81.79048, 10.001 / 10.2004-35102-14802, 10.206 / 10.2006-35504-16618, 11.302 / 11.05-87-04411, 11.431 / 11.5549, 11.609 / 11.70NANB8H8090, 11.609 / 11.70NANB9H9058,	Agree	7/2009	Jinous Lari (303)273-3262

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
			11.IPA 0903, 12.1050.04-OTH- 001/CSM, 12.1130070- 179180, 12.2006-343, 12.300 / 12.N00014-02- 1-0234, 12.300 / 12.N00014-02-1-0665, 12.300 / 12.N00014-05- 1-0339, 12.300 / 12.N00014-06-1-0207, 12.300 / 12.N00014-06- 1-0544, 12.300 / 12.N00014-08-1-0539, 12.431 / 12.203198.SU2, 12.431 / 12.DAAD19-03-1- 0292, 12.431 / 12.PO#1021P- 0000022153, 12.431 / 12.W911NF-06-1-0223, 12.431 / 12.W911NF- 06-1-0311, 12.431 / 12.W911NF-06-1-0350, 12.431 / 12.W911NF- 07-1-0134, 12.431 / 12.W911NF-07-1-025- 8, 12.431 / 12.W911NF- 07-1-0478, 12.431 / 12.W911NF-08-1-0292, 12.431 / 12.W912HQ-			

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
			04-C-0040, 12.431 / 12.WF911NF-04-1- 0169, 12.800 / 12.1040, 12.800 / 12.30940, 12.800 / 12.31265, 12.800 / 12.CSM-07.01, 12.800 / 12.FA8650-07- C-2741, 12.800 / 12.FA8750-06-1-0001, 12.800 / 12.FA9550-06- 1-0548, 12.800 / 12.FA9550-07-0026, 12.800 / 12.FA9550-07- 01-0550, 12.800 / 12.FA9550-08-1-0007, 12.800 / 12.non-given, 12.800 / 12.R-8196-G1, 12.910 / 12.FA9453-07- 1-0202, 12.CLKSN- 67188, 12.CSM-07.02, 12.CSM-09.01, 12.DET-PO-09-120, 12.non-given, 12.PO No. 05-197, 12.PO286959/J.O.1266 56.0100, 12.S- 29000.51, 12.Service Order No. 452652, 12.TF39-POLAR 081- 0812, 12.Unknown,			

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
			12.W15QKN-08-P- 0528, 12.W81XWH-07- C-0061, 12.W912HQ- 06-C-0018, 12.W912HQ-08-0030, 12.W912HQ-08-P0035, 12.W912HQ-08-P- 0055, 12.W912HQ-09- C-0018, 12.W912HZ- 08-C0057, 12.W912HZ-09-P-0163, 15.2314125S01, 15.504 / 15.0106CT39654, 15.504 / 15.M08PX20049/00100 0447, 15.808 / 15.07ERAG0010, 15.808 / 15.08CRAG0019, 15.808 / 15.G09AC00085, 15.923 / 15.20118 INITIAL 2006, 15.CMK00000003, 15.CMK16060016, 15.G09AC00132, 15.M08PX20245, 20.DTFH61-07-H- 00036, 20.DTPH56-07- T-000009, 20.DTPH56-			

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
			08-T-000014, 20.HR 21-09, 43.001 / 43.NNG05GL52H, 43.002 / 43.NNA06CB64G, 43.002 / 43.NNC8-238, 43.002 / 43.NNJ06AH15G, 43.002 / 43.PO#110110, 43.002 / 43.S- 00000167, 43.07- 0241S, 43.09-0257S, 43.2502.001, 43.699021X, 43.PO7100034985, 43.Unknown, 43.ZTCoSM012209- DUST/NNX09C, 47.000 / 47.DMR- 0746086, 47.041 / 47.4101- 20587/CBET074275, 47.041 / 47.618380, 47.041 / 47.BES- 0628282, 47.041 / 47.CBET-0731319, 47.041 / 47.CBET- 0828649, 47.041 / 47.CBET-0829043, 47.041 / 47.CMMI-			

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
			0700869, 47.041 / 47.CMMI-0729114, 47.041 / 47.CMMI- 0825592, 47.041 / 47.CMMI-0826323, 47.041 / 47.CMMI- 0855918, 47.041 / 47.CMS-0408150, 47.041 / 47.CR-19459- 477587, 47.041 / 47.CTS-0419204, 47.041 / 47.CTS- 0626226, 47.041 / 47.DMI-0547649, 47.041 / 47.DUE- 0630888, 47.041 / 47.ECCS-0725752, 47.041 / 47.ECCS- 0757956, 47.041 / 47.ECCS-0847964, 47.041 / 47.ECS- 0134130, 47.041 / 47.ECS-0134132, 47.041 / 47.EEC- 0529777, 47.041 / 47.EEC-0550169, 47.041 / 47.EEC- 0819106, 47.041 / 47.ES-I0623808, 47.041 / 47.IIP-0855797,			

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
			47.041 / 47.PO#051-0564, 47.041 / 47.PO#051-0564, 47.049 / 47.44-G6A63809/PO#80907, 47.049 / 47.CHE-0515521, 47.049 / 47.CNS-0720875, 47.049 / 47.DMR 0606054, 47.049 / 47.DMR-0606054, 47.049 / 47.DMR-0702351, 47.049 / 47.DMR-0820518, 47.049 / 47.DMS-0453600, 47.049 / 47.DMS-0539176, 47.049 / 47.DMS-0621118, 47.049 / 47.DMS-0724715, 47.049 / 47.DMS-0724717, 47.049 / 47.PHY-0420357, 47.049 / 47.PHY-0547845, 47.050 / 47.EAR-0337379, 47.050 / 47.EAR-0609595, 47.050 / 47.EAR-0720257, 47.050 / 47.EAR-			

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
			0733782, 47.050 / 47.EAR-0749035, 47.050 / 47.OCE- 0551715, 47.050 / 47.S958312/4-20488, 47.070 / 47.CCF- 0830320, 47.070 / 47.CCF-0830783, 47.070 / 47.CNS 0634278, 47.070 / 47.CNS-0435376, 47.070 / 47.CNS- 0634278, 47.070 / 47.CNS-0702875, 47.070 / 47.CNS- 0722415, 47.070 / 47.CNS-0738102, 47.070 / 47.CNS- 0739233, 47.070 / 47.CNS-0824670, 47.071-0405, 47.074 / 47.624789, 47.074 / 47.DBI-0454686, 47.074 / 47.DBI- 0852868, 47.074 / 47.DEB 0614350, 47.075 / 47.19459- 477347, 47.075 / 47.GN0002275, 47.076 / 47.080336Z2, 47.076 /			

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
			47.21P133-02, 47.076 / 47.4101-19739, 47.076 / 47.DGE 0638719, 47.076 / 47.DGE- 0231611, 47.076 / 47.DGE-0531499, 47.076 / 47.DGE- 0638719, 47.076 / 47.DGE-0801692, 47.076 / 47.DUE- 0341127, 47.076 / 47.DUE-0517528., 47.076 / 47.DUE- 0532684, 47.076 / 47.DUE-071775, 47.076 / 47.DUE- 0717751, 47.076 / 47.DUE-0814788, 47.076 / 47.ESI- 0227558, 47.076 / 47.NSF NO.ESI- 0227558, 47.076 / 47.P00527, 47.079 / 47.OISE-0106665, 47.44- G6A63809/PO8000809 07, 47.EAR-0716153, 47.OCE-0809351, 47.Unknown, 66.034 / 66.PG08-67099-01,			

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
			66.500 / 66.EP08H001132, 66.509 / 66.RD- 83153001-1, 66.509 / 66.RD-83332401-01, 66.606 / 66.4-Dec-06, 66.606 / 66.DEC14U06, 66.606 / 66.DEC1R06, 66.X-83085101, 77.006 / 77.NRC-38-08-923, 77.008 / 77.NRC-38-08- 954, 81.049 / 81.4150, 81.049 / 81.DE-FG02- 04ER54775, 81.049 / 81.DE-FG02- 05ER46242, 81.049 / 81.DE-FG02- 06ER15778, 81.049 / 81.DE-FG02- 06ER64233, 81.049 / 81.DE-FG02- 07ER15841, 81.049 / 81.DE-FG02- 07ER46397, 81.049 / 81.DE-FG02- 07ER64419, 81.049 / 81.DE-FG02- 07ER64423, 81.049 / 81.DE-FG02- 08ER646559, 81.049 /			

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
			81.DE-FG02- 93ER14363, 81.049 / 81.DE-FG02- 93ER40789, 81.049 / 81.UF-EIES-0804021- CSM, 81.06C733F, 81.07-004426-CSM-1, 81.07122-09, 81.07122- 12, 81.07122-14, 81.07122-15, 81.087 / 81.17GC00000022 UNR-07-1, 81.087 / 81.DE-FG36- 06GO16032, 81.089 / 81.DE-GF36- 08G018195, 81.089 / 81.DE-NT0005202, 81.089 / 81.DE- NT0005663, 81.089 / 81.DE-NT0005672, 81.089 / 81.DE- NT0006554, 81.112 / 81.PO S1063876, 81.121 / 81.DE-FC07- 051D14648, 81.121 / 81.DE-FG07- 07ID14849, 81.121 / 81.R8895- G3/DPO#25000161, 81.2006-			

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
			3434300048178, 81.24498-001-06 2A, 81.47291-001-07, 81.47501-001-07, 81.52533-001-07, 81.72337-001-09, 81.799171L, 81.9- 99001-3, 81.AFT-8- 88533-01, 81.B570356, 81.B575251, 81.B580449, 81.B581603, 81.B583018, 81.BSU NO. 130G106009, 81.CSM 08-02, 81.CSM-08.01, 81.DE- AF26-06NT03205, 81.DE-FC26- 07NT43054, 81.DE- FC36-07G017053, 81.DE-FG02- 05ER15739, 81.DE- FG36-05GO15093, 81.DE-FG36- 08GO88100, 81.DE- NT0005202, 81.EP23677, 81.GL033- RGF0211, 81.KN6007286, 81.KXEA-3-33607-19,			

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
			81.KXEA-3-33607-21, 81.KXEA-3-33607-22, 81.KXEA-3-33607-24, 81.KXEA-3-33607-25, 81.KXEA-3-33607-26, 81.KXEA-3-33607-27, 81.KXEA-3-33607-29, 81.KXEA-3-33607-30, 81.KXEA-3-33607-32, 81.KXEA-3-33607-33, 81.KXEA-3-33607-34, 81.KXEA-3-33607-35, 81.KXEA-3-33607-36, 81.KXEA-3-33607-37, 81.KXEA-3-33607-38, 81.KXEA-3-33607-40, 81.KXEA-3-33607-41, 81.KXEA-3-33607-42, 81.NEV-7-77395-01, 81.non-given, 81.PO 187325, 81.PO 865963/A0344, 81.PO# 187179, 81.PO# MIEI38374/IPA Carol, 81.PO#173797, 81.PO#A0344/814697, 81.PO6013555, 81.R130-8S-1228, 81.Subcontract No. 0895, 81.Unknown,			

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
			81.USMMM258U9, 81.W-31-109-ENG-38, 81.XEA-5-44245-01, 81.XEA-5-44245- 01/MOD 8, 81.XEA-5- 44245-01/Mod 8, 81.XEE-9-99409-01, 81.XEJ-9-88037-01, 81.ZDJ-7-77605-02, 81.ZFH-9-88673-01, 81.ZFT-8-88517-01, 81.ZFT-8-88565-01, 81.ZFW-9-99114-01, 84.116 / 84.P116B040030, 84.200 / 84.P200A060133, 84.200 / 84.P200A070503, 93.006 / 93.1 R01 OH008709-01, 93.211- 2009-M- 29867/DUNS:01, 93.214-2009-M- 28824/Duns010, 93.254-2008-M-27036- DUNS 01, 93.262 / 93.1R01 OH007493- 01A2, 93.262 / 93.1R01OH009612-01,			

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
			93.262 / 93.1-R25- OH003819-01, 93.263 / 93.214-2008-M-25560, 93.286 / 93.PO 10255091, 93.846 / 93.19165-S1 (I) USDA, DOC, DOD, HUD, DOI, DOT, NASA, NSF, EPA, DOE, ED, HHS			
94	III - 154	Assure that existing review policies are strictly adhered to for documenting supervisory review of project summary sheets and financial reports for federally funded projects.	See applicable CFDA Nos. included for Rec. No. 93 (G)(L) USDA, DOC, DOD, HUD, DOI, DOT, NASA, NSF, EPA, DOE, ED, HHS	Agree	7/2009	Jinous Lari (303)273-3262
95	III - 155	Implement policies and procedures to increase the frequency of reporting to the National Student Clearinghouse from once a month to twice a month, as well as to establish internal policies and procedures to assure all changes in student status are dealt with in the 60-day reporting requirement.	84.032 (N) ED	Agree	11/2009	Jinous Lari (303)273-3262

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
<b>Community College System</b>						
96	III - 158	Work with Northeastern Junior College to strengthen controls over the cash management process and establish segregation of duties so that no one person has the ability to calculate the amount to request for reimbursement, and submit for reimbursement, and approve the request and associated journal entry.	84.032, 84.063 (C) ED	Agree	9/2009	Lisa Grefrath (303)595-1575
<b>Western State College</b>						
97	III -160	Improve the internal controls over bank accounts by (a) modifying and implementing policies and procedures that ensure the proper segregation of duties for all bank accounts and (b) establishing electronic funds transfers for these accounts with appropriate segregation of duties.	84.007, 84.032, 84.033, 84.038, 84.063 (C) ED	Agree	6/2010	Rod Russell (970)943-7027
<b>Colorado Student Loan Program dba College Assist</b>						
98	III - 162	Establish procedures to periodically test the accuracy and completeness of the default aversion rebate reports from Nelnet Guarantor Solutions (NGS) to ensure the proper functioning of the new system.	84.032 (N) ED	Agree	1/2010	Patricia Bergin (720)264-8516

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
<b>CollegeInvest</b>						
99	III - 165	Strengthen processes for monitoring its third party service provider with respect to the 9.5 percent SAP-eligible loans. Specifically (a) properly document its internal controls over tracking 9.5 percent SAP-eligible loan balances in order to comply with the requirements of the Department, (b) retain all source documents related to its comparison of data provided by Nelnet to the actual LaRS/799 reports submitted to the United States Department of Education, and (c) reconcile the LaRS/799 filings with the population certified by the independent audit firm and re-perform the extraction of eligible loan data to ensure correct filings with the Department.	84.032 (N) ED	a. Disagree b. Agree c. Partially Agree	a. Not Applicable b. Ongoing c. 10/2009	Kent Spuehler (303)376-8817

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
<b>Department of Human Services</b>						
11	II - 38	The Division of Facilities Management should address statutory compliance issues and strengthen controls over the rental of state-owned surplus facilities by (a) evaluating the lease agreements for the two buildings leased to nonprofit organizations and either renegotiate the leases to include terms that will not result in a loss to the State as required under House Bill 08-1268 or seek statutory change to allow these arrangements to continue; (b) ensuring that expenditures for facility improvements are evaluated for capitalization requirements and capitalizing as required and making appropriate adjustments for the leasehold improvements identified during the audit that should have been capitalized; (c) instituting periodic secondary reviews of all leases of State-owned property, to ensure that they are current, documented on the approved Office of the State Architect lease agreement, clearly describe the property to be rented, and are properly authorized; (d) renegotiating any leases found after review to be inadequately documented, authorized, expired, or out of compliance; and (e) assigning rental collections to another division within the Department, such as Central Accounting, and ensuring rents are collected on time and referred to Central Collection Services as appropriate.	N/A	Agree	a. 6/2010 b. 6/2010 c. 6/2010 d. 6/2010 e. 3/2010	N/A
12	II - 41	Improve controls over donated capital assets by instituting notification procedures to ensure that all donated assets are properly and timely recorded in the State's accounting system, COFRS.	N/A	Agree	1/2010	N/A

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
13	II - 42	Ensure that the financial data in COFRS related to counties' administration of public assistance programs are accurate and complete by (a) developing a procedure by which to reconcile the County Financial Management System (CFMS) and COFRS data each month, (b) assigning responsibility to specific employees for conducting the monthly reconciliation process and the supervisory review of the process, and (c) reconciling the CFMS and COFRS accounts of the reimbursement due the counties at the end of Fiscal Year 2009 and making the necessary adjustments.	N/A	Agree	6/2010	N/A
14	II - 45	Improve controls over financial reporting for Medicare Part D revenue and receivables at the Fort Logan and Pueblo Mental Health Institutes by ensuring monthly and fiscal year-end reconciliations are performed on the Part D revenue and related accounts receivable balances in COFRS to billings from the pharmacy subsystem, and making adjustments as appropriate.	N/A	Agree	6/2010	N/A
15	II - 46	Improve controls over financial reporting of revenue and receivables at the Fitzsimons, Florence, Rifle, and Trinidad nursing homes operated by the Department by implementing and formally documenting a reconciliation process in which monthly and fiscal year-end reconciliations are performed on revenue and related accounts receivable balances in COFRS to amounts recorded in the Achieve-Matrix system, and making adjustments as appropriate.	N/A	Agree	2/2010	N/A

## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
16	II - 48	Improve controls over the payroll process by ensuring that time sheets are certified within the timeframes specified in Department policy and are maintained and available for review.	N/A	Agree	4/2010	N/A
17	II - 50	Improve controls over the preparation of fiscal year-end exhibits submitted to the Office of the State Controller by (a) continuing to ensure that the staff who prepare the exhibits receive adequate training each year on exhibit preparation and (b) continuing to conduct secondary reviews of exhibits, including in-depth, detailed reviews of all supporting documentation used to prepare the exhibits.	N/A	Agree	8/2010	N/A
18	II - 51	Improve controls over the processing and deposit of background check payments to ensure that the payments are deposited with the State Treasurer in accordance with State Fiscal Rules.	N/A	Agree	3/2010	N/A
19	II - 53	Establish adequate controls over benefit authorization and issuance data for the cash programs by (a) performing routine and comprehensive reconciliations among the Colorado Benefits Management System (CBMS), CFMS, the State's Electronic Benefits Transfer service provider, and COFRS to ensure that financial information is accurately and completely recorded; (b) ensuring that all reconciliations are reviewed by knowledgeable personnel not involved in preparing the reconciliations; and (c) making any necessary adjustments in a timely manner to the appropriate systems.	N/A	Agree	6/2010	N/A

## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
100	III - 172	Continue to work with the county departments of human/social services to ensure the accuracy of SNAP/Food Assistance program eligibility determinations and benefits by (a) monitoring the counties' maintenance of case file documentation, data entry, and follow up on Income, Eligibility, and Verification System (IEVS) discrepancies and (b) ensuring that county review reports are provided to the counties within 60 days of completing the review and that corrective action plans are obtained from the counties within 30 days of the report.	10.551, 10.561 (A)(B)(E)(M) USDA	Agree	Implemented and Ongoing	Richard Taylor (303)866-2732
101	III - 174	Continue to work with the counties to ensure that applications for SNAP/Food Assistance benefits are processed within federal and state requirements.	10.551, 10.561 (E)(M) USDA	Agree	Implemented and Ongoing	Richard Taylor (303)866-2732
102	III - 178	Continue to work with the county departments of human/social services to ensure the accuracy of eligibility determinations and benefit payments for the Temporary Aid for Needy Families/Colorado Works (TANF) program by monitoring and reviewing counties' case file documentation and data entry.	93.558 (A)(B)(E)(M) HHS	Agree	Ongoing	Richard Taylor (303)866-2732

## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
103	III - 182	Improve controls over the Child Support Enforcement program by (a) ensuring that counties document all relevant information, including medical coverage information, according to federal and state regulations; (b) correcting the programming error in the Automated Child Support Enforcement System (ACSES) to ensure timely attempts to locate non-custodial parents; (c) ensuring that counties enforce medical support obligations by using the National Medical Support Notice, where appropriate; (d) ensuring that counties conduct interstate referrals within federally required timeframes; and (e) finalizing and implementing guidelines that define “diligent effort” for service of process.	93.563 (N) HHS	Agree	a. 7/2010 b. Implemented c. Implemented d. 9/2010 e. 3/2010	Richard Taylor (303)866-2732
104	III - 185	Strengthen controls over the reporting process for the federal Social Services Block Grant (SSBG) by (a) ensuring staff preparing reports are adequately trained on the reporting requirements, (b) ensuring that reports are reviewed by a supervisor prior to being submitted, and (c) correcting and resubmitting the 2008 “Post-Expenditure Report” to the federal awarding agency.	93.667 (L) HHS	Agree	6/2009	Richard Taylor (303)866-2732
105	III - 187	Ensure that staff are aware of all federal requirements that must be met for funds transferred from the TANF program to the SSBG program.	93.667 (G) HHS	Agree	1/2011	Richard Taylor (303)866-2732

## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
106	III - 190	Strengthen controls over case file documentation for the Title IV-E Adoption Assistance program by using training and monitoring programs to ensure that county case workers are aware of all eligibility requirements of the Adoption Assistance program and maintain all required documentation in the case files.	93.659 (A)(B)(E) HHS	Partially Agree	1/2010	Richard Taylor (303)866-2732
107	III - 194	Ensure through continued monitoring and training, that the counties are obtaining and maintaining in the case files all the documents required to demonstrate families' eligibility for Child Care and Development Program Cluster subsidies under the Colorado Child Care Assistance Program.	93.575, 93.596, 93.713 (A)(B)(E)(M) HHS	Agree	10/2009, with full implementation by 11/2010	Richard Taylor (303)866-2732
108	III - 195	Ensure that it has procedures in place to identify and monitor federal earmarking requirements related to Child Care and Development Program Cluster funds and makes use of the mechanisms it has in place to track and report compliance.	93.575, 93.596, 93.713 (G) HHS	Agree	11/2009	Richard Taylor (303)866-2732
109	III - 197	Improve controls related to manual overrides of Colorado Child Care Assistance Program (CCCAP) eligibility determinations within the Child Care Automated Tracking System (CHATS) by (a) completing the drafting and implementation of rules governing the acceptable reasons for overrides and documentation required at the counties to support them and (b) monitoring overrides through the use of reports that identify state and county trends and irregularities, and ensuring proper follow-up.	93.575, 93.713 (A)(B)(E)(M) HHS	Agree	a. 4/2010 b. 10/2009	Richard Taylor (303)866-2732

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
110	III - 199	Ensure that county departments of human/social services properly authorize child care for CCCAP participants by (a) promulgating rules to clarify that counties shall authorize only the amount of child care needed by CCCAP families based on their schedule of eligible activities and (b) working with the counties to improve their internal control systems, such as requiring counties to conduct monthly CCCAP case file reviews to identify errors in their case management and their causes and require corrective actions to prevent future errors.	93.575, 93.713 (A)(B)(M) HHS	Agree	4/2010	Richard Taylor (303)866-2732
111	III - 201	Improve the review of CCCAP provider attendance records by county departments of human/social services by (a) providing guidance to the counties on how to select samples of providers' attendance sheets for review and (b) revising Department regulations to require that counties implement a risk-based approach for conducting the reviews.	93.575, 93.713 (A)(B)(M) HHS	Agree	a. 5/2010 b. 4/2010	Richard Taylor (303)866-2732

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
112	III - 204	Improve oversight of quality initiative spending for CCCAP by county departments of human/social services by (a) auditing the \$2.8 million transaction we identified as a potential questioned cost to ensure that the expenditure was made in accordance with all applicable requirements; (b) requiring counties to institute formal grant processes for distributing quality initiative funds to child care providers and reviewing the counties' grant processes to ensure that counties distribute and monitor funds appropriately; (c) ensuring that its guidance to counties on the allowability of types of quality initiative expenditures reflects current Department policy and federal requirements; and (d) clarifying whether administrative expenses and paying for the expenses of other programs such as Head Start are appropriate uses of county quality initiative funds and, if so, establishing limits for such expenses.	93.575, 93.713 (A)(B)(M) HHS	Agree	a. 12/2009 b. 1/2010 c. 12/2009 d. 1/2010	Richard Taylor (303)866-2732
113	III - 207	Improve controls over the preparation of the Exhibit K and supporting documentation by (a) developing formal, written procedures for preparing the Exhibit K and related supporting documentation; (b) ensuring adequate supervisory review of the Exhibit K and supporting documentation; and (c) continuing to provide training to staff who prepare the Exhibit K and the supporting documentation.	93.575, 93.596, 93.713 (N) HHS	Agree	9/2010	Richard Taylor (303)866-2732

## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
114	III - 211	Improve oversight of Title IV-E child welfare funds by (a) reimbursing the Ute Mountain Ute Tribe only for the costs of foster care services provided to children previously determined to be eligible under federal Title IV-E, (b) discontinuing the practice of implementing hold harmless agreements with the Ute Mountain Ute Tribe that allow the Tribe to receive reimbursements for the costs of foster care services provided to children determined to be ineligible under federal Title IV-E, (c) including appropriate reimbursements to the Ute Mountain Ute Tribe in the Department's federal Title IV-E reimbursement claims to the federal government, and (d) documenting in writing the compensating controls for ensuring that signed checks given to program staff are distributed appropriately to payees or discontinuing the practice of giving signed checks to program staff for distribution.	93.658 (A)(B)(E) HHS	a. Agree b. Agree c. Disagree d. Agree	a. 7/2009 b. 7/2009 c. Not Applicable d. 3/2010	Richard Taylor (303)866-2732
115	III - 213	Conduct ongoing monitoring to ensure that counties and child placement agencies are verifying that foster care providers are U.S. citizens or legal permanent residents of the United States.	93.658 (E) HHS	Agree	2/2010	Richard Taylor (303)866-2732
116	III - 216	Improve oversight of child placement agencies for the foster care program by (a) continuing testing and implementing risk-based schedules for licensing and monitoring child placement agencies, (b) establishing and implementing policies to fully document all key areas reviewed during licensing and monitoring visits and to retain the supporting documentation, and (c) evaluating current licensing and monitoring procedures to identify and eliminate duplication.	93.658 (M) HHS	Agree	5/2010	Richard Taylor (303)866-2732

## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
117	III - 219	Improve controls over administrative foster care funds expended by child placement agencies (CPAs) by (a) evaluating the substance of the relationship between counties and CPAs based on OMB <i>Circular A-133</i> criteria and concluding on whether CPAs should be considered vendors or subrecipients, (b) implementing requirements for audits of CPAs in accordance with the determination suggested in part “a” of the recommendation, (c) establishing procedures to review the CPA audits and follow up on any findings identified, (d) evaluating options for reviewing the allowability and appropriateness of CPA expenditures made with child welfare funds, and (e) including examples of unallowable costs in regulations.	93.658 (A)(B) HHS	a. Agree b. Agree c. Agree d. Agree e. Disagree	a. 6/2010 b. 9/2010 c. May 2010 d. May 2010 e. Not Applicable	Richard Taylor (303)866-2732
118	III - 222	Ensure that county departments of human/social services pay foster care rates that reflect the foster child’s level of care and service needs by (a) continue working with counties to develop and implement a validated, statewide level-of-care assessment tool; (b) updating the Trails system to include fields for recording the child’s level of care and requiring counties to include this information in Trails whenever they enter new provider rates; and (c) conducting periodic file reviews at counties and analysis of actual rates paid by counties to ensure they are using level-of-care tools to assist with setting and negotiating appropriate foster care rates.	93.658 (B) HHS	Agree	6/2010	Richard Taylor (303)866-2732
119	III - 225	Establish a process to prioritize foster care case reviews that have not been completed within a predetermined period, such as a year.	93.658 (M) HHS	Partially Agree	1/2010	Richard Taylor (303)866-2732

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
120	III - 229	Improve internal controls over purchasing cards by (a) continuing to train approving officials and cardholders on their responsibilities to ensure compliance with Department policy and imposing consequences for policy violations; (b) updating all written purchasing card policies to indicate that recurring, automatic charges and payments are prohibited purchases, clearly communicating this requirement to all card holders, and ensuring that all established automatic payments currently being processed are identified and deactivated by the cardholders; (c) utilizing the automated violation tracking system's reporting function to monitor the results of the Department's internal purchasing card audits and ensuring the actions taken by approving authorities in response to cardholder violations are adequate; (d) ensuring purchasing card accounts are closed in a timely manner upon employee termination; and (e) coding all procurement card purchases accurately in COFRS.	93.575, 93.596, 93.713 (A)(B) HHS	a. Agree b. Partially Agree c. Agree d. Agree e. Agree	4/2010	Richard Taylor (303)866-2732
121	III - 233	Strengthen controls over travel expenditures by (a) ensuring that employees and supervisors are consistent in their compliance with existing State and Department travel policies, through continuing periodic training and enforcement; (b) recovering identified overpayments from employees; and (c) considering using its internal audit function to conduct periodic reviews to ensure compliance with State Fiscal Rules and Department policies over travel.	93.658 (A)(B) HHS	Agree	a. 2/2010 b. 6/2010 c. 2/2010	Richard Taylor (303)866-2732

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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<b>Rec. No.</b>	<b>Page No.</b>	<b>Recommendation Summary</b>	<b>CFDA No. / Compliance Requirement / Federal Entity</b>	<b>Agency Response</b>	<b>Implementation Date</b>	<b>Contact for Corrective Action Plan</b>
122	III - 236	Strengthen its controls over the telecommunications payment process by ensuring that all divisions and programs perform monthly reviews of their telecommunications bills in the Telecommunications Financial Management System (TFMS) and submit signed certifications and any identified errors to Central Accounting.	10.551, 10.561, 93.558, 93.568, 93.575, 93.596, 93.713 (A)(B) HHS, USDA	Agree	4/2010	Richard Taylor (303)866-2732

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
123	III - 238	Improve controls over the indirect cost process by (a) submitting the Fiscal Year 2009 Amendment to the Public Assistance Cost Allocation Plan (PACAP); (b) correcting the allocation of indirect costs for Fiscal Year 2009 according to the final 2008 and 2009 Amendments to the PACAP, after federal approval; (c) ensuring future PACAP amendments are submitted within the required timeframes, or certification statements are submitted within 60 days of the end of the fiscal year, whichever is applicable and in accordance with federal regulations.	10.550, 10.551, 10.555, 10.558, 10.559, 10.560, 10.561, 10.565, 10.568, 14.235, 14.238, 14.856, 14.871, 17.235, 64.005, 64.010, 64.014, 64.015, 84.126, 84.128, 84.169, 84.177, 84.181, 84.187, 84.265, 93.041, 93.042, 93.043, 93.044, 93.045, 93.048, 93.052, 93.053, 93.086, 93.104, 93.150, 93.230, 93.234, 93.242, 93.243, 93.275, 93.556, 93.557, 93.558, 93.563, 93.564, 93.566, 93.568, 93.575, 93.576, 93.583, 93.584, 93.596, 93.599, 93.603, 93.630, 93.643, 93.645, 93.658, 93.659, 93.667, 93.669, 93.671, 93.674, 93.713, 93.779, 93.958, 93.959, 93.982, 96.001 (B) USDA, HUD, DOL, DVA, ED, HHS, SSA	Agree	a. 5/2010 b. 5/2010 c. 6/2010	Richard Taylor (303)866-2732

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
124	III - 242	Seek guidance from the U.S. Department of Veterans Affairs on the appropriate use of grant funds for construction costs that have been deferred through an Energy Performance Contract lease.	64.005 (C) DVA	Agree	3/2010	Richard Taylor (303)866-2732
125	III - 245	Improve general computer controls over Trails and CHATS by (a) hardening system configuration settings for Trails as recommended under separate cover; (b) promptly removing user access for terminated employees and strengthening procedures to ensure that employee termination notifications are initiated and acted upon in a timely manner; (c) requiring supervisors to annually verify the accuracy and relevance of user access for the employees they supervise; (d) identifying and documenting Trails and CHATS user profiles that, when combined, provide incompatible system privileges; and (e) implementing password parameters that comply with State Cyber Security Policies.	93.575, 93.596, 93.713, 93.658, 93.659 (A)(B)(E) HHS	Agree	a. 5/2010 b. 5/2010 c. 5/2010 d. 11/2010 e. 11/2010	Richard Taylor (303)866-2732

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
126	III - 252	The Division for Developmental Disabilities should improve controls to ensure service plan documentation is sufficient to support the service request and subsequent payments. Specifically, the Department should work with the Department of Health Care Policy and Financing to (a) develop standardized guidelines for documenting the frequency and duration of services in service plans to support service requests and payments; (b) implement additional edits in the BUS system requiring that CCBs enter service frequency information before exiting the service plan document, and automating the calculation of total service units approved; and (c) eliminate duplicate data entry of service requests in the CCMS and BUS systems by automatically populating the service request in CCMS from the service plan information contained in the BUS system.	93.777, 93.778 (A) HHS	Agree	a. 12/2009 b. 11/2009 c. 10/2009	CDHS: Mette Boes (303)866-7332  HCPF: Donna Kellow (303)866-3676
127	III - 258	The Division for Developmental Disabilities should improve its processes for selecting HCBS-DD service plans for review to ensure clients receive only the services necessary, in amounts sufficient to address their needs. Specifically, the Department should (a) ensure that criteria used for selecting service plans for review are documented, based on best practices in service provision, and are set at levels that will effectively identify high-risk or high-cost services for review; (b) develop risk- and sample-based review processes that will provide better coverage of the universe of requests and reduce the predictability of the service request review and approval process; and (c) automate the flagging of service requests for review to eliminate errors in the manual selection process.	93.777, 93.778 (A) HHS	Agree	10/2009	Mette Boes (303)866-7332

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
128	III - 263	The Division for Developmental Disabilities should improve its processes for reviewing service requests to ensure that an adequate basis exists for its approval and denial decisions and that clients are treated equitably. Specifically, the Department should (a) establish a standardized process, including a checklist or other review protocol for reviewers to follow, for conducting and documenting reviews and for clearly communicating reasons for service denials to CCBs; (b) implement an automated mechanism to track data on the number of reviews conducted, the number of and reasons for denials and reductions in service, and the number of service requests that are re-submitted and re-reviewed; (c) reassess and revise job descriptions and qualification requirements for service request reviewers to ensure that individuals performing reviews are qualified and authorized to make approval and denial decisions; and (d) develop a process for supervisory review of service request reviews.	93.777, 93.778 (A) HHS	Agree	a. 12/2009 b. Re-evaluate resources annually c. 12/2009 d. 12/2009	Mette Boes (303)866-7332
129	III - 267	The Division for Developmental Disabilities should develop and implement policies and procedures for a post-payment review system to ensure that payments for HCBS-DD waiver services are appropriate, allowable, and provided by qualified providers. Specifically, the Department should (a) develop a risk-based post-payment review process that incorporates a sampling approach to review claims paid; (b) use automated tools to identify payments made for unallowable services or non-approved providers; and (c) revise billing policies and procedures as necessary based on patterns of errors identified during post-payment review.	93.777, 93.778 (A) HHS	Agree	10/2009	Mette Boes (303)866-7332

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
130	III - 268	The Department of Health Care Policy and Financing and the Department of Human Services, Division for Developmental Disabilities should work together to develop standards for the types of documentation that providers must maintain for each type of service provided.	93.777, 93.778 (A) HHS	Agree	12/2009	HCPF Donna Kellow (303)866-3676  DHS Mette Boes (303)866-7332
131	III - 270	The Department of Health Care Policy and Financing and the Department of Human Services, Division for Developmental Disabilities should reassess whether targeted case management and the client questionnaires serve as effective tools for validating HCBS-DD payments.	93.777, 93.778 (A) HHS	Agree	6/2010	HCPF Donna Kellow (303)866-3676  DHS Mette Boes (303)866-7332
132	III - 272	The Division for Developmental Disabilities should establish mechanisms for monitoring the implementation and operation of appropriate fiscal controls to ensure accountability for services and payments. Specifically, the Department should (a) develop and issue a comprehensive, written policy and procedures manual for CCBs and update the manual on a routine basis; (b) provide training on the policy and procedures manual to the CCBs; and (c) establish a comprehensive system of ongoing monitoring and evaluation of payment controls as discussed above.	93.777, 93.778 (A) HHS	Agree	12/2009	Mette Boes (303)866-7332

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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<b>Rec. No.</b>	<b>Page No.</b>	<b>Recommendation Summary</b>	<b>CFDA No. / Compliance Requirement / Federal Entity</b>	<b>Agency Response</b>	<b>Implementation Date</b>	<b>Contact for Corrective Action Plan</b>
133	III - 274	Take immediate steps to correct the system problems related to inappropriate restoration payments and enforcement of sanctions in the Colorado Benefits Management System to lessen the risk of errors in benefit payments.	10.551, 10.561 (A)(B)(E) USDA	Agree	12/2009	Richard Taylor (303)866-2732
134	III - 274	Ensure that SNAP/Food Stamps redeterminations and Change Report Forms are processed within federal and state guidelines, as applicable.	10.551, 10.561 (E)(M) USDA	Agree	12/2009	Richard Taylor (303)866-2732
135	III - 274	Strengthen controls over the Low Income Energy Assistance Program (LEAP) program by (a) ensuring that eligibility is determined in a timely manner and vendors are contacted when required; (b) ensuring that required documentation is obtained to support LEAP eligibility, benefit determination, and Estimated Home Heating Cost changes by performing a periodic review of case files; (c) strengthening supervisory review process over data entry by instituting an effective supervisory review process; and (d) instituting a programming change to the LEAP system documenting when a change occurs to Estimated Home Heating Cost by including record of the initial heat costs.	93.568 (A)(B)(E)(M) HHS	Agree	09/2009	Richard Taylor (303)866-2732

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
136	III - 274	Improve controls related to manual overrides of Colorado Child Care Assistance Program eligibility determinations within the Child Care Automated Tracking System (CHATS) by (a) developing rules governing the acceptable reasons for overrides and documentation required at the counties to support them; (b) requiring that the counties establish supervisory review and approval for all overrides; (c) ensuring county case managers and supervisors are adequately trained in proper procedures for overrides; (d) building automatic supervisory review, approval, and reporting capabilities into the CHATS replacement system; (e) monitoring overrides through the use of reports that identify state and county trends and irregularities, and ensuring proper follow-up; and (f) following up on information provided to the Department from our audit on the high rate of overrides within one county.	93.575 (A)(B)(E)(M) HHS	Agree	a. 6/2009 b. 7/2009 c. 7/2009 d. 8/2010 e. 4/2009 f. 9/2008	Leslie Bulicz (303)866-4556
137	III - 274	Ensure that county departments of human/social services properly authorize child care for Colorado Child Care Assistance Program (CCCAP) participants by (a) promulgating rules to clarify that counties shall only authorize the amount of child care needed by CCCAP families based on their schedule of eligible activities, (b) working with counties to improve the counties' internal control systems, (c) improving its monitoring of the counties' CCCAP operations by revising its county case file review process to include developing a risk-based approach that reviews those counties that manage larger CCCAP caseloads and determines why counties make errors, and (d) requiring that counties submit corrective action plans to address problems identified in part "c" and following up on these plans as appropriate.	93.575 (A)(B)(M) HHS	Agree	a. 6/2009 b. 6/2009 c. 7/2009 d. 7/2009	Leslie Bulicz (303)866-4556

## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
138	III - 274	Improve the review of Colorado Child Care Assistance Program provider attendance records by county departments of human/social services by (a) verifying that counties are conducting the reviews in accordance with Department regulations during the Department's monitoring reviews, (b) providing guidance to the counties on how to select samples of providers' attendance sheets for the reviews, and (c) revising Department regulations to require that counties implement a risk-based approach for conducting the reviews.	93.575 (A)(B)(M) HHS	Agree	a. 7/2009 b. 4/2009 c. 6/2009	Leslie Bulicz (303)866-4556
139	III - 274	Improve its oversight of county-owned child care providers to ensure an arm's-length bargaining relationship between counties and their county-owned providers and to provide assurance that Colorado Child Care Assistance Program payments are reasonable and necessary by (a) reviewing and approving all rates negotiated between the county department of human/social services and the county-owned provider, (b) requiring Prowers County to immediately renegotiate the current slot contract between Prowers County and its county-owned child care center to ensure that the contracts do not pay for more slots than are needed and that the slot rates do not exceed the center's private-pay rates and are reasonable, and (c) considering increasing its audit coverage of Prowers County using the Department's Audit Division and current resources until the problems with its county-owned child care center have been resolved.	93.575 (A)(B)(M) HHS	Agree	a. 7/2009 b. 1/2009 c. 7/2009	Leslie Bulicz (303)866-4556

## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
140	III - 274	Improve information for evaluating county administrative and case management costs in the child welfare allocation model by (a) working with counties to identify and evaluate options for using or modifying existing systems to improve cost information and (b) using the improved cost information to analyze administrative and case management costs in the program services cost driver and considering allocating funds for administrative and case management costs in the child welfare allocation model separately.	93.658 (B) HHS	a. Partially Agree b. Disagree	a. 10/2009 b. Not Applicable	Cheryl Duncan (303)866-6480
<b>Judicial</b>						
20	II - 57	Implement processes to ensure that appropriate fees and charges are assessed in accordance with statutory requirements. In addition, in instances where the fees and charges assessed are waived or reduced from statutory requirements, the Judicial Department should ensure that the reasoning behind the waivers or reductions is documented in the electronic case file.	N/A	Agree	Ongoing	N/A
21	II - 58	Ensure that supervisory review is performed on the accuracy of time sheet data entered into the Department's timekeeping system, JETRS, with emphasis on the areas identified.	N/A	Agree	2/2010 and 7/2013	N/A
22	II - 59	Strengthen its internal controls to ensure appropriate sign offs as evidence that all bank reconciliations are reviewed and approved.	N/A	Agree	7/2010	N/A

## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
<b>Department of Labor and Employment</b>						
23	II - 62	Continue the process started in Fiscal Year 2009 to evaluate the accuracy of the liability to employers for overpayment of Unemployment Insurance taxes.	N/A	Agree	6/2010	N/A
24	II - 64	Continue to evaluate the process for preparing and reviewing significant estimates and implement detailed supervisory review procedures for the Unemployment Insurance Taxes Receivable and Unemployment Benefits Payable estimates.	N/A	Agree	4/2010	N/A
25	II - 68	Improve Information Technology controls over the Colorado Unemployment Benefits System (CUBS) and the Colorado Automated Tax System (CATS) by (a) developing, documenting, and implementing a user access management process, including procedures for periodically producing and reviewing a list of current system users; (b) developing and implementing a written procedure for granting user access to CUBS and CATS; (c) generating and reviewing application activity logs (i.e., audit logs) to identify and investigate anomalous activity; (d) increasing the activities of the internal fraud staff by having them regularly review CUBS and CATS transactions for anomalous activity; (e) developing written configuration management and change control policies and procedures, including procedures for handling emergency changes; and (f) implementing an annual security awareness program that addresses topics relevant to CUBS and CATS and the data they contain and process.	N/A	Agree	a. 7/2010 b. 3/2010 c. 12/2010 d. 12/2010 e. 7/2010 f. 12/2010	N/A

## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
141	III - 276	Improve controls over reporting federal expenditures and the preparation of the Exhibit K by (a) developing formal, written procedures for preparing the Exhibit K and supporting documentation and (b) ensuring adequate documented supervisory review of the Exhibit K and supporting documentation.	17.225, 17.258, 17.259, 17.260 (N) DOL	Agree	9/2010	Shawn Milne (303)318-8101
142	III - 279	Establish policies and procedures to ensure Benefits Accuracy Measurement reviews include documentation of adequate supervisory reviews and complete the required numbers of reviews for calendar year 2008 and subsequent years.	17.225, 17.258, 17.260 (N) DOL	Agree	6/2010	Shawn Milne (303)318-8101
143	III - 281	Ensure customized reports accurately accumulate federal expenditures and implement procedures to ensure that reconciliations between total cash requests and total expenditures are completed timely.	17.225 (C) DOL	Agree	1/2010	Shawn Milne (303)318-8101
144	III - 284	Improve controls over federal reporting by (a) instituting a secondary review and approval process to ensure amounts recorded on reports to the U.S. Department of Labor are accurately reported and supported by source documentation, (b) correcting the carry-forward balances in the Employment and Training Administration 227 report, and (c) maintaining supporting documentation of the edit checks and verification process used in preparing the Employment and Training Administration 9001 and 9091 reports as required by federal requirements.	17.207, 17.225, 17.801, 17.804, 17.258, 17.259, 17.260 (L) DOL	Agree	a. 3/2010 b. Implemented c. Implemented	Shawn Milne (303)318-8101

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
145	III - 292	Improve the accuracy of wages paid to program participants in the Workforce Investment Act program by (a) developing guidance for the Regions on the elements of adequate time sheet review and approval, including steps to identify calculation errors and (b) developing and offering the workforce Regions a standard template or other tool for recording time.	17.259 (B) DOL	Agree	12/2009	Shawn Milne (303)318-8101
146	III - 295	Ensure compliance with the Recovery Act's limitation on work experience placements for the Summer Youth Program by (a) identifying any Recovery Act funds that were spent to employ youth in prohibited job categories and ensuring those funds are refunded or replaced as necessary; (b) implementing ongoing or refresher training on the Recovery Act and Summer Youth Program for Regions that plan to continue the Program in summer 2010; and (c) considering modification of its electronic client database to facilitate review and reporting of work experience job titles, if the Summer Youth Program is continued using Recovery Act funds in 2010.	17.259 (A) DOL	Agree	a. 12/2009 b. 4/2010 c. 5/2010	Shawn Milne (303)318-8101

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
147	III - 297	Ensure that payroll processing costs are allocated in accordance with federal regulations by (a) developing and issuing guidance to ensure all Regions consistently allocate payroll processing costs for work experience as a program cost, in accordance with federal regulations; (b) incorporating this guidance into its current financial internal controls review program and reviewing workforce center cost allocations to ensure compliance with federal requirements; and (c) working with workforce centers to determine the amount of payroll processing costs incorrectly charged as administrative costs and submitting revised reports to the U.S. Department of Labor.	17.259 (N) DOL	Agree	a. 12/2009 b. 6/2010 c. 2/2010	Shawn Milne (303)318-8101
<b>Department of Law</b>						
26	II - 73	Strengthen its controls over the processing of revenue transactions by ensuring that staff are adequately trained on accounting policies, that revenue transactions are reviewed and deposited in a timely manner, and that all State Fiscal Rules and requirements regarding revenue are followed.	N/A	Partially Agree	7/2010	N/A
<b>Department of Personnel &amp; Administration</b>						
27	II - 78	Develop and implement procedures to ensure that potential overexpenditures are identified timely so that they can be prevented or limited. The Department should also ensure that supplemental or emergency appropriation requests are submitted timely and meet required criteria.	N/A	Partially Agree	Ongoing	N/A

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
28	II - 80	Improve its internal controls over capital assets by (a) ensuring that useful lives are accurately applied when calculating the accounting gain or loss on the disposal of vehicles, (b) investigating and resolving differences identified during the reconciliation process to ensure that Colorado Automotive Reporting System and the State's accounting system, COFRS data are accurate and that necessary adjustments are made, and (c) ensuring that vehicle sale losses and depreciation expense are accurately recorded in COFRS.	N/A	Agree	Implemented and Ongoing	N/A
29	II - 83	Improve controls over the preparation of fiscal year-end exhibits submitted to the Office of the State Controller by (a) ensuring staff who prepare exhibits are adequately trained on exhibit preparation requirements, (b) developing procedures that address the compilation of required documents for exhibit preparation, and (c) implementing a documented secondary review process over exhibits that includes a detailed review of all supporting documentation used to prepare the exhibits.	N/A	Agree	a. 7/2010 b. 7/2010 c. Ongoing	N/A
30	II - 85	Improve its internal controls over payroll by (a) strengthening its secondary review process over the monthly payroll reconciliations to include a comparison of data to supporting documentation and (b) making adjustments to employee pay as necessary to address over-and underpayments noted in the audit.	N/A	Agree	a. 7/2010 and Ongoing b. Implemented	N/A

## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
31	II - 87	Strengthen controls over travel expenditures by (a) ensuring that travel expenditures are appropriately reviewed and approved, that correct per diem rates are used, that travel expenditures are coded consistently in COFRS, and that all other State Fiscal Rules and Department policies regarding travel are followed; (b) training staff and supervisors on state travel rules and policies; and (c) obtaining repayment from employees for excess reimbursements.	N/A	Agree	a. 7/2009 and Ongoing b. 7/2009 and Ongoing c. Implemented	N/A
32	II - 88	Strengthen overall accounting controls by (a) developing written procedures to ensure that all accounting functions are appropriately performed, such as calculation and preparation of account balance reconciliations and significant adjustments; (b) ensuring that adequate supervisory reviews are in place and documented for all accounting functions; and (c) providing additional training to staff, as necessary.	N/A	Agree	6/2010	N/A
33	II - 91	Ensure that State Archives develops a schedule for the timely conversion of all remaining state agencies from a paper cataloging system to an electronic cataloging system, as resources allow.	N/A	Agree	9/2009	N/A

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
<b>Department of Public Health and Environment</b>						
148	III - 302	Ensure compliance with the Special Supplemental Nutrition Program for Women, Infants and Children by taking appropriate actions against a vendor in a timely manner when compliance buy investigations disclose vendor violations. Such action includes delaying payment or imposing sanctions based upon the severity of the violation.	10.557 (N) HHS	Agree	10/2009	Scott Toland (303)692-2105
<b>Department of Public Safety</b>						
34	II - 95	Strengthen controls over travel expenditures by (a) ensuring that travel expenditures are appropriately reviewed and approved, that correct per diem rates are used, that travel expenditures are coded correctly in COFRS, and that all other State Fiscal Rules and Department policies regarding travel are followed and (b) address over- and underpayments to employees for inaccurate reimbursements.	N/A	Partially Agree	3/2010	N/A
35	II - 102	Strengthen its internal controls over the Colorado Auto Theft Prevention Cash Fund by (a) ensuring that the review of grant reimbursement requests includes verifying that the amounts requested are accurate, are accompanied by supporting documentation, are appropriately authorized, and comply with all Department policies; (b) educating grant recipients on invoicing procedures, necessary supporting documentation, and reporting; and (c) developing a standardized reimbursement request form.	N/A	Agree	2/2010	N/A

## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
<b>Department of Regulatory Agencies</b>						
36	II - 107	Ensure that the information reported on its Exhibit K is accurate and complete, reconciles to COFRS, and complies with the Office of the State Controller's Fiscal Procedures Manual.	N/A	Agree	9/2010	N/A
<b>Department of Revenue</b>						
37	II - 113	Strengthen its internal controls over the processing of severance tax returns by (a) updating written severance tax procedures to reflect procedures in place with the GenTax system and providing training to tax examiners on the processes and procedures and (b) ensuring that severance tax processes and procedures are followed.	N/A	Agree	12/2009	N/A
38	II - 116	Improve controls over the processing of business tax refunds by (a) developing written policies and procedures to address the computation of interest and reimbursement of interest and penalty overpayments, (b) strengthening its existing supervisory review process to ensure that refund errors are identified and corrected, and (c) ensuring that staff are adequately trained on existing business tax policies and procedures.	N/A	Agree	12/2009	N/A
39	II - 118	Improve controls over refunds of estimated taxes by (a) adopting formal, written procedures for the secondary refunds review process and (b) assigning specific staff responsibility for the review and training them on the review procedures.	N/A	a. Partially Agree b. Agree	a. 12/2010 b. 12/2010	N/A

## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
40	II - 121	Strengthen controls over EFT payments by (a) updating written procedures for the EFT undistributed cash reconciliation process; (b) ensuring that reconciliation variances, including errors and irregularities, are identified and that necessary adjustments are made in a timely manner; and (c) incorporating a secondary review over the EFT undistributed cash reconciliation process.	N/A	Agree	4/2010	N/A
41	II - 124	Improve internal controls over Information Security Awareness and Anti-Fraud Awareness Training by (a) enforcing its policy requiring employees to attend Information Security Awareness and Anti-Fraud Awareness training and sign and timely submit the acknowledgment form to the Department's Office of Human Resources on an annual basis and (b) ensuring training records in the internal database used to track employee training attendance are accurate and complete.	N/A	a. Partially Agree b. Agree	Implemented	N/A
42	II - 126	Seek statutory change to require transfer of expired business tax warrants to the Office of the State Treasurer's Unclaimed Property Division.	N/A	Agree	6/2011	N/A
43	II - 127	Improve controls over the processing of severance tax refunds by (a) reviewing the current system edits to determine if additional edits are necessary, (b) establishing a secondary review process for refunds released from manual review, and (c) reviewing its current established threshold for severance tax refunds for efficiency and accuracy.	N/A	Agree	a. 12/ 2009 b. Implemented c. 12/2009	N/A

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
44	II - 127	Strengthen controls over the security of tax warrants by ensuring that its new tax information system is designed to allow the internal transfer of funds for the collection of costs associated with county and special district taxes.	N/A	Agree	11/2010	N/A
45	II - 127	Improve controls over taxpayer accounts by instituting a secondary review and approval process over modifications of taxpayer information within the individual income and business tax systems.	N/A	Partially Agree	11/2010	N/A
<b>Department of State</b>						
46	II - 131	Strengthen its controls over travel and bingo hall investigation expenditures by (a) verifying that travel expenditures are allowable, properly supported, submitted timely, and coded correctly in COFRS, and that all other State Fiscal Rules regarding travel are followed; (b) ensuring that supervisors thoroughly review travel expenditure requests and resolve any problems before approving reimbursements; (c) obtaining repayment from employees for excess and other improper reimbursements; and (d) establishing written procedures for the allowability and appropriateness of expenditures for bingo hall investigations and for the reporting of bingo game winnings.	N/A	a. Agree b. Agree c. Disagree	a. 7/2009 b. Implemented c. Not Applicable	N/A

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
47	II - 136	Improve its general computer controls related to the Sizler application and the protection of credit card data by (a) ensuring system administrators adhere to Department policy that requires written approval by an employee's supervisor prior to the creation of user IDs and assignment of user access; (b) reviewing all system and network IDs and ensuring that each ID is associated with an identified and documented owner; (c) developing and implementing formal configuration management and control policies and procedures, including procedures for handling emergency changes; (d) developing and implementing written policies and procedures for data backups; (e) documenting and implementing procedures for creating and retaining backup logs; and (f) reevaluating its strategy for achieving compliance with PCI DSS, including the option of implementing compensating controls.	N/A	Agree	a. 1/2010 b. 3/2010 c. 4/2010 d. 5/2010 e. 5/2010 f. 1/2010	N/A

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
<b>Office of the State Treasurer</b>						
48	II - 142	Strengthen internal controls over unclaimed property and ensure compliance with state statute by (a) conducting periodic physical inventories to ensure that the inventory list of unclaimed property is accurate and current and that all items on the inventory list can be located in a timely manner; (b) strengthening and fully implementing written procedures for conducting timely sales and disposals of unclaimed property, as appropriate; (c) strengthening and fully implementing written procedures for distinguishing collectible currency from uncollectible currency and for promptly depositing uncollectible currency in the Trust Fund; and (d) determining the face value of the currency held in the vault and ensuring that the inventory listing details the face value of all currency held in the vault.	N/A	Agree	a. 6/2010 b. 3/2010 c. 3/2010 d. 3/2010	N/A
49	II - 144	The Unclaimed Property Division should improve controls over claims processing by (a) ensuring that staff obtain adequate documentation to support identity and rights to claims prior to claims processing and maintain the documentation in processing files; (b) strengthening its existing supervisory review process to ensure that instances in which supporting documentation is lacking are identified and corrected prior to payment and that all claims are appropriately reviewed in accordance with Division procedures; (c) ensuring that proper segregation of duties exists over claims processing by requiring separate individuals to review and approve claims, and making system modifications as appropriate; and (d) expanding existing claims processing guidelines to further address the use of staff discretion.	N/A	Agree	a. Ongoing b. Ongoing c. 10/2009 d. 5/2010	N/A

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
149	II - 304	Implement procedures for monitoring counties' compliance with the earmarking requirements of the federal Secure Payments for States and Counties Containing Federal Lands program.	10.665 (G) USDA	Partially Agree	6/2010	Charles Scheibe (303)866-5826
<b>Department of Transportation</b>						
50	II - 155	Review the contractor expenditures that were processed in SiteManager after the period 13 close and determine why and how such expenditures were not identified during the year-end accrual process. The Department should then determine if there is a need to revise or develop new accrual procedures to reduce or prevent such expenditures from not being accrued.	N/A	Agree	9/2010	N/A
51	II - 157	Strengthen its controls over local agency receivables, revenue, and deferred revenue by (a) ensuring that supervisory reviews of accounts receivable are adequate to identify and correct errors in a timely manner, (b) completing the research on the seven confirmations from local agencies who disputed their account balances and making adjustments as appropriate, (c) following up with local agencies on a regular and timely basis regarding outstanding balances owed to the State and providing sufficient detail to the local agencies that supports the outstanding balance, (d) considering the need for an allowance for outstanding balances that are 60 days or more in arrears, and (e) ensuring that SAP operates as intended when processing transactions related to accounts receivable and that all system errors are addressed.	N/A	Partially Agree	6/2010	N/A

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## FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

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Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
150	III - 307	Track subrecipient activity based on payments made to subrecipients in each current year and obtain audits from subrecipients that have \$500,000 or more in federal funds as required by OMB <i>Circular A-133</i> .	20.205 (M) DOT	Agree	December 2009	Darrell Johnson (303)-757-9032

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## **Compliance Requirements**

- (A) Activities Allowed or Unallowed
- (B) Allowable Costs/Cost Principles
- (C) Cash Management
- (D) Davis-Bacon Act
- (E) Eligibility
- (F) Equipment and Real Property Management
- (G) Matching, Level of Effort, Earmarking
- (H) Period of Availability of Federal Funds
- (I) Procurement, Suspension, and Debarment
- (J) Program Income
- (K) Real Property Acquisition and Relocation Assistance
- (L) Reporting
- (M) Subrecipient Monitoring
- (N) Special Tests and Provisions

## **Federal Entities**

BIA - Bureau of Indian Affairs  
CSREES - Cooperative State Research, Education, and Extension Service  
DARPA - Defense Advanced Research Agency  
DHS - Department of Homeland Security  
DOC - Department of Commerce  
DOD - Department of Defense  
DOE - Department of Energy  
DOJ - Department of Justice  
DOI - Department of the Interior  
DOL - Department of Labor  
DOT - Department of Transportation  
DVA - Department of Veterans Affairs  
EAC - Election Assistance Commission  
ED - Department of Education  
EPA - Environmental Protection Agency  
FEMA - Federal Emergency Management Agency  
HHS - Department of Health and Human Services  
HUD - Department of Housing and Urban Development  
IMLS - Institute of Museum & Library Services  
NASA - National Aeronautics and Space Administration  
NEH - National Endowment for the Humanities  
NIST - National Institute of Standards and Technology  
NOAA - National Oceanic & Atmospheric Administration  
NSF - National Science Foundation  
SSA - Social Security Administration  
USDA - United States Department of Agriculture

**Net Passed Audit Adjustments by Agency  
For Fiscal Year Ended June 30, 2009  
Increase (Decrease)**

<b>Agency Name</b>	<b>Asset</b>	<b>Liability</b>	<b>Net Assets</b>	<b>Revenue</b>	<b>Expenditure</b>
<b>Agriculture</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Corrections</b>	-	-	-	-	-
<b>Education</b>	-	-	-	-	-
<b>Governor</b>	-	-	-	-	-
<b>Health Care Policy and Financing</b>	628,760	(1,485)	12,624	353,340	(241,602)
<b>Higher Education</b>	4,257,787	995,333	(8,884,941)	(30,004,507)	(37,780,352)
<b>Human Services</b>	197,950	(141,017)	-	338,967	-
<b>Judicial</b>	-	-	-	-	-
<b>Labor and Employment</b>	-	-	-	-	-
<b>Law</b>	150	-	-	(150)	-
<b>Legislative</b>	-	-	-	-	-
<b>Local Affairs</b>	-	(4,263)	-	4,263	-
<b>Military Affairs</b>	-	-	-	-	-
<b>Natural Resources</b>	-	-	857,546	(857,546)	-
<b>Personnel and Administration</b>	(20,912)	77	-	(5,988)	(219,242)
<b>Public Health and Environment</b>	-	-	-	-	-
<b>Public Safety</b>	-	(20)	-	-	(20)
<b>Regulatory Agencies</b>	-	-	-	-	-
<b>Revenue</b>	-	395,115	-	(395,115)	-
<b>State</b>	-	-	-	-	-
<b>Transportation</b>	(3,237,715)	7,324,914	-	(2,550,612)	8,012,017
<b>Treasury</b>	-	(4,263)	-	4,263	-
<b>Net Increase(Decrease)</b>	\$ 1,826,021	\$ 8,564,392	\$ (8,014,771)	\$ (33,113,085)	\$ (30,229,200)

**Gross Passed Audit Adjustments by Agency  
For Fiscal Year Ended June 30, 2009**

<b>Agency Name</b>	<b>Asset</b>	<b>Liability</b>	<b>Net Assets</b>	<b>Revenue</b>	<b>Expenditure</b>
<b>Agriculture</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Corrections</b>	-	-	-	-	-
<b>Education</b>	-	-	-	-	-
<b>Governor</b>	-	-	-	-	-
<b>Health Care Policy and Financing</b>	849,984	1,485	37,872	577,533	368,200
<b>Higher Education</b>	32,902,168	2,769,475	13,052,183	47,875,919	61,871,268
<b>Human Services</b>	197,950	141,017	-	338,967	-
<b>Judicial</b>	-	-	-	-	-
<b>Labor and Employment</b>	-	-	-	-	-
<b>Law</b>	150	-	-	150	-
<b>Legislative</b>	-	-	-	-	-
<b>Local Affairs</b>	-	4,263	-	4,263	-
<b>Military Affairs</b>	-	-	-	-	-
<b>Natural Resources</b>	-	-	857,546	857,546	-
<b>Personnel and Administration</b>	22,052	115	-	6,108	592,767
<b>Public Health and Environment</b>	-	-	-	-	-
<b>Public Safety</b>	-	20	-	-	95
<b>Regulatory Agencies</b>	10	-	-	-	-
<b>Revenue</b>	-	412,165	-	412,165	-
<b>State</b>	-	-	-	-	-
<b>Transportation</b>	3,237,715	8,699,120	-	2,550,612	8,012,017
<b>Treasury</b>	-	4,263	-	4,263	-
<b>\$</b>	<b>37,210,029</b>	<b>\$ 12,031,922</b>	<b>\$ 13,947,601</b>	<b>\$ 52,627,525</b>	<b>\$ 70,844,348</b>

**Net Posted Audit Adjustments by Agency  
For Fiscal Year Ended June 30, 2009  
Increase (Decrease)**

<b>Agency Name</b>	<b>Asset</b>	<b>Liability</b>	<b>Net Assets</b>	<b>Revenue</b>	<b>Expenditure</b>
<b>Agriculture</b>	\$ (10,204)	\$ (1,200)	\$ 64,292	\$ (3,268,814)	\$ (2,862,258)
<b>Corrections</b>	196,176	(1,898,017)	56,408	134,335	124,485
<b>Education</b>	8,248,395	3,887	3,977,334	(6,852,601)	(10,459,044)
<b>Governor</b>	(1,670,690)	264,296	297,707	(183,710,867)	(181,044,322)
<b>Health Care Policy and Financing</b>	137,311,382	176,469,129	(98,935,085)	(185,944,310)	(244,735,903)
<b>Higher Education</b>	(672,833,103)	5,519,596	(487,924,228)	1,496,027,698	1,688,970,963
<b>Human Services</b>	10,586,725	340,655	4,563,973	4,799,911	1,425,247
<b>Judicial</b>	167,029	-	51,666	(170,837)	604,305
<b>Labor and Employment</b>	2,496,828	(285,734)	1,968,878	(1,188,350)	(1,321,200)
<b>Law</b>	133,069	37,295	33,340	62,434	758,499
<b>Legislative</b>	303,996	319,074	6,627	(28,215)	855,816
<b>Local Affairs</b>	2,993,005	-	1,121,197	118,138	(1,323,871)
<b>Military Affairs</b>	84,335	-	327,936	65,778	514,320
<b>Natural Resources</b>	828,287	167,593	1,491,344	(1,013,647)	2,051,376
<b>Personnel and Administration</b>	(5,755,532)	1,202,056	(4,634,332)	599,154	(18,060,054)
<b>Public Health and Environment</b>	1,912,053	(133,473,674)	138,519,999	225,695	4,103,766
<b>Public Safety</b>	118,976	-	31,999	(2,981,373)	(1,967,511)
<b>Regulatory Agencies</b>	229,201	-	10,706	207,495	573,789
<b>Revenue</b>	7,753,300	2,027,397	580,053	9,408,807	6,001,497
<b>State</b>	112,104	-	70,244	41,860	167,615
<b>Transportation</b>	12,616,892	-	63,556,680	(52,795,065)	(533,422)
<b>Treasury</b>	32,147,566	1,364,271	(54,034,043)	(32,581,238)	(117,398,576)
<b>Net Increase(Decrease)</b>	<b>\$ (462,030,210)</b>	<b>\$ 52,056,624</b>	<b>\$ (428,797,305)</b>	<b>\$ 1,041,155,990</b>	<b>\$ 1,126,445,519</b>

**Gross Posted Audit Adjustments by Agency**  
**For Fiscal Year Ended June 30, 2009**  
**Increase (Decrease)**

<b>Agency Name</b>	<b>Asset</b>	<b>Liability</b>	<b>Net Assets</b>	<b>Revenue</b>	<b>Expenditure</b>
<b>Agriculture</b>	\$ 471,086	\$ 1,200	\$ 1,106,410	\$ 4,495,416	\$ 4,316,948
<b>Corrections</b>	308,992	1,908,883	49,213,698	1,948,850	27,862,140
<b>Education</b>	16,205,997	6,821	3,977,334	26,005,475	15,586,694
<b>Governor</b>	4,547,146	264,296	4,341,713	190,170,875	183,262,663
<b>Health Care Policy and Financing</b>	220,103,543	176,469,129	100,813,011	464,416,767	749,920,393
<b>Higher Education</b>	2,022,775,393	89,901,878	528,097,307	3,569,245,561	2,356,408,290
<b>Human Services</b>	10,869,505	357,023	4,904,840	138,699,172	67,543,329
<b>Judicial</b>	270,361	-	51,666	4,136,031	6,418,092
<b>Labor and Employment</b>	12,576,442	324,762	2,920,542	12,284,836	5,622,198
<b>Law</b>	210,045	47,591	33,340	22,398,338	1,088,987
<b>Legislative</b>	545,382	517,966	6,627	1,539,927	2,196,367
<b>Local Affairs</b>	5,235,399	-	1,121,197	5,867,872	2,894,499
<b>Military Affairs</b>	121,449	-	391,214	102,892	984,742
<b>Natural Resources</b>	9,498,759	323,361	3,860,313	8,921,027	107,893,643
<b>Personnel and Administration</b>	15,754,650	1,667,228	801,628,553	72,960,188	47,322,719
<b>Public Health and Environment</b>	3,180,565	146,604,644	138,752,239	8,660,495	9,131,595
<b>Public Safety</b>	182,974	-	31,999	11,692,346	11,221,302
<b>Regulatory Agencies</b>	2,951,901	2	10,706	250,907	1,975,966
<b>Revenue</b>	9,919,544	8,254,303	5,882,899	13,684,781	22,653,398
<b>State</b>	252,592	-	70,244	182,348	167,615
<b>Transportation</b>	62,139,993	1,688,014	1,897,827,810	85,998,911	6,466,607
<b>Treasury</b>	448,713,553	495,735,288	123,332,361	234,826,627	168,614,301
	\$ 2,846,835,271	\$ 924,072,388	\$ 3,668,376,022	\$ 4,878,489,643	\$ 3,799,552,489

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