

AN AUDIT

*State of Wisconsin*

*1998-1999*

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*May 2000*

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**State of Wisconsin** \ LEGISLATIVE AUDIT BUREAU

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May 31, 2000

Senator Gary R. George and  
Representative Carol Kelso, Co-chairpersons  
Joint Legislative Audit Committee  
State Capitol  
Madison, Wisconsin 53702

Dear Senator George and Representative Kelso:

We have completed our financial and compliance audit of the State of Wisconsin, as requested by state agencies to meet the audit requirements of the federal Single Audit Act of 1984, as amended, and the provisions of federal Office of Management and Budget Circular A-133. Our audit covered the period July 1, 1998 through June 30, 1999. In addition to satisfying federal audit requirements, the audit assists us in meeting state audit requirements under s. 13.94, Wis. Stats.

The audit procedures performed at the larger state agencies that administer federal financial assistance programs, including the University of Wisconsin System, consisted of gaining an understanding of the internal controls at the agencies, assessing the propriety of revenues and expenditures, and testing compliance with laws and regulations related to the administration of federal grant programs. For the smaller agencies and selected University of Wisconsin campuses, our audit procedures were limited to verifying information included in the federally required Schedule of Expenditures of Federal Awards and following up on prior-year audit findings. Our review focused on the 30 federal grants that either exceeded the \$15.3 million threshold used to define major grants or were below this threshold but were selected for review based on the risk-based assessment criteria established by the federal government.

The first section of our report contains the auditor's reports on compliance and internal control. Next are the agency narratives that contain our comments on internal control deficiencies related to the administration of federal grants, findings of noncompliance for each agency, and the results of our follow-up to prior audit findings. A summary schedule of findings and questioned costs for the current year's audit is also provided, as well as a summary of the status of findings included in our prior audit report for the State of Wisconsin (report 99-12). We note that, overall, state agencies have complied with federal grant requirements and have taken steps to address findings included in the prior year's single audit report. However, we do report internal control deficiencies and several areas of noncompliance, and we identify \$688,051 in questioned costs. This amount represents a small portion of the \$5.7 billion in federal financial assistance to the State of Wisconsin.

Also included in this report is the Schedule of Expenditures of Federal Awards for the audited period, and related notes. Our audit opinion on the schedule is unqualified.

Senator Gary R. George and  
Representative Carol Kelso  
Page 2  
May 31, 2000

The federal government will resolve the findings and questioned costs included in our report. Federal agencies are expected to contact state agencies regarding resolution. To assist federal officials in their efforts, state agency contact information is provided in appendices to this report.

In addition to the comments and recommendations included in our report, management letters will be issued to the larger state agencies addressing technical accounting and internal control issues, including those relating to the preparation of the State's financial statements.

We appreciate the courtesy and cooperation extended to us by agency staff during our audit. Agencies' comments on individual findings, along with their corrective action plans to address our concerns, are included within the agency narratives.

Respectfully submitted,

Janice Mueller  
State Auditor

JM/BN/bm

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## SUMMARY

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The State of Wisconsin administered \$5.7 billion in federal financial assistance during fiscal year (FY) 1998-99. As a condition of receiving federal assistance, the State is required to have an independent audit of its financial statements and of its compliance with federal grant program requirements. We performed this audit at the request of the various state agencies that received federal financial assistance and to meet our audit responsibilities under s. 13.94, Wis. Stats. To satisfy audit requirements, we gained an understanding of the internal controls, assessed the propriety of revenues and expenditures, and tested agency compliance with state and federal program requirements.

Our unqualified audit opinion on the State's general purpose financial statements was included in the Comprehensive Annual Financial Report for the fiscal year ended June 30, 1999. This report was issued by the Wisconsin Department of Administration in December 1999 and is available from the State Controller's Office.

The federal compliance portion of the single audit included audit work at the 23 state agencies that administered federal financial assistance programs. These agencies vary in size and complexity from the Department of Health and Family Services (DHFS) and the Department of Workforce Development (DWD), each of which administered six major federal grant programs during FY 1998-99, to the Board on Aging and Long-Term Care, which administered only a few small grants and contracts.

Our audit did not include the federal grants administered by the Wisconsin Housing and Economic Development Authority and the Wisconsin Supreme Court. These entities are audited separately by other auditors.

As noted, the total amount of federal financial assistance administered by the State was \$5.7 billion in FY 1998-99. DHFS administered \$2.1 billion, or 36.7 percent, of the State's total federal financial assistance. The majority of these funds, \$1.7 billion, was disbursed for the Medical Assistance Program. The State also contributed \$1.2 billion in general purpose revenue to fund this program.

DWD also administers large federal programs. One of these programs is the Unemployment Insurance program, under which DWD expended \$546.0 million during FY 1998-99. In addition, DWD disbursed \$117.2 million in federal funds for the Child Care Cluster grants, and \$116.7 million for the Temporary Assistance for Needy Families program.

The University of Wisconsin (UW) System expended \$695.1 million in federal aid during FY 1998-99. These expenditures included \$366.5 million for student financial aid, \$271.7 million under a variety of research and development grants, and \$56.9 million for other federal grants. Other state agencies administering significant federal programs include the Department of Transportation (DOT), which expended

\$407.7 million in FY 1998-99 for the Highway Planning and Construction program; the Department of Public Instruction (DPI); the Department of Natural Resources (DNR); and the Department of Administration (DOA).

These seven large state agencies administered 96.8 percent of the federal financial assistance received by the State, and 27 of the State's 30 major grant programs. Accordingly, our audit effort concentrated on these state agencies.

We concluded that state agencies were in substantial compliance with federal grant program requirements. However, we noted instances of noncompliance with federal grant requirements and, in total, question \$688,051 in costs charged to various federal grant programs. These costs represent a small portion of the \$5.7 billion in federal financial assistance received during the year. In addition to findings that result in questioned costs, we identified instances of noncompliance that have no direct effect on the amount of federal financial assistance received or for which we could not readily determine the amount to question. Summaries of some of our more serious findings follow.

### **Department of Workforce Development**

DWD administers some of the largest and most complex federal programs and, in recent years, has had more findings and questioned costs than other agencies. In total, we question \$556,879 that DWD charged to federal grant programs or that was lost interest earnings to the federal government because of various delays. The largest single area of questioned costs resulted from failure to credit the federal government's share of support collections for public assistance programs in a timely manner. Child support and other support collections related to families that received benefits from public assistance programs, such as the Temporary Assistance for Needy Families program, are not disbursed to the family but are used to offset the federal and state share of program expenditures. Because DWD was late in submitting federally required quarterly reports of collections and expenditures, it did not promptly return the federal government's share of support collections for cases related to public assistance programs. As a result, we question \$300,000 in interest that we estimate the State gained at the expense of the federal government.

Some federal grants require the State to match federal expenditures with expenditures financed from non-federal sources. We have concerns because DWD did not obtain and maintain documentation to support amounts reported as non-federal match under the Medical Assistance, Food Stamps, Head Start, and Vocational Rehabilitation programs. In total, we question \$167,353 in federal expenditures because DWD could not document that it met the State's matching requirements under these programs.

DWD's Division of Vocational Rehabilitation (DVR) administers the Vocational Rehabilitation program to assist eligible individuals with disabilities in preparing for and engaging in gainful employment. While DVR generally met minimum federal requirements in eligibility determination and documentation of rehabilitation plans, we have single audit concerns over documentation of grant payments made directly to individuals. We found a direct client payment of \$3,719 for which DWD did not have

supporting documentation. In response to our inquiries, DWD contacted the client but could obtain documentation for only \$2,433 in expenditures; the client admitted to the DVR counselor that the remaining \$1,286 was spent on unallowable items. We are currently conducting an evaluation of the Vocational Rehabilitation program and expect to issue our report by early fall.

### **Department of Health and Family Services**

Like DWD, DHFS administers many large and complex federal programs, such as the Medical Assistance Program. However, DHFS has been able to administer its federal programs with relatively few issues of noncompliance. We have only two new findings this year, both of which relate to the Women, Infants, and Children (WIC) program and do not result in questioned costs. Participants in the program redeem food coupons issued by the State to purchase WIC-approved food items at grocery stores. While DHFS meets federal requirements to reconcile at least 99 percent of the redeemed food coupons to issuance records within 150 days, there are exceptions that are not investigated. DHFS agrees with our suggestion to reconcile all redeemed food coupons to increase the likelihood of detecting additional instances of fraud or abuse of the program by participants. DHFS has already addressed our second concern by requiring audits of the internal controls of two private organizations with which it contracts to administer the WIC program.

Typically, when we find instances of noncompliance with federal rules and question costs, agencies are required to reimburse the federal government for expenditures that were deemed unallowable. However, at times our audit findings result in additional funds for the State. In our prior audit, we questioned a small amount of money because DHFS made an overpayment related to the Medical Assistance Program when its systems did not make timely adjustments related to updated information on a client's ability to pay for services. Because of the large number of claims processed during the year, we thought additional overpayments were likely. DHFS implemented our recommendation to recalculate claim payments made during FY 1997-98, which resulted in the recovery of \$208,000 from nursing homes. Of that amount, approximately \$122,000 was returned to the federal government, and \$86,000 was retained by the State to offset its share of nursing home costs. In addition, DHFS will be reviewing all available nursing home claims dating back to 1993 to determine the amount of any additional cost recoveries.

### **University of Wisconsin System**

Although UW System was in substantial compliance with federal program requirements, we noted several instances of noncompliance with federal grant requirements and, in total, question \$62,022 in costs charged to federal programs. We identified two areas that are of particular concern because of their relative significance or because they represent a continuation of previously noted problems.

First, at UW-Parkside, we noted concerns related to student eligibility and awards. We identified 19 students who failed to meet the satisfactory academic progress policy but continued to be awarded federal financial aid totaling \$51,124. Though UW-Parkside's student financial aid system identifies students who fail to meet the satisfactory academic progress policy and can be set to reject payments to them, UW-Parkside staff indicated that this system control was automatically overridden before the spring 2000 session.

Second, at UW-Madison, UW-Milwaukee, UW-Parkside, and UW-River Falls, we identified concerns related to the assignment of defaulted loans to the U.S. Department of Education. Although federal regulations do not specify how long institutions may keep defaulted loans before assignment, good loan management practices require institutions to identify when collection efforts available to them have been exhausted and more powerful collection efforts, such as assignment to the U.S. Department of Education, are necessary. We identified loans at these four UW campuses that were in default for more than eight to ten years, which we believe exceeds the standard for good loan management. For example, we determined that UW-Milwaukee has at least 321 loans, totaling approximately \$663,338 in principal and interest, that have been in default for more than ten years without any collections being received.

In addition to these two concerns, UW-Milwaukee and UW-Superior are currently working with the Legislative Audit Bureau to finalize the FY 1998-99 reconciliation of campus Pell Grant disbursement records to the U.S. Department of Education's records. These UW campuses did not complete the reconciliations by September 30 following the end of the academic year because of processing difficulties and delays. Therefore, as required by federal regulations, UW-Milwaukee and UW-Superior have completed the Pell Increase Award Report to notify the U.S. Department of Education of the additional reimbursements needed and are working with the Legislative Audit Bureau to obtain the required auditor's certification.

### **Department of Administration**

DOA charges state agencies for a variety of services, including mainframe computer services. It is expected that DOA would establish billing rates that are fair and equitable and that recover costs directly related to providing mainframe services. DOA assigns budgeted costs to cost pools and then calculates rates to recover these costs. However, we are concerned because one of the mainframe computer cost pools included \$2.8 million that was largely unrelated to providing mainframe services, and \$5.2 million that should have been allocated to other cost pools. As a result, DOA's mainframe computer rates were overstated, while rates for other services, such as printing, were understated. Consequently, agencies that used relatively more mainframe computer services, such as DWD, may have subsidized users of the other services. In addition, federal grants may have been overcharged for mainframe computer costs. We will be issuing a separate management letter to DOA on the rate-setting methodology in the near future.

Occasionally, state agencies or other entities receive income related to the administration of federal grants. Federal rules require that this income be used to offset the federal government's share of program expenditures or, if agreed to in advance, for other program purposes. We have a continuing concern with program income received by a nonprofit corporation with which DOA contracted to administer a grant program to assist low-income individuals in acquiring houses. This year, we question \$69,150 in program income the nonprofit corporation collected but has not reported to DOA. DOA is working with the U.S. Department of Housing and Urban Development to resolve this issue.

### **Other State Agencies**

Generally, state agencies request federal reimbursements in a manner that minimizes the delay between the time grant expenditures are incurred and federal reimbursements are received. However, we note several instances in which state funds temporarily subsidized federal programs, resulting in lost interest to the State. For example, DNR continued to have difficulties obtaining expenditure information from its accounting records and again requested federal reimbursement on a quarterly, or longer, basis. As a result, state funds continued to temporarily subsidize federal programs, resulting in an estimated \$95,000 in lost interest earnings to the State. The Department of Corrections also requested quarterly federal reimbursement, even though requests should have been made at least monthly, resulting in estimated loss to the State of at least \$7,500 in interest earnings. Finally, the Department of Veterans Affairs had not been successful in collecting \$66,668 in reimbursements for expenditures incurred during FY 1994-95 related to construction of a nursing care facility at the Wisconsin Veterans Home. After our interim audit communication, the Department of Veterans Affairs contacted the federal awarding agency and successfully obtained reimbursement.

We also found noncompliance with various federal regulations at other state agencies. For example, DPI did not require suspension and debarment certifications from vendors with contracts over \$100,000, and the Department of Justice did not complete the required time and effort certifications for staff working on the State Medicaid Fraud Control Units grant.

Each year we follow up on findings and recommendations included in our previous single audit report. While most state agencies promptly implement corrective action, sometimes a longer period is required to carry out recommendations. This year we found that the Higher Educational Aids Board and DOT had taken timely steps to address prior audit concerns. However, the departments of Military Affairs and Commerce have made only partial progress in implementing prior audit recommendations. The Department of Military Affairs continued to not follow federal rules that require staff working solely on one federal grant to complete semi-annual certifications of their work effort, and those working on multiple grants to complete monthly personnel activity reports. Commerce continues to have difficulties completing desk reviews of single audit reports for which it is the cognizant agency.

A summary of our federal findings and questioned costs can be found in Section III of the Schedule of Findings and Questioned Costs (pages 155 through 161). Agencies' responses to the findings and their plans for corrective action are included in the body of this report. The federal government will contact the agencies to resolve findings and questioned costs. A summary of the status of findings included in our prior audit report (report 99-12) is presented on pages 163 through 175.

Issues addressing technical accounting matters, including those related to preparation of the State's financial statements, are included in management letters and other audit communications for various state agencies. Summaries of the more serious concerns related to financial reporting are included in Section II of the Schedule of Findings and Questioned Costs (pages 143 through 155).

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## INTRODUCTION

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The State of Wisconsin administered \$5.7 billion of federal financial assistance during fiscal year (FY) 1998-99. Of that total, \$4.9 billion consisted of cash disbursements; the remaining \$790 million consisted of noncash items such as food stamps, food commodities, and outstanding loans. As a condition of receiving federal funds, the State must meet the audit requirements of the federal Single Audit Act of 1984, as amended, and federal Office of Management and Budget (OMB) Circular A-133. The audit report must contain the auditor's report on the general purpose financial statements; the auditor's report on the State's compliance and internal control over financial reporting; and the auditor's report on the State's compliance with requirements applicable to each major program, internal control over compliance in accordance with OMB Circular A-133, and schedule of expenditures of federal awards. We also incorporated agencies' responses to our findings and their corrective action plans into the report narrative. The report, along with other required information, is submitted to the federal government to fulfill the State's single audit report distribution requirements of OMB Circular A-133.

The statewide annual financial and compliance audit covers the period July 1, 1998 through June 30, 1999. Federal rules allow the auditor to use judgment to select those grants that may contain a higher risk of noncompliance with federal regulations. For the State of Wisconsin, OMB Circular A-133 categorizes as "type A" grants those grants for which the State expended \$15.3 million or more of federal funds. We reviewed and tested those type A grants that we believe are subject to higher risk of noncompliance. Federal rules allow the auditor to test other type A grants only once every three years, rather than each year. Accordingly, we selected about one-third of the lower-risk type A grants to audit this year. For each type A grant not audited during the current audit, federal rules require the auditor to select another grant for audit, referred to as a "type B" grant, with expenditures under the \$15.3 million threshold. The purpose of selecting additional grants is to ensure a variety of grants, rather than just the largest grants, are audited each year while still ensuring that the largest grants are audited at least once every three years.

As required by OMB Circular A-133, we tested compliance with laws and regulations related to federal grant programs, contracts, and subgrants the State administered. Our compliance review focused on the 18 type A grants and 12 type B grants listed in Note 2 to the Schedule of Expenditures of Federal Awards. These grants were administered by 12 different state agencies and accounted for 64 percent of the federal financial assistance administered by the State. We also followed up on findings included in our prior audit report for the State of Wisconsin (report 99-12).

In addition to satisfying federal audit requirements, the audit work performed at state agencies assists in meeting state audit requirements identified in s. 13.94, Wis. Stats. The scope of the single audit did not include the federal awards administered by the Wisconsin Housing and Economic Development Authority and the Wisconsin Supreme Court. These entities are audited separately by other auditors.

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# INDEPENDENT AUDITOR'S REPORT ON THE STATE OF WISCONSIN'S COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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We have audited the general purpose financial statements of the State of Wisconsin as of and for the year ended June 30, 1999, and have issued our report thereon dated December 17, 1999. The general purpose financial statements and related auditor's opinion have been included in the State of Wisconsin's Comprehensive Annual Financial Report for 1999. We did not audit the financial statements of the Environmental Improvement Fund, which represents 31 percent of the assets and 2 percent of the operating revenues of the enterprise funds, nor did we audit the financial statements of the Wisconsin Department of Transportation Revenue Bond Program and Commercial Paper Program, which represent 92 percent of the assets and 27 percent of the revenues and operating transfers of the debt service funds, 59 percent of the assets and 45 percent of the bond proceeds of the capital projects funds, and 21 percent of the liabilities of the general long-term debt account group. In addition, we did not audit the financial statements of the Wisconsin Housing and Economic Development Authority, the Wisconsin Health Care Liability Insurance Plan, and the University of Wisconsin Hospitals and Clinics Authority, which represent 100 percent of the financial activity of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the State's general purpose financial statements, insofar as it relates to the amounts included for those entities, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Wisconsin Department of Transportation Revenue Bond Program and Commercial Paper Program, Wisconsin Health Care Liability Insurance Plan, and University of Wisconsin Hospitals and Clinics Authority were audited by other auditors in accordance with generally accepted auditing standards, but not in accordance with the additional requirements of *Government Auditing Standards*.

## Compliance

As part of obtaining reasonable assurance about whether the State of Wisconsin's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of

noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of several state agencies in separate letters.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the general purpose financial statements of the State of Wisconsin for the year ended June 30, 1999, we considered the State's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the State's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in Section II of the Schedule of Findings and Questioned Costs as findings WI-99-53 through WI-99-67.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider findings WI-99-57, WI-99-58, and WI-99-65 to be material weaknesses. We also noted other matters involving the internal control over financial reporting, which we have reported to the management of several state agencies in separate letters.

This report is intended solely for the information and use of the management of the State, the Wisconsin Legislature's Joint Legislative Audit Committee, federal awarding agencies, and pass-through entities. This restriction is not intended to limit the distribution of this report, which, upon submission to the Joint Legislative Audit Committee, is a public document. However, because we do not express an opinion on compliance or provide assurance on internal control over financial reporting, this report is not intended to be used by anyone other than these specified parties.

LEGISLATIVE AUDIT BUREAU

December 17, 1999 by

Bryan Naab  
Audit Director

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# INDEPENDENT AUDITOR'S REPORT ON THE STATE OF WISCONSIN'S COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133, AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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## Compliance

We have audited the State of Wisconsin's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1999. The State of Wisconsin's major federal programs are identified in the summary of auditor's results section of the accompanying State of Wisconsin Schedule of Findings and Questioned Costs for the Year Ended June 30, 1999, as well as in Note 2 of the accompanying Notes to the State of Wisconsin Schedule of Expenditures of Federal Awards. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the management of Wisconsin state agencies. Our responsibility is to express an opinion on the State of Wisconsin's compliance based on our audit.

The federal grants administered by the Wisconsin Supreme Court were not included in the scope of our audit of federal awards because its grants are audited separately in accordance with OMB Circular A-133, if required. In addition, we did not include in our audit scope the federal awards administered by the Wisconsin Housing and Economic Development Authority. An audit of that entity was performed by other auditors.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 Wisconsin's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the State of Wisconsin's compliance with those requirements.

In our opinion, the State of Wisconsin complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999. 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 that are described in the accompanying agency report narratives and in Section III of the Schedule of Findings and Questioned Costs as findings WI-99-4 through 20, 22, 24 through 27, 29, through 33, 35 through 42, 44, 47 through 50, and 52.

## **Internal Control Over Compliance**

The management of Wisconsin state agencies is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the State of Wisconsin's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the State of Wisconsin's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying agency report narratives and in Section III of the Schedule of Findings and Questioned Costs as findings WI-99-1 through 3, 6 through 18, 20 through 23, 25 through 30, 32 through 36, 40, 41, 43 through 47, 49, and 51.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider Finding WI-99-29 to be a material weakness.

## **Schedule of Expenditures of Federal Awards**

We have audited the general purpose financial statements of the State of Wisconsin as of and for the year ended June 30, 1999, and have issued our report thereon dated December 17, 1999. Our audit was performed for the purpose of forming an opinion on the general purpose 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 general purpose financial statements.

As described in Note 1 to the Schedule of Expenditures of Federal Awards, the schedule was prepared from agency records maintained on the basis of accounting prescribed by Wisconsin Statutes, which is a comprehensive basis of accounting other than generally accepted accounting principles, and from federal reports submitted by the agencies to the federal government.

The information in the schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

This report is intended solely for the information and use of the management of the State, the Wisconsin Legislature's Joint Legislative Audit Committee, federal awarding agencies, and pass-through entities. This restriction is not intended to limit the distribution of this report, which, upon submission to the Joint Legislative Audit Committee, is a public document. However, this report is not intended to be used by anyone other than these specified parties.

LEGISLATIVE AUDIT BUREAU

May 8, 2000

by

Bryan Naab  
Audit Director



The Wisconsin Department of Health and Family Services (DHFS) administers a wide range of services to clients in communities and institutions, regulates certain care providers, and supervises and consults with local public and voluntary agencies. It administers state and federal programs involving public health, mental health, substance abuse, long-term care, services to the disabled, medical assistance, and children's services. DHFS disbursed \$3.9 billion during FY 1998-99; federal grants to the State financed \$2.1 billion of that amount.

As part of our standard audit procedures, we reviewed DHFS's internal control policies and procedures over receipts, disbursements, and the administration of federal financial assistance programs. We tested DHFS's compliance with grant requirements for six major grants. Overall, we found the agency's internal control structure to be adequate and the agency to be in compliance with the grant requirements for the major programs. However, we did identify two concerns related to the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). In addition, we followed up on the progress DHFS has made in implementing recommendations included in our FY 1997-98 single audit report (report 99-12). We continue to have concerns related to reconciliation of Medical Assistance expenditure information, subrecipient monitoring, and quality-control reviews.

### **Special Supplemental Food Program for Women, Infants, and Children**

The Special Supplemental Food Program for Women, Infants, and Children grant (catalog #10.557) provides supplemental nutritious foods, nutrition education, and referral of health care to low-income pregnant, breastfeeding, and postpartum women; infants; and children to age five determined to be at nutritional risk. Eligible participants are certified and approved for WIC eligibility by local WIC agencies and clinics throughout Wisconsin. The local agencies and clinics issue WIC food instruments that participants redeem at local WIC vendors within 30 days of issuance for WIC-approved food items.

The State maintains a bank account to pay vendors for the food sold to WIC participants. Vendors indicate the price of the food on the food instruments, require participants to sign the food instruments, stamp the food instruments with an approved WIC vendor stamp, and present food instruments for payment through the banking system. The State transfers funds to the bank account to pay vendors and seeks subsequent federal reimbursement for redeemed food instruments.

## Reconciliation of WIC Food Instruments

Federal regulations require states to reconcile redeemed food instruments to issuance records within 150 days of issuance to participants. States are to determine whether redeemed food instruments: 1) were validly issued and used; 2) were redeemed after having been reported as lost, stolen, or voided; 3) were redeemed after the valid use date; 4) had duplicate serial numbers; 5) were inappropriately issued to duplicate participants; or 6) in any other way did not match issuance records. Federal regulations require states to reconcile at least 99 percent of the redeemed food instruments.

To aid in this reconciliation, DHFS sends the monthly Dual Participation Report and the Questionable Issuance Report to local WIC agencies. In chapter 8 of the WIC System Manual, DHFS requires local WIC agencies to review these reports and send information back to DHFS within 30 days detailing any circumstances in which food instruments were not validly issued. Most WIC agencies review and return these reports. In relation to the total number of food instruments issued, the number of exceptions on the reports that are not reviewed is not high. Therefore, DHFS appears to be in compliance with the federal regulation to reconcile at least 99 percent of the redeemed food instruments.

However, while DHFS appears to meet federal reconciliation requirements, there are exceptions listed on the Dual Participation Reports and the Questionable Issuance Reports that are not investigated. We believe DHFS should enforce its own policy included in the WIC System Manual and require that all WIC agencies review and return these reports, because such review may disclose indications of fraud or abuse of the program by participants. For example, the Dual Participant Report discloses possible instances of recipients receiving benefits from more than one local agency. During the period December 1998 through March 1999, local WIC agencies did not review 25 reports, which contained 41 potential exceptions. During that same time period, other local WIC agencies reviewed 33 reports, noting 3 actual cases of dual participation. Because DHFS does not ensure all local WIC agencies review these reports, it is possible that additional cases of dual participation are not discovered and properly investigated.

Staff stated that reports may not be sent back to DHFS because some local agencies assume that the reports need be returned only if a problem is identified. Additionally, some local agencies may telephone DHFS and orally explain the reconciliation of the reports. However, DHFS does not maintain documentation of the oral explanations.

***FINDING WI-99-1: We recommend the Wisconsin Department of Health and Family Services enforce its written policy that all local agencies review and return reconciled Dual Participant Reports and Questionable Issuance Reports.***

Questioned Costs: Special Supplemental Nutrition Program for Women, Infants, and Children (catalog #10.557): Reconciliation of WIC Food Instruments = None

DHFS Response and Corrective Action Plan: The Division of Public Health indicates that as of August 1999, the reports are being date-stamped when they arrive at the WIC office. WIC local projects were reminded of current requirements and informed of the new date-stamping procedure in the September 1999 WIC Administrative Update. As of October 1999, Dual Participation Reports will be monitored by the WIC Vendor Management Section, and any instances of dual participation will be investigated.

### **Service Organization Report on Internal Controls**

DHFS's Division of Public Health has contracted with PDA, Inc., to provide an automated food delivery and management system for the WIC program. Under this contract, PDA maintains a computer system that tracks food instruments delivered to local WIC agencies, issued food instruments, redeemed food instruments, and WIC-approved vendors. PDA has subcontracted a portion of its duties to First State Marketing Corporation (FSMC). FSMC verifies the validity of redeemed food instruments, aids in the reconciliation of redeemed food instruments to issuance records, and reconciles the bank account used to pay WIC vendors.

DHFS is responsible for ensuring internal controls, including controls at PDA and FSMC, are adequate to properly administer the WIC program. For example, DHFS should ensure adequate controls exist for the following activities performed by PDA and FSMC:

- PDA's computer system maintains issuance, redemption, and approved-vendor records. PDA should maintain standard internal controls over these electronic data, such as restricting access to only those employees who need access to perform their job duties.
- FSMC reviews the food instruments submitted to the bank for various characteristics specified by DHFS, such as whether the food instruments exhibited valid vendor stamps and were signed by participant, and whether the costs of the food were below predetermined maximums. Controls should exist to ensure only food instruments meeting all requirements are charged to the WIC program.
- FSMC maintains the State's bank account used to pay vendors and requests daily transfers from the State's working bank for the amount of redeemed food instruments. FSMC reconciles this bank account on a monthly basis. Controls should be in place to ensure the daily transfers are appropriate and that the bank account is reconciled by someone other than the person who maintains the accounting records.

- PDA is responsible for updating and maintaining the computer system used by local WIC agencies to print food instruments and to ensure eligibility of participants. Proper controls over this system should be in place at PDA to ensure food instruments are issued only to eligible participants.

To aid in determining whether controls are in place, DHFS staff visit PDA approximately once every two years. However, these reviews concentrate on selected areas, such as performing physical inventories of state-owned assets, and are not intended to test overall controls at PDA. Additionally, DHFS's site visits do not review controls in place at FSMC.

To gain assurance that controls at PDA and FSMC are operating as intended, DHFS could expand the scope of its site visits to include tests of critical controls related to the WIC program. However, a preferred option may be to require PDA and FSMC to obtain a third-party review of controls related to administering Wisconsin's WIC program. In the accounting profession, this is known as a Statement on Auditing Standards (SAS) 70 audit, which is performed by a public accounting firm and provides for an opinion on whether the controls placed in operation can be relied upon to achieve specific control objectives, including those that help ensure compliance with federal requirements. A SAS 70 audit report also includes descriptions of the controls tested, the nature of the audit tests, and results. We are aware of at least one other state—Arizona—that also contracts with PDA and requires PDA to obtain an SAS 70 audit of the internal controls and procedures specific to that state.

The contracts with PDA and FSMC in effect at the time of our audit expired March 31, 2000. As we recommended in an interim audit communication, DHFS incorporated the requirement of a third-party audit in its new contracts with PDA and FSMC.

#### **FINDING WI-99-2:**

Questioned Costs: Special Supplemental Nutrition Program for Women, Infants, and Children (catalog #10.557): Service Organization Report on Internal Controls = None

#### **Prior Audit Follow-up**

As part of our current audit, we followed up on findings WI-98-1 through WI-98-7 of our FY 1998-99 single audit report. DHFS has implemented corrective action regarding Medical Assistance claims overpayment, ADP risk analysis and system security reviews, property management, and grant transaction coding. However, we continue to have concerns related to the reconciliation of Medical Assistance expenditure information, subrecipient monitoring, and quality-control reviews.

## Reconciliation of Medical Assistance Expenditure Information

All grants administered by DHFS are assigned to project monitors within the Bureau of Fiscal Services, who monitor grant expenditures and complete required federal financial reports. It is important for the project monitor of the Medical Assistance Program (catalog #93.778) and the State Survey and Certification of Health Care Providers and Suppliers (catalog #93.777) grant to reconcile expenditures reported on the quarterly HCFA-64 and HCFA-435 financial reports to federal reimbursements received through the State's cash management system maintained by the State Controller's Office in the Department of Administration. This reconciliation ensures the accuracy of the amounts reported in the quarterly reports and also ensures that DHFS has received federal reimbursement for reported expenditures. In our prior audit, we noted that because of turnover in the project monitor position, DHFS had not completed these reconciliations since the quarter ended March 31, 1998.

In response to our prior audit recommendation (Finding WI-98-4), DHFS stated that the Bureau of Fiscal Services had developed a timetable for reconciliation of the Medical Assistance and Survey and Certification quarterly financial reports to the cash management system. The Medical Assistance reconciliations were expected to be completed by March 1, 2000, and the Survey and Certification reconciliations were expected to be completed by January 1, 2000. However, adequate progress has not been made in this area. DHFS has not performed any additional quarterly reconciliations for the Medical Assistance Program and has completed reconciliations only through the quarter ended December 31, 1998 for the State Survey and Certification of Health Care Providers and Suppliers grant.

**FINDING WI-99-3:** *We again recommend the Wisconsin Department of Health and Family Services give priority to performing reconciliations of expenditures reported on the quarterly financial reports to federal reimbursements received through the federal cash management system.* DHFS should consider assigning additional staff on a temporary basis to assist in performing the reconciliations, which will also provide cross-training that may be useful in the event of staff turnover.

Questioned Costs: Medical Assistance Program (catalog #93.778):  
Reconciliation of Quarterly Report to FCM System = None

State Survey and Certification of Health Care Providers and Suppliers  
(catalog #93.777): Reconciliation of Quarterly Report to FCM  
System = None

DHFS Response and Corrective Action Plan: The Bureau of Fiscal Services agrees with the recommendation and has completed the reconciliations for the State Survey and Certification of Health Care Providers and Suppliers grant (catalog #93.777) for federal fiscal years (FFYs) 1998 and 1999. The Bureau of Fiscal Services has provided additional information to the auditors related to these reconciliations.

The Bureau of Fiscal Services was not able to assign additional staff to assist in performing these reconciliations because of numerous vacancies during the year, the need to devote staff to other department operation priorities, and reorganization workload. After an extensive and lengthy recruitment process, it was finally able to fill a second Medical Assistance accountant position to deal with some of the work backlog. This person is now working on the reconciliation of the Medical Assistance Program (catalog #93.778). The identification of variances should be completed by May 31, 2000. The necessary research to resolve the variances and complete the entire reconciliation process is scheduled for completion by September 30, 2000.

### **Subrecipient Monitoring**

According to OMB Circular A-133 and *State Single Audit Guidelines*, published by the Wisconsin Department of Administration, DHFS is to receive audit reports from subrecipients required to have audits, perform desk reviews of the reports, issue timely management decisions on audit findings, and require subrecipients to take timely corrective action on deficiencies identified in audits. The *State Single Audit Guidelines* require these tasks to be completed within 180 days of when all the information required to perform audit monitoring duties has been received by the office responsible for the review.

During our FY 1997-98 audit, we reported (Finding WI-98-6) that DHFS did not meet the 180-day guideline for 8 of the 15 subrecipient audit reports for 1996 that we reviewed. In addition, 17 audit reports included in a backlog from prior years had not been finalized as of March 31, 1999.

DHFS agreed with our prior audit concerns and filled a vacant auditor position to assist in performing subrecipient audit monitoring. However, DHFS experienced turnover in other auditor positions, as well as among individuals with whom DHFS contracted to perform monitoring duties.

While DHFS has made some progress with its subrecipient audit monitoring responsibilities, it continues to be in noncompliance in this area. As of March 31, 2000, DHFS had not finalized six audits for 1996 or earlier, as well as 32 audits for 1997.

**FINDING WI-99-4: We recommend the Wisconsin Department of Health and Family Services meet timeliness standards for reviewing subrecipient audit reports.**

Questioned Costs: Multiple Grants: Subrecipient Monitoring = None

DHFS Response and Corrective Action Plan: The Office of Program Review and Audit (OPRA) agrees with the recommendation that steps be taken to meet timeliness standards for reviewing subrecipient audit reports. OPRA has hired a second contractor to review reports and expects to see improvement in the average number of days of turnaround time. Additionally, two staff vacancies have been filled: one in the fall of 1999, and the other in April 2000.

## Quality-Control Reviews

DHFS is the state cognizant agency for the 72 counties in Wisconsin, 10 tribes, and 4 other entities. According to the *State Single Audit Guidelines*, the state cognizant agency must perform quality-control reviews for 5 percent of these audits to determine whether the independent auditors have followed the required auditing standards and guidelines for single audits. Therefore, DHFS must complete five quality-control reviews each year.

During our prior audit, we reported that because other tasks were assigned higher priority, DHFS had not completed quality-control reviews for two audits it originally selected in July 1997 and for four audits it selected in September 1998 (Finding WI-98-7). As of March 31, 1999, DHFS had completed fieldwork for three of these reviews but had not yet started fieldwork for the remaining three reviews.

While DHFS agreed with our prior audit recommendation, it has not made significant progress to address concerns in this area, primarily because of delays in filling the lead auditor position responsible for the coordination of the quality-control review process. Although that position was filled in January 2000, as of March 31, 2000, DHFS had issued reports for just three of the six reviews identified in our prior report as not being completed. In addition, while DHFS had selected additional quality-control reviews to complete during calendar year 2000 to meet the 5 percent requirement for that year, it has not yet started any fieldwork.

***FINDING WI-99-5: We again recommend the Wisconsin Department of Health and Family Service ensure at least the minimum number of quality-control reviews are performed each year.***

Questioned Costs: Multiple Grants: Quality-Control Reviews = None

DHFS Response and Corrective Action Plan: Of the six unfinished quality-control reviews (two for FY 1996-97 and four for FY 1997-98) reported by the auditors as of March 31, 1999, three reports have now been completed. Not all quality-control reviews were completed because limited available staff time was focused on completing reviews of audits, as noted in the previous recommendation, and on other high-priority audit issues within DHFS. In addition, five quality-control reviews associated with the FY 1998-99 cycle have been selected for review. These reviews have been assigned to staff and are being planned now. All eight reviews will be completed by fall 2000.

## Medical Assistance Claims Overpayment

For costs to be reimbursable under the Medical Assistance Program (catalog #93.778), they must be covered by the state Medical Assistance plan or waivers, be for allowable services rendered, be paid at the rates allowed by the state plan, and be net of all applicable credits. The majority of expenditures for the Medical Assistance Program

are payments to the entities that provide services to eligible recipients. DHFS uses the Medicaid Management Information System (MMIS) to process payments to providers and has contracted with Electronic Data Systems (EDS) to administer that system. MMIS calculates payments to providers based on the claims received from the providers and the approved rates for the providers.

In calculating payments to providers, reductions are made for amounts due from other parties, including patients. Patient liability amounts are periodically determined by the entities that certify the patients as eligible for Medical Assistance and are recorded on MMIS. In some instances, revised patient liability amounts are entered into MMIS after the respective service period has begun.

During our prior audit, we reviewed 25 nursing home claims and noted one instance in which the revised patient liability amount that should have been deducted was not entered into MMIS until after the service period had begun and the claim payment had been processed (Finding WI-98-3). Therefore, MMIS used the previously calculated patient liability amount shown on the claim from the provider, which was lower than the revised liability amount later entered into MMIS. As a result, the provider received an overpayment.

DHFS has taken appropriate corrective action to address our concerns. DHFS formulated and EDS implemented a semiannual computerized process to identify and adjust nursing home claims for overpayments or underpayments resulting from use of outdated patient liability amounts. In addition, EDS used this process to identify adjustments needed for claims paid since the end of calendar year 1997, resulting in the recovery of approximately \$208,000 from nursing homes, of which approximately \$122,000 was returned to the federal government. DHFS has instructed EDS to use this process against all available nursing home claims data dating from approximately 1993.

### **ADP Risk Analysis and System Security Reviews**

DHFS administers the Medical Assistance Program (catalog #93.778), which is highly dependent on extensive and complex computer systems to make Medical Assistance benefit payments. DHFS has contracted with EDS to administer MMIS, which is the primary computer system to process benefit payments.

During our FY 1997-98 audit, we found (Finding WI-98-2) that DHFS was not in compliance with federal regulations requiring:

- the establishment of a security plan for computer systems used to administer the Medical Assistance Program;
- the establishment and maintenance of a program for conducting periodic risk analyses to ensure appropriate, cost-effective safeguards are incorporated into new and existing systems; and

- biennial automated data processing (ADP) system security reviews of computerized systems used to administer the Medical Assistance Program, including, at a minimum, an evaluation of physical and data security and personnel practices.

DHFS is currently implementing corrective action:

- DHFS drafted an information technology (IT) security plan for MMIS and related IT systems. This plan includes policies and procedures for physical security of ADP resources; security to protect equipment from theft and unauthorized use; software and data security; telecommunications security; personnel security; contingency plans to meet critical processing needs in the event of a brief or extended interruption of service; emergency preparedness; and designation of an agency ADP security manager. DHFS expects to issue its final plan by June 30, 2000. DHFS indicated that it will review and revise the IT security plan on an ongoing basis.
- DHFS made progress related to risk assessments by assessing risks associated with EDS's administration of MMIS; obtaining and reviewing EDS's annual internal risk assessment; and performing on-going management oversight of EDS through review of processes and management reports to assess and manage business and information technology security risks. In addition, DHFS has developed a plan for assessing risks related to significant changes to MMIS as they occur.
- DHFS now requires that a review of MMIS controls and their operational effectiveness be included in the annual ADP audits of EDS's operations in Madison, Wisconsin. This review will be performed by a public accounting firm in accordance with SAS 70. The planned review of the system controls will focus on entity-wide security, access controls, application software development and change controls, system software, segregation of duties, and service continuity. DHFS expects the public accounting firm to issue its report by January 2001.

### **Property Management**

The Common Rule and other federal regulations require state agencies that acquire permanent property with federal funds to follow state and department property management policies. DHFS's policy is to maintain equipment inventory records; annually perform a physical inventory of equipment and reconcile the results to the equipment records; and maintain an appropriate control system to safeguard equipment.

In prior audits, we noted concerns with inaccuracies in the inventory records and the lack of a complete physical inventory. Specifically, we found that some information, such as the location of the equipment, was not accurate. We recommended (Finding WI-97-3) in our FY 1996-97 single audit report (report 98-12) that DHFS update inventory records to ensure equipment is accounted for. We also found that the Division of Health did not complete a physical inventory during FY 1997-98. We recommended (Finding WI-98-5) in our FY 1997-98 report that DHFS ensure an annual physical inventory is completed as required by department policies.

DHFS is in the process of implementing corrective action. The Bureau of Fiscal Services has assigned a staff person responsibility for overseeing completion of physical inventories. Accordingly, we found that a physical equipment inventory for FY 1998-99 had been performed by each division. While DHFS largely maintained manual equipment records during FYs 1997-98 and 1998-99, it is in the process of entering all equipment records into the fixed assets module associated with WiSMART, the State's central accounting system. At the time of our fieldwork, staff expected to have all necessary information entered by April 28, 2000. DHFS is also updating its procedures to reflect changes resulting from the implementation of the WiSMART fixed assets module.

### **Grant Transaction Coding**

DHFS requests federal reimbursement for the majority of the federal grants it administers through the cash management system maintained by the State Controller's Office in the Department of Administration. It is important that accounting information recorded on WiSMART be complete, including use of "reporting categories," because the cash management system uses this information to initiate federal reimbursement requests. Without reporting categories, federal grant transactions recorded on WiSMART are not interfaced with the cash management system and, therefore, the State does not automatically receive federal reimbursement. Generally, reporting categories are automatically and accurately assigned to accounting transactions based upon computer tables used during the daily interface between DHFS's agency-level accounting system and WiSMART.

However, in order to facilitate the year-end reconciliation between DHFS's accounting system and WiSMART, DHFS enters certain accounting transactions directly into WiSMART. During our FY 1997-98 audit, we noted (Finding WI-98-1) that several of the transactions entered directly into WiSMART did not include a reporting category because the individual responsible for entering the transactions was not aware that reporting categories were necessary for expenditures charged to federal grants. Since these transactions did not include the necessary reporting categories, neither the drawdown of federal funds nor the return of previously received funds took place as intended.

DHFS has taken reasonable corrective actions by instructing staff of the importance of using reporting categories on federal grant transactions. While we identified five FY 1998-99 federal grant expenditure transactions, for a net amount of \$3,067, that should have but did not include reporting categories, DHFS corrected each of the transactions.

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**Wisconsin Department of Health and Family Services  
Summary of Findings and Questioned Costs  
FY 1998-99**

**U.S. Department of Agriculture**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-1	10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Reconciliation of WIC Food Instruments	\$ 0
WI-99-2	10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Service Organization Report on Internal Controls	0

**U.S. Department of Health and Human Services**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-3	93.777	State Survey and Certification of Health Care Providers and Suppliers	Reconciliation of Quarterly Report to FCM System*	\$ 0
WI-99-3	93.778	Medical Assistance Program	Reconciliation of Quarterly Report to FCM System*	0

**Noncompliance Findings Affecting Multiple Grants**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-4		Multiple Grants	Subrecipient Monitoring*	\$ 0
WI-99-5		Multiple Grants	Quality-Control Reviews*	0

\*Repeat finding from audit report 99-12

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix I of this report.

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The Wisconsin Department of Workforce Development (DWD) administers programs for unemployment insurance, workers' compensation, equal rights in employment and housing, apprenticeship job training, employment services and training, income maintenance, vocational rehabilitation, and other related programs. DWD administers Wisconsin Works (W-2), Wisconsin's welfare replacement program for Aid to Families with Dependent Children that is based on work participation. Excluding unemployment insurance benefits, DWD disbursed \$1.28 billion during FY 1998-99; federal grants to the State financed \$554.4 million of that amount. In addition, during FY 1998-99 the Wisconsin Unemployment Insurance Reserve Fund financed \$490.7 million in unemployment insurance benefits, the federal government financed \$4.9 million in unemployment insurance benefits awarded to federal employees and for other reasons, and DWD issued food stamps valued at \$125.4 million.

As part of our standard audit procedures, we reviewed DWD's internal controls over revenues, expenditures, and the administration of federal grant programs. We tested compliance with grant requirements for the six major grants and portions of three other major grants administered by DWD. We have concerns related to the return of support collections to the federal government, federal reporting for the Child Support Enforcement program, match for several programs, cost allocations, allowable costs of client services and cash management for the Vocational Rehabilitation grant, property management, and subrecipient monitoring. In addition, we discuss incentive payments to local agencies administering the W-2 program, which includes federal funds from the Temporary Assistance for Needy Families (TANF) program.

We also followed up on findings included in our prior Single Audit report (report 99-12). While DWD has addressed most of our prior audit concerns, continued improvement is needed to limit employee access to the Kids Information Data System (KIDS). In addition, DWD has yet to receive federal approval for its public assistance cost allocation plan.

### **Child Support Enforcement Program**

The Child Support Enforcement program (catalog #93.563) is administered on a statewide basis by the Bureau of Child Support in DWD's Division of Economic Support. The objectives of the Child Support Enforcement program are to: 1) enforce support obligations owed by noncustodial parents; 2) locate absent parents; 3) establish paternity; and 4) obtain child and spousal support. DWD maintains KIDS, the statewide support computer system. Case information, collections, and adjustments are entered into KIDS, and KIDS determines the amount of support to be distributed to the families or to be held by the State as reimbursement for current or prior assistance.

Our review of the support collections returned to the federal and state accounts of public assistance programs found that DWD did not promptly return to the federal government its share of collections for cases related to public assistance programs. As a result, the State earned interest at the expense of the federal government. In addition, DWD is required to submit the Quarterly Report of Collections and the Quarterly Report of Expenditures and Estimates to the U.S. Department of Health and Human Services within 30 days after the end of each quarter. We reviewed DWD's report preparation procedures and tested selected FY 1998-99 reports by tracing critical amounts to supporting documentation. We have concerns because DWD was late in submitting required quarterly federal reports for FY 1998-99, and some reports included incorrect or unsupported information.

### **Delayed Return of Federal Share of Collections for Public Assistance Programs**

Support collections related to cases that received benefits from prior or current public assistance programs, such as Aid to Families with Dependent Children (AFDC) and the TANF program, are not disbursed to families but are used to offset the federal and state share of assistance payments. Monthly, KIDS determines the amount of support collections related to public assistance programs, and agency staff transfer this amount to the "collections for public assistance programs" account on DWD's accounting system. When the quarterly Report of Collections and Report of Expenditures are prepared and the federal share of collections is reported, DWD normally transfers the federal share from the collections for public assistance programs account to appropriate federal grant accounts as reductions of grant expenditures. However, because of delays in preparing these reports, DWD did not make the transfers to the federal grant accounts in a timely manner during FY 1998-99. Assuming an interest rate of 4.63 percent, which was the rate used to settle interest between the State and the federal government under the Cash Management Improvement Act for FY 1998-99, and allowing the State 30 days after the end of each quarter to record the transfers to federal accounts, we estimate—as shown in Table 1—that the interest gained by the State at the expense of the federal government for collections related to public assistance programs was \$300,148 for the period April 1, 1998 to June 30, 1999.

We note that KIDS determines the collections related to public assistance programs at the end each month, and the transfer to the collections for public assistance programs account is recorded during the following month. The interest earned by the State at the expense of the federal government would be greater if calculations were made on a monthly, rather than a quarterly, basis.

Table 1

**Interest Earned by the State Related to Late Transfers of  
Federal Share of Support Collections of Public Assistance Programs**

<u>Quarter Ending</u>	<u>Transfer Date</u>	Days	<u>Federal Share</u>	<u>Interest</u>
		<u>Late</u>		
June 30, 1998	January 13, 1999	166	\$ 5,281,402	\$111,210
September 30, 1998	January 13, 1999	74	778,745	7,310
December 31, 1998	March 22, 1999	50	761,923	4,833
March 31, 1999	December 15, 1999	229	1,202,099	34,919
June 30, 1999	December 15, 1999	137	<u>8,163,922</u>	<u>141,876</u>
Total			\$16,188,091	\$300,148

**FINDING WI-99-6:** *We recommend the Wisconsin Department of Workforce Development return the federal share of collections to the federal government in a timely manner.*

Questioned Costs: Child Support Enforcement (catalog #93.563): Late Return of Federal Share of Collections for Public Assistance Programs = \$300,148

DWD Response and Corrective Action Plan: DWD agrees that the revenues were not transferred on a timely basis, and a liability to the federal government for the amount of the accrued interest exists. DWD will work through the State Controller's Office in the Wisconsin Department of Administration, which normally handles issues related to the Cash Management Improvement Act, to get the appropriate adjustment made for the amount of the interest.

Beginning for June 2000, DWD will process a monthly revenue transfer based on the KIDS reports. The special computer report run of the 0262 account needed to prepare the quarterly Report of Collections will be done before the last day of the month, so the report can be completed within the 30-day timeframe. When the quarterly Report of Collections is prepared, the monthly transfers will be reviewed for any needed adjustments.

## Quarterly Report of Collections

The Quarterly Report of Collections shows the balance of undistributed collections from the prior quarter, support collections received during the current quarter, support disbursements to families and other distributions during the current quarter, and the ending balance of undistributed collections. The Report of Collections is to be prepared each quarter based on reports from KIDS and the accounting system. We have three concerns with the DWD's controls for preparing the Report of Collections.

First, DWD had not taken steps to ensure the Report of Collections was promptly prepared and submitted. At the time of our initial review in August 1999, DWD had not prepared and submitted the Report of Collections for the December 1998, March 1999, and June 1999 quarters to the federal government. After informing Bureau of Finance management of the missing reports DWD took action, and reports for the December 1998 and March 1999 quarters were prepared and submitted in October 1999. However, DWD subsequently determined there were errors in these reports. In December 1999, it submitted to the federal government revised reports for the December 1998 and March 1999 quarters, along with the report for the June 1999 quarter.

Second, we were unable to test the September 1998 Report of Collections to determine whether it was accurate and complete. The accountant responsible for the report left DWD's employ in May 1999, and DWD was unable to locate documentation or other information to support the amounts on the report. The report appears to have errors because it reported zero beginning and ending balances for undistributed collections in that quarter, even though the subsequent quarterly report had a beginning balance of undistributed collections of \$6,142,143. The effect of the apparent misstatement could not be determined, though it may have affected other reported amounts that were adjusted to obtain a zero ending balance.

Third, it is uncertain whether KIDS is generating accurate information to include on the Report of Collections. As noted, support collections are recorded in KIDS, which then determines the distribution of the collections and initiates disbursements to families. Logically, the total distribution recorded on KIDS should agree with the accounting records, and that amount should be reported in the quarterly reports. However, the amounts DWD included on the Report of Collections it submitted to the federal government did not agree with the supporting KIDS report.

The KIDS C836 report was developed to provide the amounts needed to prepare the quarterly Report of Collections. As shown in Table 2, when preparing the quarterly reports, DWD made adjustments between the amounts on the KIDS C836 report for "distributed as assistance reimbursements" and "distributed to families." The amount reported as having been distributed as assistance reimbursements appears to have been adjusted so that the resulting calculation of the federal government's share agreed with the amount recorded on the accounting system.

Table 2

**Variations Between the Report of Collections and KIDS C836 Report**

	<u>Report of Collections</u>	<u>KIDS C836 Report</u>	<u>Variance</u>
December 1998 Quarter:			
Line 7a Distributed as Assistance Reimbursements	\$ 4,667,266	\$ 5,260,018	\$ 592,750
Line 7c Distributed to Family	117,662,215	117,069,465	(592,750)
March 1999 Quarter:			
Line 7a Distributed as Assistance Reimbursements	5,462,434	7,851,056	(2,388,622)
Line 7c Distributed to Family	117,209,278	114,820,656	2,388,622
June 1999 Quarter:			
Line 7a Distributed as Assistance Reimbursements	17,410,895	18,704,990	(1,294,095)
Line 7c Distributed to Family	125,254,156	123,960,061	1,294,095

DWD staff could not explain the reasons for the variances or adjustments and assume the KIDS C836 reports are incorrect. However, it would be expected that DWD would review the computer program used to prepare the KIDS C836 report to determine whether the amounts are correct and, if not, would correct the computer program. If the KIDS C836 report is correct, then DWD reported incorrect amounts as having been distributed as assistance reimbursements and distributed to families, and the amounts DWD returned as the federal share of collections would have been incorrect. With the unexplained variances between the Report of Collections and the supporting KIDS C836 reports, we could not determine whether the distribution amounts reported on lines 7a and 7c, and the resulting federal share of collections reported on line 10, were correct.

DWD needs to take steps to ensure the Report of Collections is accurately prepared, properly supported, and submitted to the federal government by the due date each quarter.

**FINDING WI-99-7:** We recommend the Wisconsin Department of Workforce Development review programming of the C836 report from the Kids Information Data System, which is used to prepare the Quarterly Report of Collections, to determine whether it is correct; if it is not, we recommend the computer program be corrected. In addition, we recommend the Department of Workforce Development develop written procedures for preparing the quarterly Report of Collections, maintain documentation of submitted reports, and ensure the quarterly reports are submitted in a timely manner. If the reports submitted to the federal government include errors, DWD should report adjustments in the Report of Collections and determine whether the correct federal share of collections has been returned to the federal government.

Questioned Costs: Child Support Enforcement (catalog #93.563): Quarterly Report of Collections = Undetermined

DWD Response and Corrective Action Plan: DWD agrees with the recommendations. In regard to the specific concerns for the quarterly Report of Collections:

- KIDS reports are currently used as the basis for all amounts on the quarterly Report of Collections. The only change made to the KIDS reported data is the transfer of amounts from Line 7a, column (a) and (c), to line 7c, column (a) and (c). These amounts are adjusted so that they agree with balances in the State's accounting system. DWD would like to note that the KIDS programming for the C836 report has been completely revised since the period of this audit, and it continues to be reviewed and updated.
- DWD agree that there were discrepancies between the ending balances of the quarterly report as of September 30, 1998, and the beginning balances of the quarterly report as of October 1, 1998. The December 1998 quarterly report was the first C836 produced by KIDS; therefore, it represented the transition from manually collecting and reporting data to using data gathered and reported by KIDS. In addition, the personnel involved in preparing the report and the design of the report itself had changed during this period.
- Procedures are now being implemented to ensure the reports are prepared and filed on time. These procedures include running KIDS reports as soon as all month-end processing is complete. The internal general ledger report will be run on approximately the 20th of the month following quarter-end. This is used to reconcile the quarterly Report of Collections to cash. This procedure will be put into place immediately and will be reviewed periodically for completeness and for any needed updates.

DWD is currently setting up a meeting with the system architect from IBM who designed KIDS. The purpose of the meeting is to review the design of the KIDS C836 report and identify revisions and improvements. The report will be reviewed and needed changes made by December 31, 2000.

DWD also wishes to note that it was only in January 1999 that the new Centralized Receipts and Disbursements (CR&D) system was implemented. CR&D required the creation of the Wisconsin Support Collection Trust Fund in an interface relationship with the KIDS case management system—both of

which are complex and leading-edge applications. Significant resources continue to be dedicated to refining these systems, updating their reporting functions, and implementing modifications required by new federal legislation.

### **Quarterly Report of Expenditures and Estimates**

The Report of Expenditures and Estimates for the Child Support Enforcement program is prepared each quarter by a grant accountant in the Bureau of Finance based on reports from DWD's accounting system and the Community Aids Reporting System. The Report of Expenditures also includes the net federal share of collections as shown in the Quarterly Report of Collections.

We noted two concerns during our review of the Report of Expenditures. First, delays in preparing the Quarterly Report of Collections delayed preparation of the June 1999 Report of Expenditures, which was due by the end of July 1999. The amount of the net federal share of collections from the Report of Collections was needed for the Report of Expenditures, and the grant accountant waited until September 1999 before submitting the Report of Expenditures.

Our second concern relates to incorrect figures in the Report of Expenditures submitted to the federal government. Because preparation of the Report of Collections was delayed, and that report is the source of the net federal share of collections amount included in the Report of Expenditures, the correct net federal share of expenditures was not always available. DWD reported correct amounts in its quarterly reports for September and December 1998; however, an estimate of \$2,084,061 was reported in the March 1999 quarterly Report of Expenditures. When DWD submitted its revised March 1999 quarterly Report of Collections in December 1999, it reported the net federal share of collections as \$1,202,099. For the June 1999 quarter, DWD reported \$0 as the net federal share of collections in the Report of Expenditures; however, the Report of Collections submitted in December 1999 reported \$8,163,922. Since the federal grantor agency did not want revised reports, the grant accountant planned to report the corrected net federal share of collections in the September 1999 quarterly Report of Expenditures, so the total for the federal fiscal year would be correct. We will test this report during our FY 1999-2000 single audit.

**FINDING WI-99-8:** *We recommend the Wisconsin Department of Workforce Development report the proper amount of the net federal share of collections on its quarterly Report of Expenditures and submit the reports by the due date.*

Questioned Costs: Child Support Enforcement (catalog #93.563): Quarterly Report of Expenditures = None

DWD Response and Corrective Action Plan: DWD agrees with this finding. The net federal share of collections from the Quarterly Report of Collections is included on the Quarterly Report of Expenditures and Estimates. The federal regional office has indicated it does not want the Report of Expenditures without the net federal share of collections included and does not want to

receive revised quarterly reports. The improvements to the accuracy and timeliness of the Report of Collections, as detailed in the previous section, will improve the timeliness and accuracy of the Report of Expenditures.

### **Documentation of Non-federal Match**

Some federal grants require the State to match federal expenditures with expenditures financed from non-federal sources. During our tests of compliance with matching requirements, we identified concerns with the accounting for and reporting of state matching expenditures for the Food Stamp and Medical Assistance programs, and supporting documentation of the non-federal match for the Head Start and Vocational Rehabilitation grants.

### **Accounting For and Reporting State Matching Expenditures**

The match rate is 50 percent for most activities under the State Administrative Matching Grants for Food Stamp Program (catalog #10.561) and the Medical Assistance Program (catalog #93.778). DWD submits quarterly financial status reports (FSRs) to the federal government for the Food Stamp Program that summarize both federal and state matching expenditures. In addition, DWD submits federal and state expenditure information for the Wisconsin Department of Health and Family Services (DHFS) to include in quarterly financial reports for the Medical Assistance Program.

Most state agencies establish separate state accounts to accumulate state matching expenditures for each federal program they administer. When preparing quarterly FSRs, these agencies verify that the amounts recorded in the state matching accounts fulfill the State's match requirements and report those amounts to the federal government.

To account for state matching expenditures during FY 1998-99, DWD initially charged certain administrative costs entirely to federal grant accounts. On a monthly basis, DWD's accounting system automatically transferred state matching expenditures to state accounts. However, in some instances DWD used the same accounts to accumulate matching expenditures for several different federal programs. As a result, DWD was unable to readily summarize state matching expenditures accounted for in state accounts. For reporting purposes, DWD determined the state matching requirements based on the amounts charged to federal accounts and included those amounts as the state matching expenditures on the FSRs for the Food Stamp Program and in the information provided to DHFS for the Medical Assistance Program. DWD relied on the monthly automatic transfer process to accurately transfer costs from federal to state matching accounts and did not verify that the amounts it reported as state matching expenditures were supported by accounting records for the Food Stamp and Medical Assistance programs.

To test the match requirement, we requested that DWD staff run a special computer program to list the matching expenditures transferred from federal to state accounts for the Food Stamp and Medical Assistance programs during FY 1998-99, as recorded DWD's accounting system. DWD staff compared the state matching expenditures on the computerized listing to the state match reported and identified \$68,767 of the Food

Stamp expenditures and \$98,586 of Medical Assistance expenditures that should have been, but were not, transferred from federal accounts to state accounts. It appears that DWD did not correctly record an error correction transaction in September 1998 and, therefore, the accounting system did not automatically transfer amounts to state matching accounts. Because state matching expenditures still resided in federal accounts, both the federal expenditures and the state match that DWD reported to the federal government were overstated for the Food Stamp Program and the Medical Assistance Program. In addition, because DWD automatically received federal reimbursement through the State's cash management system for expenditures charged to federal accounts, DWD received a total of \$167,353 in excess federal reimbursements for the state matching expenditures that remained in federal accounts.

Starting in FY 1999-2000, DWD has established separate state matching accounts for each federal program. In addition, effective May 1, 2000, DWD no longer uses the monthly process to transfer expenditures from federal accounts to state matching accounts. Rather, DWD records both the federal and the state share at the time the transactions are processed. These changes allow DWD to ensure that the state match reported to the federal government is supported by amounts recorded in state matching accounts.

**FINDING WI-99-9:** *We recommend the Wisconsin Department of Workforce Development:*

- *review federal grant transactions from July 1, 1999, through April 30, 2000, to ensure all expenditures that should have been transferred to state matching accounts through the monthly automatic match transfer process were, in fact, transferred to state accounts; and*
- *develop routine procedures to ensure state matching expenditures reported on the financial status reports submitted to the federal government are supported by amounts recorded in state matching accounts.*

Questioned Costs: State Administrative Matching Grants for Food Stamp Program (catalog #10.561, award #USDA 98s2514): Accounting For and Reporting State Matching Expenditures = \$67,281

State Administrative Matching Grants for Food Stamp Program (catalog #10.561, award #USDA 98s2519): Accounting For and Reporting State Matching Expenditures = \$1,486

Medical Assistance Program (catalog #93.778, award #059805WI 5048): Accounting For and Reporting State Matching Expenditures = \$97,777

Medical Assistance Program (catalog #93.778, award #05990WI 5048): Accounting For and Reporting State Matching Expenditures = \$809

DWD Response and Corrective Action Plan: DWD agrees with the finding that the federal Food Stamp and Medical Assistance programs were overcharged as identified in the finding. A correction voucher for the identified under-match amounts is in the process of being prepared by the Bureau of Finance. It will be processed by June 20, 2000.

A special computer program will be developed and run for the period July 1, 1999 through May 31, 2000, to identify if any items have not been matched properly. If any are found, correcting entries will be made in the current accounting records by July 31, 2000.

Since the single audit for FY 1997-98, DWD has developed and implemented an automated federal matching system, and a review of match amounts can more easily be accomplished at the time federal reports are prepared. The Federal Reporting unit within the Bureau of Finance will review match accounts whenever federal reports are prepared. Adjusting entries, if needed, will also be made at that time.

### **Non-federal Match for the Head Start Grant**

During FY 1998-99, DWD administered the five-year Wisconsin Head Start Collaboration Project under the Head Start program (catalog #93.600). DWD is required to provide match from state or other non-federal sources at a rate of 25 percent of program expenditures. DWD submitted a final FSR for two Head Start awards that ended during FY 1998-99. The first award, which is known as "Year 2," had a budget period of February 1, 1997 through January 31, 1998, with an extension to January 31, 1999. The second award, known as "Year 3," had a budget period of February 1, 1998 through January 31, 1999. We reviewed the final FSRs that DWD submitted for these two awards and attempted to trace critical amounts to supporting documentation.

It would be expected that DWD would summarize non-federal expenditures to ensure the total meets or exceeds the minimum required match. When preparing the FSRs for these two awards, Bureau of Finance staff contacted the project director and were told that sufficient non-federal match existed. Therefore, Bureau of Finance staff reported the minimum required match on the FSRs. However, neither Bureau of Finance staff nor the project director summarized and ensured that adequate matching expenditures did, in fact, exist. We reviewed the information available to us to determine whether DWD met its matching requirements. We found the non-federal match of \$3,579 for the Year 3 award was supported by matching expenditures incurred by certain subrecipients, as recorded on the Community Aids Reporting System.

However, DWD could not support all of the \$116,850 non-federal match claimed for the Year 2 award. We found support for \$69,258, consisting of \$9,926 in subrecipient expenditures recorded on the Community Aids Reporting System, \$52,629 in in-kind contributions reported by the Wisconsin Head Start Association, and \$6,703 of Year 3 overmatch, which we accepted because the Year 2 budget period was extended through January 1999.

After we discussed our concerns with DWD, staff obtained support for additional match from subrecipients and for personal services. The additional match was sufficient for the Year 2 award.

**FINDING WI-99-10: We recommend the Wisconsin Department of Workforce Development obtain and maintain documentation to support the amount of non-federal match required for the Head Start grant.**

Questioned Costs: Head Start (catalog #93.600): Non-federal Match = None

DWD Response and Corrective Action Plan: DWD agrees with this finding. DWD did not obtain the necessary documentation before submitting the claim and has worked with Head Start to obtain documentation for additional match amounts claimed. Documentation to support over \$50,000 of additional non-federal match was recently received from Head Start. This is more than sufficient match to cover the federal grant funds drawn.

In the future, DWD will obtain documentation for Head Start match amounts prior to the submittal of federal financial reports.

### **Non-Federal Match for the Vocational Rehabilitation Grant**

As a condition of receiving federal funds for the Rehabilitation Services-Vocational Rehabilitation Grants to States program, DWD must provide match from state or other non-federal sources at a rate of 21.3 percent of program expenditures. DWD reports the federal and non-federal share of expenditures and obligations on quarterly FSRs submitted to the U.S. Department of Education.

DWD accounts for the State's share of grant expenditures in state appropriations. In addition, technical colleges, nonprofit entities, and other state agencies to which DWD subgrants Vocational Rehabilitation funds may expend non-federal resources on the program. It would be expected that DWD would summarize the non-federal expenditures to ensure the total meets or exceeds the minimum required match.

We tested the final FSR for the FFY 1996-97 award, and the FSR for the quarter ended June 30, 1999 for the FFY 1998-99 award, to determine whether the amounts were properly calculated and supported. We found that DWD calculates and reports as non-federal match 21.3 percent of the total grant expenditures recorded in federal and state accounts on the State's accounting system but does not ensure the non-federal match is supported by actual expenditures. For example, for the FFY 1998-99 grant award, as of June 30, 1999, DWD reported \$8,659,641 as non-federal expenditures even though matching expenditures on the State's accounting system totaled \$8,258,379, which is a variance of \$401,262. The grant accountant assumed that sufficient additional non-federal expenditures were incurred by the subrecipients but did not obtain any documentation.

After we discussed our concerns with DWD, Division of Vocational Rehabilitation (DVR) staff developed a spreadsheet that lists the third-party contracts, amounts claimed and reimbursed to the subrecipients, and non-federal match amounts for the FFY 1997-98 and FFY 1998-99 awards. The third-party match recorded on the spreadsheet was sufficient for the FFY 1997-98 and FFY 1998-99 awards as of June 30, 1999.

**FINDING WI-99-11:** *We recommend the Wisconsin Department of Workforce Development obtain and maintain documentation that the State meets its matching requirements for the Vocational Rehabilitation grant.*

Questioned Costs: Rehabilitation Services-Vocational Rehabilitation Grants to States (catalog #84.126): Non-Federal Match = None

DWD Response and Corrective Action Plan: DWD agrees with the finding. Some of the third-party match documentation was not immediately available to the auditors. DVR compiled and submitted the necessary documentation when asked. In the future, DVR will submit quarterly reports to the Bureau of Finance, and only documented match will be reported. This will require preparation of the third-party match documentation before the quarterly FSR is submitted.

### **Cost Allocations**

We reviewed DWD's cost allocation methodologies for compliance with federal requirements. We have concerns because DWD used out-of-date ratios to allocate joint income maintenance costs for three months during FY 1998-99; did not reconcile the amounts distributed for salaries and fringe benefits to the amounts actually paid after April 1, 1999; and did not appropriately take into consideration excess cash balances when establishing certain internal service billing rates.

### **Joint Income Maintenance Cost Allocations**

Federal rules require DWD to charge expenditures directly to federal programs, if possible, or to cost pools from which costs may be allocated to federal and state programs in a fair and equitable manner. DWD uses the joint income maintenance cost allocation method to allocate computer operating and other costs associated with the Client Assistance for Re-employment and Economic Support (CARES) system to income maintenance and other programs, including TANF, child care, the Food Stamp Program, and DWD's portion of the Medical Assistance Program. As proposed to the federal government, DWD allocates these costs based on the relative number of each program's cases on the CARES system.

It is intended that DWD would calculate the ratios of the relative number of cases on the CARES system each month to allocate computer services and other costs based on these ratios. DWD revised the calculated ratios for July and October 1998 and

January 1999; however, it did not use the revised ratios to allocate costs for these months. We calculated the allocations for CARES operating costs for these months using the revised ratios and determined that TANF was overcharged \$76,092, consisting of \$73,355 charged directly to the TANF grant and \$2,737 charged to TANF maintenance-of-effort funds. The Food Stamp and Medical Assistance programs were undercharged by \$32,141 and \$43,951, respectively.

As noted, we calculated the allocations for CARES operating costs using the revised ratios. However, other costs, such as public assistance administration costs, were also allocated through the joint income maintenance allocation methodology using the incorrect ratios.

**FINDING WI-99-12: We recommend the Wisconsin Department of Workforce Development:**

- calculate the effect of using the revised ratios for all joint income maintenance cost allocations;
- adjust the accounting records and federal reports for the federal and state programs that were overcharged or undercharged by the joint income maintenance cost allocations; and
- use the monthly calculated ratios in future joint income maintenance cost allocations.

Questioned Costs: Temporary Assistance for Needy Families (catalog #93.558):  
Joint Income Maintenance Cost Allocations = \$76,092

Multiple Grants: Joint Income Maintenance Cost Allocations = Undetermined

DWD Response and Corrective Action Plan: DWD agrees with the recommendation and with the auditor's analysis of the CARES ratios. DWD also agrees with the importance of using monthly calculated ratios and has been doing so since July 1998. DWD will: 1) complete correcting adjustments to each of the benefiting programs to reflect the correct CARES ratios; 2) perform an expanded analysis of all costs allocated with incorrect case count ratios for the months of July 1998, October 1998, and January 1999, and develop an estimated fiscal impact; and 3) if the fiscal impact is material, calculate and complete correcting adjustments to each of the benefiting programs.

### **Salary and Fringe Benefits**

DWD initially charges salary and fringe benefits to a clearing account and distributes costs to federal and state programs monthly based on employe time reports and certain estimates. Before April 1, 1999, DWD reconciled the amounts distributed to the amounts actually paid and charged any variances to division overhead accounts to be further distributed to division activities. However, since implementing changes to its

accounting system on April 1, 1999, DWD ceased its reconciliation, both because staff believe that variances no longer arise and because DWD ceased generating the reports that facilitate the reconciliation.

We believe it is necessary to compare salary and fringe benefit costs distributed to the amounts actually paid to ensure federal grants are not overcharged or undercharged. While we note that, as of April 1, 1999, the amount of salaries distributed would be expected to be the same as the amount paid because the distribution is now based on the same information submitted to the Department of Administration's Central Payroll Unit, DWD should periodically review the balances in the clearing account attributable to salaries to ensure that errors are not made.

DWD continues to distribute fringe benefits based on estimated fringe benefit rates and, as a result, variances continue between the value of fringe benefits charged to federal and state programs and the amounts actually paid. We could not readily determine the unadjusted variances as of the end of FY 1998-99, because DWD no longer generates the reports necessary to do so. However, we note that DWD initially overcharged the Division of Unemployment Insurance by \$1,942 for fringe benefits in March 1999, undercharged the Division of Vocational Rehabilitation by \$8,911, and undercharged the Division of Economic Support by \$3,041. While DWD has adjusted the distribution of costs for the March 1999 variances for fringe benefits, no adjustments have been made for fringe benefit variances for the months after March 1999. Because DWD no longer adjusts the amounts distributed to reflect actual fringe benefits paid, federal grants may be overcharged or undercharged.

**FINDING WI-99-13:** *We recommend the Wisconsin Department of Workforce Development ensure the salaries and fringe benefits distributed to federal and state programs since April 1, 1999, reflect actual costs.*

Questioned Costs: Multiple Grants: Salary and Fringe Benefits = Undetermined

DWD Response and Corrective Action Plan: DWD agrees with this finding.

**Salaries:** Beginning April 1999, DWD modified its method to collect time when it implemented its new time distribution system. Time periods are now established at the beginning of the calendar year, with each period equating to two or three biweekly pay periods. The data collected on the new system for a time period are used to allocate time charges for that same period, so there is no longer a variance between pay periods and time periods being charged. Balances remaining on the accounting records are coded to balance sheet accounts on the State's accounting system. The balance sheet accounts are equal to the accrual for the remaining days of payroll and fringe benefits through June 30. The fiscal year-end reconciliation process ensures that there is no undistributed time.

**Fringe Benefits:** Prior to April 1999 and the implementation of the time distribution system, DWD calculated a monthly fringe benefit percentage for each type of benefit (e.g., health insurance, life insurance) for each division. Time was collected through a separate process and distributed to funding

sources on a monthly rather than a biweekly basis. When the fringe benefit percentages were applied to the monthly allocated salary costs, adjustments were necessary to reconcile allocated fringe benefits to actual benefits paid. Under the new system, fringe benefits are still calculated on a monthly basis by benefit type for each division. However, the percentages are based on the actual fringes paid for each of the pay periods included in the time distribution period. Therefore, the size and number of adjustments has been significantly reduced. The fiscal year-end reconciliation for fringe benefits ensures that only appropriately accrued fringe benefit amounts (e.g., prepaid health insurance) remain in the accounts at fiscal year-end.

Bureau of Finance staff have been assigned to review the salary and fringe benefit allocations to ensure that these accounts are being charged accurately and to document a process for verifying the accuracy of the data on a regular basis in the future. This review will be completed by June 30, 2000.

### **Excess Cash Balances in Cost Pools**

DWD has developed billing rates to charge divisions for certain administrative costs included in 14 different cost pools. Such costs are further allocated as divisional overhead or charged directly to benefiting federal or state projects, depending on each division's policy. DWD included its method for charging administrative costs in the indirect cost rate proposal submitted to the U.S. Department of Labor and the U.S. Department of Health and Human Services.

When establishing billing rates, federal rules require DWD to take into consideration anticipated cash balances to ensure excess cash balances are not accumulated. Generally, the federal government allows a working capital reserve of up to 60 days' cash expenditures. If cash balances exceed the 60-day working capital reserve, DWD is expected to adjust its billing rates.

DWD projects the year-end cash balances for the 14 cost pools when developing the billing rates for the next fiscal year. However, it is DWD's practice to reduce the projected cash balances by the amount of estimated encumbrances. Therefore, DWD's calculated billing rates may be too high, resulting in excess cash accumulating in the cost pools.

We reviewed the cash balances for the 14 cost pools at the end of FY 1998-99 and identified 4 cost pools with balances that exceeded the 60-day working capital reserve by over \$100,000, as shown in Table 3.

Table 3

**Cost Pools with Excess Cash Balances**

<u>Cost Pool Name</u>	<u>Cash Balance 6/30/99</u>	<u>Estimated 60-Day Working Capital Reserve</u>	<u>Excess Cash Balance</u>
Network Support (Subpool 1)	\$1,837,256	\$ 725,223	\$1,112,033
Network Support (Subpool 2)	<u>1,236,408</u>	<u>340,546</u>	<u>895,862</u>
Total Network Support	\$3,073,664	\$1,065,769	\$2,007,895
Applications/Database Servers	\$1,812,865	\$598,952	\$1,213,913
Mainframe Activities	925,135	454,266	470,869
Mainframe Printing	301,674	77,084	224,590

Because DWD did not correctly adjust for anticipated cash balances, the FY 1999-2000 rates for these cost pools continue to be higher than they would otherwise be, resulting in overcharges to state and federal programs. We do not question any costs because federal rules allow DWD to adjust future billing rates to reduce the cash balances.

**FINDING WI-99-14:** *We recommend the Wisconsin Department of Workforce Development adjust its FY 2000-01 billing rates to reduce cash balances to the 60-day working capital allowance.*

Questioned Costs: Multiple Grants: Excess Cash Balances in Cost Pools = None

DWD Response and Corrective Action Plan: DWD agrees with this recommendation. The FY 1998-99 and FY 1999-2000 rates were established using the best available data at the time. Better-trained staff have been assigned to this activity, and the calculation of DWD billing rates for FY 2000-01 will reflect a 15 percent working capital reserve, which in all cases will be less than 60 days' cash expenditures.

**Rehabilitation Services-Vocational Rehabilitation Grants to States**

The Division of Vocational Rehabilitation (DVR) within DWD administers Rehabilitation Services-Vocational Rehabilitation Grants to States (catalog #84.126). The Vocational Rehabilitation program provides services to eligible individuals with disabilities so that they may prepare for and engage in gainful employment. We identified concerns regarding allowable costs for client services and cash management.

## Allowable Costs for Client Services

Vocational rehabilitation counselors are responsible for determining eligibility, assessing client needs, developing client rehabilitation plans, and authorizing expenditures for services provided to or on behalf of clients. Vocational Rehabilitation expenditures should be supported by appropriate documentation.

We selected 40 cases that were open during FY 1998-99 to test for compliance with selected federal regulations. We found the clients were eligible for vocational rehabilitation services; DWD prepared, or was in the process of preparing, rehabilitation plans; and expenditures were documented, with one exception.

While DWD generally makes payments for client services to third parties, DWD's policy provides that payments may be made directly to clients as a reimbursement for or to cover the cost of a future purchase or expense. When direct payments are made to clients, DWD policy requires the counselors to obtain receipts and other support to document that the money was spent as intended. The files reviewed included four instances of direct payments to clients. However, DWD did not obtain the required documentation for a \$3,719 direct payment to one client. In response to our inquiries, the counselor contacted the client to obtain copies of receipts to support the direct payment. However, the client only provided \$2,433 of receipts. The client admitted to the counselor that the remaining \$1,286 was spent on items not related to his business. DWD is attempting to recover these funds from the client.

**FINDING WI-99-15:** *We recommend the Wisconsin Department of Workforce Development review all, or a sufficient sample of, direct payment expenditures to determine the extent to which other payments may lack documentation and develop procedures to ensure documentation is obtained in a timely manner.*

Questioned Costs: Rehabilitation Services-Vocational Rehabilitation Grants to States (catalog #84.126, award #H126A9900074): Allowable Costs for Client Services = \$1,286

DWD Response and Corrective Action Plan: DWD agrees the client must return \$1,286 in funds that were not used toward the stated purpose in the individual's rehabilitation plan. The client has agreed to a reimbursement plan.

DWD has already initiated corrective action regarding the review of direct payment requests and expenditures. On December 16, 1999, DVR issued guidance to district office supervisors concerning the review of all direct payments in accordance with state purchasing and procurement requirements, as well as DVR policy. In addition, a training session was held at the DVR statewide conference in April 2000, which provided training on the proper procedures for obtaining and documenting evidence of receipt related to all purchases, including direct payments to clients. DVR personnel were instructed to complete a case note in the case file on the case management system to provide documentation of the monitoring of the direct payment transaction.

By July 1, 2000, DVR will develop a plan to sample direct payments to clients for the July to December 1999 period. DVR will continue to implement these new procedures for direct payment activity. DWD will also investigate options to reduce or even eliminate direct payments to clients.

### **Cash Management for the Vocational Rehabilitation Grant**

To ensure that federal reimbursement is requested in a timely manner, DWD uses the State's cash management system administered by the Department of Administration to automatically draw federal funds for expenditures recorded under the Vocational Rehabilitation grant. However, the cash management system does not initiate drawdowns of federal funds when transactions are entered without federal reporting categories.

State agencies are expected to reconcile cash management system records to grant expenditure records monthly to ensure that reporting categories are included on grant expenditures and that the State receives federal reimbursement in a timely manner. However, DWD apparently does not consistently perform this reconciliation for the Vocational Rehabilitation grant. We identified \$406,111 in FY 1998-99 Vocational Rehabilitation expenditures without federal reporting categories. Therefore, the State did not receive federal reimbursement through the cash management system, resulting in lost interest earnings to the State.

After we discussed our concerns with the Vocational Rehabilitation grant accountant, he recorded the federal reporting category for \$356,441 of expenditures, leaving a balance of \$49,670 with no reporting category. It appears that the grant accountant did not identify the reporting categories for some of the expenditures included in one of the two federal appropriations used to account for federal grant expenditures.

**FINDING WI-99-16:** *We recommend the Wisconsin Department of Workforce Development:*

- *review the \$49,670 in expenditures that do not have reporting categories to determine whether it is entitled to request immediate federal reimbursement through the State's cash management system; and*
- *perform monthly reconciliations of cash management system records to Vocational Rehabilitation grant expenditure records, to ensure that the State receives federal reimbursements in a timely manner.*

Questioned Costs: Rehabilitation Services-Vocational Rehabilitation Grants to States (catalog #84.126): Cash Management = None

DWD Response and Corrective Action Plan: DWD agrees with this finding. Some costs were not drawn because the reporting category was missing. The \$49,670 has been identified as costs for the month of July 1999 and has been corrected. A monthly report listing items that were not drawn because they were missing the reporting category is sent to the federal reporting unit in the Bureau of Finance. This report is reviewed by federal reporting unit staff, and corrections are made periodically to ensure all costs are drawn appropriately before the federal reports are prepared.

## **Property Management**

DWD is largely federally funded and, accordingly, acquires most of its equipment with federal grant funds. We reviewed DWD's compliance with federal property management requirements and have concerns with the accuracy of property inventory records. In addition, DWD did not follow federal rules requiring it to contact the federal government to determine the final disposition of \$12,000 in proceeds from the sale of fixed assets originally acquired with federal funds.

### **Property Records**

The Common Rule and other federal regulations require state agencies that acquire permanent property with federal funds to follow state and department property management policies. The State's policy is to provide descriptions of the assets and their locations in permanent property records, as well as the acquisition dates, cost, funding sources, and percentage of federal participation. In addition, agencies are to perform an annual physical inventory and reconcile the results to permanent property records. The federal and state fixed-asset threshold is currently \$5,000, although property records may be maintained for items purchased at lower amounts.

During FY 1998-99, DWD completed the conversion of its fixed-asset records from three separate systems to its current asset management system. Because most of DWD's fixed assets are computer-related equipment, the Bureau of Information Technology Services was assigned responsibility for the asset management system. We have two concerns regarding the completeness and accuracy of the information recorded on the asset management system. First, for current equipment acquisitions, DWD does not record the funding source in the asset management system. Rather, DWD maintains this information only in its procurement system, based on the original accounting codes to which the equipment purchases were charged. However, it is possible that the accounting codes listed in the procurement system may not represent the final funding sources for the equipment because of, for example, transfers of expenditures from one funding source to another on DWD's accounting system.

Second, property records converted from the three prior systems continue to have missing or inaccurate information. While asset managers reviewed records and attempted to obtain the required information, as of June 30, 1999, the managers estimate that approximately 270 items are listed in the asset management system without acquisition dates and/or cost information, and 150 items are listed without

their locations. In addition, other items did not include the original funding source and percentage of federal participation. Because information from the prior systems was incomplete, we could not determine the number of items with missing or inaccurate information that had been purchased with federal funds with an acquisition cost of \$5,000 or more. However, since many of the pieces of equipment with incomplete records were purchased for less than \$5,000, the number purchased for \$5,000 or more may not be large.

**FINDING WI-99-17:** *We recommend the Wisconsin Department of Workforce Development develop a method to record and maintain the funding source and percentage of federal participation for newly acquired equipment in the asset management system.*

As noted, DWD made some efforts to obtain funding source and other required information for assets acquired in prior years. However, it is important that DWD maintain funding information and federal participation for all equipment with an original purchase price over \$5,000. For equipment with an original purchase price of \$5,000 or more and for which DWD does not have complete inventory information in the asset management system records, *we recommend the Wisconsin Department of Workforce Development research to determine funding and other necessary information and enter the information in the asset management system, as required by federal rules.* DWD should make reasonable efforts to obtain the required information.

Questioned Costs: Multiple Grants: Property Records = None

DWD Response and Corrective Action Plan: DWD agrees with this recommendation. DWD is continuing its efforts to build an inventory system that includes both new acquisitions and old equipment that predates the Department. By June 30, 2000, the following will be in place:

- The payment funding source will be added by the asset manager to all permanent property records current on the asset management system, including both the accounting codes and fiscal year indicator.
- A monthly report will be received by the asset manager that will list all payments processed through the procurement system with the fixed asset codes. This report will allow the asset manager to verify the completeness of the records added to the asset management system each month.

- An annual report will be received by the Bureau of Finance that summarizes fixed assets on the asset management system by funding source. Finance staff will reconcile the asset management system balances with fixed asset balances on DWD's accounting system. The asset manager will adjust the asset management system to reflect any coding transfers or corrections made after initial payment through the procurement system.

### **Proceeds from Sale of Fixed Assets**

The Common Rule states that when equipment with a per unit fair market value in excess of \$5,000 is sold, the federal awarding agency has a right to its share of proceeds from the sale. When equipment valued in excess of \$5,000 is sold, DWD is expected to determine whether the equipment was acquired with federal funds and contact the federal government to determine the disposition of the federal government's share of the proceeds. However, DWD does not have written procedures that assign responsibility for identifying assets sold for \$5,000 or more, determining the extent to which the federal government participated in the original purchase of the equipment, and contacting the federal government to determine the disposition of the federal government's share, if any, of the sales proceeds.

In October 1998, DWD sold one mail inserter for \$5,500 and another for \$6,500. While Bureau of Information Technology Services staff contacted the Bureau of Finance to determine whether any funds were due the federal government, Bureau of Finance staff incorrectly advised that funds did not need to be returned to the federal government because the items were fully depreciated. Therefore, DWD accounted for the \$12,000 in sale proceeds as general purpose revenue—earned, which lapsed to the State's General Fund. At our request, Bureau of Finance staff researched the items and determined that the original equipment purchase was entirely financed by the federal Unemployment Insurance program (catalog #17.225), although the grant year and grant agreement number are unknown. Therefore, as required by the Common Rule, DWD needs to contact the federal government to determine the final disposition of the \$12,000 of proceeds from the sale of equipment acquired with federal funds.

**FINDING WI-99-18:** *We recommend the Wisconsin Department of Workforce Development formally assign responsibility to identify assets sold for \$5,000 or more; determine the extent to which the federal government participated in the original purchase of the equipment; and contact the federal government to determine the disposition of the federal government's share, if any, of the sales proceeds.*

Questioned Costs: Unemployment Insurance (catalog #17.225): Proceeds from Sale of Fixed Assets = \$12,000

DWD Response and Corrective Action Plan: DWD agrees with the recommendation. Prior to disposal of any assets valued at more than \$5,000, the asset manager will provide the Bureau of Finance with a report detailing the

assets, including funding source used to acquire the assets. Finance staff will review this list to determine if any federal grant funding was involved in the acquisition of the assets and to what extent proceeds from the sale must be reported back to the federal grantor agency. These records will be flagged by June 30, 2000, so that they can be tracked. Proceeds from sales will be reported as program income when required.

DWD will also work with the Wisconsin Department of Administration and the State Treasurer to recover the \$12,000 that lapsed to the State's General Fund and repay the federal government.

### **Subrecipient Monitoring**

DWD subgrants federal funds to various state and local governments, higher educational institutions, nonprofit organizations, and for-profit entities. Federal rules require DWD to ensure that any state or local government, higher educational institution, or nonprofit organization expending more than \$300,000 in subgranted funds during its fiscal year has met the audit requirements included in OMB Circular A-133. The subgrant agreements between DWD and the subrecipients, including the for-profit entities, include the requirement for an annual audit conducted in accordance with Circular A-133.

According to OMB Circular A-133 and *State Single Audit Guidelines*, published by the Wisconsin Department of Administration, DWD as the subgrantor, or another state agency as the cognizant agency, is to receive reports from subrecipients required to have audits, perform desk reviews of the reports, perform quality-control reviews of auditor work effort for 5 percent of the audits, issue timely management decisions on audit findings, and require subrecipients to take timely corrective action on deficiencies identified in the audits. The *State Single Audit Guidelines* require these tasks to be completed within 180 days of when all information required to perform audit monitoring duties has been received by the office responsible for the review.

In the *State Single Audit Guidelines*, cognizant responsibilities have been assigned to certain state agencies, such as DHFS for counties and tribes, the Department of Public Instruction for school districts, and the Wisconsin Technical College System Board for technical colleges. If DWD provides a subgrant of federal funds to entities that have been assigned to another state agency as a cognizant agency, then DWD needs only resolve any audit findings related to its federal and state programs and may review the report to ensure that its programs were included in the scope of the audit. However, if DWD provides the largest portion of subgranted federal funds to entities that have not been assigned a state agency as a cognizant, then DWD should perform the role of cognizant agency for those entities.

DWD has assigned responsibility for subrecipient monitoring to each division. We reviewed the subrecipient audit monitoring tasks performed by staff in the Division of Workforce Excellence (DWE), Division of Economic Support (DES), and Division of Vocational Rehabilitation (DVR). DWE staff are performing the proper audit monitoring tasks for subrecipients of the Job Training Partnership Act program. However, we have concerns with subrecipient audit monitoring in DES and DVR.

Division of Economic Support - DHFS performed state cognizant agency responsibilities for local governments, nonprofit organizations, and for-profit entities receiving subgrants of federal funds from DES for the 1996, 1997, and 1998 single audits. DHFS identified DES subrecipients from information on the Community Aids Reporting System. DES was responsible for resolving findings related to its subgrants.

DES has assigned audit finding resolution duties to one part-time employee. However, because of turnover in this position, DES has not met the 180-day guideline for resolving findings. For example, as of May 1, 2000, DES had yet to resolve one report covering 1997 and four reports covering 1998.

In addition, we note that one subrecipient, Maximus, Inc., which is a for-profit entity that administers the TANF program in the Milwaukee area, did not have a single audit completed for 1997 or 1998 at the time of our review in March 2000. DHFS and DES staff have been working with this entity and its auditors who, at the time of our fieldwork, were performing a program-specific audit in accordance with OMB Circular A-133 for 1997, 1998, and 1999.

Division of Vocational Rehabilitation - DVR provides subgrants to about 40 entities, including technical colleges, counties, nonprofit organizations, and other state agencies. While DVR reviews audit reports that it receives, it does not maintain a grant-tracking system, as required by *State Single Audit Guidelines*, to ensure that all of its grants are included in the scope of the single audits and, if necessary, to determine whether it needs to perform cognizant agency responsibilities. Because DVR does not have a grant-tracking system, we were not able to readily determine the extent, if any, that it should have, but did not, receive and review required audit reports.

State cognizant agency responsibilities are performed by other state agencies for the technical colleges and counties. For these entities, DVR staff should maintain a list of subgrants and ensure that they are included in the scope of the single audits, and resolve any findings. DVR staff should determine whether other entities meet the threshold for the single audit requirement and, if so, perform the state agency cognizant duties for receiving, reviewing, and resolving the single audit reports.

**FINDING WI-99-19:** *We recommend the Wisconsin Department of Workforce Development's Division of Economic Support meet timeliness standards for reviewing single audit reports and the Division of Vocational Rehabilitation implement a grant-tracking system, as required by State Single Audit Guidelines.*

Questioned Costs: Multiple Grants: Subrecipient Monitoring = None

DWD Response and Corrective Action Plan: DWD agrees that one report covering 1997 and four reports covering 1998 had yet to be resolved by DES as of May 1, 2000. DWD notes that the 1997 and 1998 audit for Maximus, Inc., was received in April 2000. DWD is currently in the process of resolving the audit issues for 1997 and 1998.

DWD agrees that DVR should implement an audit-tracking system. DVR does have in place a database system that tracks subgrant expenditure and utilization activity. DVR will enhance the existing database to monitor and track audits to these subrecipients for the period July 1996 to present, as required by the *State Single Audit Guidelines* for implementation of state agency cognizant duties. The cooperative agreements contract officer in DVR will fully implement this process by July 1, 2000.

### **Temporary Assistance for Needy Families**

The State of Wisconsin has been awarded approximately \$317.0 million of federal TANF funds (catalog #93.558) annually since FFY 1996-97 by the U.S. Department of Health and Human Services. These funds remain available to the State until expended. State funds totaling approximately \$168.0 million are required to be expended each federal fiscal year to meet the maintenance-of-effort requirement in order to be eligible for the entire federal TANF award for that year. To encourage innovation in assisting individuals to reduce their dependence on what used to be known as welfare, the federal government has given states significant flexibility in designing programs and determining eligibility requirements. States may use grant funds to provide cash assistance or direct services to participants and for administrative activities.

In 1997 the State of Wisconsin implemented W-2, which is funded with TANF funds. W-2 is administered on a statewide basis by DWD's Division of Economic Support. At the local level, 75 individual W-2 agencies under contract with DWD are responsible for program administration. These individual W-2 agencies determine participant eligibility; provide participants with self-sufficiency and employment planning; and provide related support services, such as child care and transportation, to assist in obtaining and maintaining employment. One aspect of the initial local agency contracts was the opportunity to earn a "profit" if the total cost to administer the program and to provide benefits was less than the total contract award for each W-2 agency.

DWD awarded the implementation contracts to individual W-2 agencies for the 28-month period from September 1, 1997 through December 31, 1999, using a structured selection process that allowed counties and tribes that had met prior caseload reduction goals the right of first refusal to administer the W-2 program in their geographic areas. In the event counties or tribes elected not to administer the W-2 program, and for those cases in which counties or tribes had not met the prior caseload reduction goals, DWD requested proposals to administer the W-2 program from counties, tribes, nonprofit organizations, and for-profit organizations.

Costs charged to the TANF program must meet the criteria included in OMB Circular A-87. In general, this circular states that costs are allowable provided they are reasonable and necessary to administer federal grant programs. Concerns have been raised that some of the payments made to the W-2 agencies may not be allowable costs of the federal TANF program.

Wisconsin has generally been regarded as a leader in welfare reform, and the W-2 program was one of the first of its kind in the nation. In order to ensure statewide coverage and attract a sufficient number of agencies to administer the program at the local level, DWD provided for the profit incentive. In addition, because the cost to administer individual cases was expected to be higher under W-2 than under the old AFDC program, and because agencies were at risk to lose money in operating the program, DWD believed this incentive was needed for the agencies to assume the risk that they might lose money under the contracts.

Each W-2 agency implementation contract provided a total award amount that was based on the number of welfare cases at the counties and tribes before W-2 was implemented. To encourage participation, each contract provided that any contract funding remaining after deducting the amount used for benefits and other program costs was to be distributed according to a specific formula. Of any unexpended balance, the W-2 agency received up to 7 percent of the implementation contract amount as unrestricted profit. Any unexpended balance after this deduction was distributed as follows: 1) 10 percent was for unrestricted use by the W-2 agency; 2) 45 percent was retained by the State; and 3) 45 percent was retained by the W-2 agency for community reinvestment for services to low-income persons, under a plan approved by DWD.

As Wisconsin was implementing W-2, the number of cases related to the program dropped sharply. The associated costs to administer the program were much less than originally expected, resulting in significant incentive payments to the W-2 agencies. It is clear that the community reinvestment funds, if used for TANF-allowable purposes, may be charged to federal TANF funds or charged to state funds to meet the State's maintenance-of-effort requirements. However, concerns have been raised about whether the 7 percent and 10 percent unrestricted profits are allowable costs under Circular A-87 and may be charged to the TANF program.

In December 1998, DWD paid \$16.3 million to the W-2 agencies for a portion of the 7 percent unrestricted profit; in May 1999, DWD paid \$2.7 million for a portion of the 10 percent unrestricted profit. DWD is currently closing out the W-2 implementation contracts that ended on December 31, 1999, to determine the final profit amounts. After the contract close-out process is completed, DWD will pay additionally an estimated \$45.0 million in profits to the W-2 agencies, for a total distribution of an estimated \$64.0 million.

Circular A-87 does not specifically address whether the type of incentives the W-2 program included in the implementation contracts are allowable costs. Circular A-87 does explain that to be allowable under federal awards, costs must be "necessary and reasonable for proper and efficient performance and administration of federal awards. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost." At the time the W-2 program was being planned and put into effect, very little federal guidance was available to assist in judging the reasonableness of the profit built into the contracts. The federal regulations for TANF became effective October 1, 1999, 25 months after the start of W-2.

The dollar amount of profit the agencies will earn, however, is much higher than what was expected when W-2 was developed. We do not question this profit because the State was given significant flexibility in designing its TANF program in ways that promote work, responsibility, and self-sufficiency and strengthen families. State officials understood that TANF funds could be used in any manner reasonably calculated to accomplish the purpose of the TANF program. With the opportunity to obtain a portion of the contract surplus, DWD was able to encourage W-2 agencies to participate in W-2, which was necessary for the program to be successful in helping participants end their dependence on government benefits by moving them from welfare to work.

DWD negotiated new contracts for the 24-month period starting January 1, 2000, that do not include any profit elements. However, W-2 agencies may be paid performance “bonuses” for meeting certain specified performance criteria. For example, a W-2 agency may earn a bonus if the percentage of W-2 participants it serves who obtain employment exceeds the threshold specified in that agency’s contract.

**FINDING WI-99-20:**

Questioned Costs: Temporary Assistance for Needy Families (catalog #93.558):  
Incentive Payments = None

DWD Comments: In the second to last paragraph, the narrative includes the phrase “The dollar amount of profit the agencies will earn, however, is much higher than what was expected...” This phrase may lead a reader to believe that there was some sort of expected profit level, when in fact there was not. The 7 percent unrestricted profit was a reasonable incentive given the unknown risk in these contracts. It was also modest enough not to provide an incentive to reduce services. Ninety percent of any remaining unspent funds were retained or directed to the program. Paragraph five of the auditor’s narrative accurately describes why profit was included in the contracts. DWD has clearly and fully disclosed the profit aspects of the W-2 program to federal officials, both in its plans and in its funding claims.

**Prior Audit Follow-up**

As part of our current audit, we followed up on DWD’s progress in addressing Findings WI-98-8 through WI-98-17 in our prior single audit report (report 99-12). DWD addressed concerns related to cash management, duplicate reimbursements, coding expenditures to cost pools, and federal reporting and advances to subrecipients for the Job Training Partnership Act Cluster. However, continued efforts are need to restrict access to KIDS. In addition, DWD has not received federal approval of its public assistance cost allocation plans for FY 1996-97, FY 1997-98, and FY 1998-99.

## Cash Management for DES and DVR Administrative Expenditures

As a result of departmental reorganization that took effect on July 1, 1996, DES and DVR were transferred from DHFS to DWD. These divisions brought DWD several federal programs, some of which require the State to provide state matching expenditures of 10 percent to 50 percent of total program expenditures.

In our prior audit, we reported that while DWD properly charged some costs, such as aid to individuals and aid to subrecipients, to federal grant and state matching accounts, DWD initially charged certain administrative costs entirely to federal grant accounts and only later transferred state matching expenditures to state accounts (Finding WI-98-8). The effect was to cause the State's cash management system to initially draw federal reimbursement for 100 percent of administrative expenditures. While the excess reimbursement was returned to the federal government through the cash management system the next month, when DWD transferred expenditures to state matching accounts, the interest earned by the State on the temporary excess federal reimbursements was interest lost to the federal government.

DWD materially implemented its prior audit corrective action plan by working with staff in the State Controller's Office to calculate the interest owed to the federal government for FY 1997-98 and FY 1998-99 for the Food Stamp Program, Child Support Enforcement program, DWD's share of the Medical Assistance Program, and the Vocational Rehabilitation program, which are the four largest programs administered by DES and DVR and which are covered by the Cash Management Improvement Act. The State Controller's Office included interest of \$58,780 for FY 1997-98 and \$87,780 for FY 1998-99 in its December 1999 annual report required under the Cash Management Improvement Act to settle the interest owed to the federal government for these four grants.

DWD did not review the interest owed for other grants administered by DES and DVR, as it indicated it would do in its corrective action plan. However, based on the size of these other grants, we do not believe the interest earned because of delays in transferring expenditures to state matching accounts would be significant.

During FY 1999-2000, DWD continued to initially charge administrative costs to federal accounts and later transfer the State's share to state accounts. Therefore, the State continues to earn interest at the expense of the federal government. Staff in the State Controller's Office plan to calculate the interest for the federal programs covered by the Cash Management Improvement Act during the interest settlement process for FY 1999-2000. At the time of our field work, DWD expected to change its accounting system effective May 1, 2000, to allow the State's share of grant transactions to be charged directly to state accounts, which should prevent the State from earning excess interest.

DWD Comments: In coordination with the State Controller's Office, DWD reviewed all grants subject to the Cash Management Improvement Act. The State Controller's Office did not furnish transactions associated with the other grants administered by DES and DVR for analysis, since these grants are not subject to the requirements of the Act. DWD agrees that the interest owed for

these other grants administered by DES and DVR is not significant. The accounting system processes referenced in the auditor's narrative were implemented on May 1, 2000.

### **Cash Management for the Child Care Program**

In order to ensure that federal reimbursement is requested in a timely manner, DWD uses the cash management system to automatically draw federal funds for expenditures recorded under the child care program. However, the cash management system does not initiate drawdowns of federal funds when transactions are entered without federal reporting categories. State agencies are expected to perform monthly reconciliations of cash management system records to grant expenditure records to ensure that the State receives federal reimbursement in a timely manner.

In our prior audit, we reported that DWD did not perform monthly reconciliations during FY 1997-98 and did not detect a child care expenditure transaction totaling \$2,353,950 that did not include a federal reporting category (Finding WI-98-9). As a result, state funds temporarily subsidized the federal child care program, resulting in lost interest earnings to the State.

Starting July 1999, DWD has received from the Wisconsin Department of Administration a monthly report listing transactions with missing reporting categories. DWD staff currently review the monthly report and correct as necessary child care program transactions missing reporting categories.

### **Duplicate Reimbursements**

DWD charges most expenditures to federal grants as costs are incurred. However, during prior fiscal years, DWD also incurred costs that apply to more than one federal program and allocated these costs quarterly to the affected federal programs. DWD manually drew federal grant funds after these allocations had been completed.

During FY 1997-98, DWD established a joint cost project on the State's cash management system for the TANF grant. DWD automatically received federal reimbursement through the cash management system when it charged expenditures to the joint cost project. However, DWD also continued to manually draw federal TANF funds as the quarterly cost allocations were completed. As a result, we determined that DWD requested and received reimbursement twice for the same allocated costs (Finding WI-98-10).

DWD implemented its corrective action plan and returned \$5,312,691 to the federal government in June 1999. In addition, DWD revised its procedures for FY 1998-99 and no longer manually requests federal reimbursement for joint costs. The accounting supervisor currently reviews all manual transactions to ensure they do not duplicate automated transactions.

## **Coding Expenditures to Cost Pools**

During prior fiscal years, DWD recorded costs that could not be charged directly to individual federal programs to cost pools and allocated those costs using several methods, such as the DES time study method and the joint income maintenance cost allocation method. In our prior audit, we determined that because of an apparent oversight, DWD assigned to the DES time study cost pool, rather than the joint income maintenance cost pool, two expenditures totaling \$31,851 for maintenance and modification services to one of its computer systems and for personal computer leases. Because of this incorrect coding, DWD over-allocated costs to some federal grants while under-allocating costs to other federal grants (Finding WI-98-11).

In August 1999, DWD implemented appropriate corrective action by correcting the coding of the transactions identified in our prior audit and adjusting amounts allocated to the affected grant programs. Our current audit did not identify any inappropriate expenditures included in the joint income maintenance cost pool. The time study cost pool was not used during FY 1998-99.

## **Job Training Partnership Act Cluster**

DWD administers the Job Training Partnership Act (JTPA) and Employment and Training Assistance—Dislocated Workers programs. DWD uses a portion of the JTPA funds for administrative activities but subgrants the majority of the JTPA funds to two other state agencies and 17 service delivery areas (SDAs). In our prior audit, we had concerns that some of the reports DWD submitted to the federal government during FY 1997-98 contained errors and that DWD did not have procedures in place to ensure cash advances to its SDAs were reasonable.

Federal Reporting - DWD is required to submit to the federal government the JTPA Title II Quarterly Status Report (JQSR), Worker Adjustment Formula Financial Report (WAFFR), and Dislocated Worker Special Project Report. These reports provide allotment, expenditure, and participant information for Titles II and III of the JTPA program.

In our prior audit, we noted errors in the federal reports and the need to file a revised final program year 1995 Title III Worker Adjustment Formula Financial Report for the period ending June 30, 1998 (Finding WI-98-12). DWD has taken steps to address concerns in this area by assigning responsibility for preparing the reports to better-trained staff. In addition, in August 1999, DWD submitted a revised June 30, 1998 Worker Adjustment Formula Financial Report to the federal government.

Advances to Subrecipients - Federal cash management rules require the State to minimize the time that elapses between the transfer of funds to its subrecipients and their disbursement of these funds. In our prior audit, we noted that it was DWD's policy to limit advances requested by its subrecipients and to annually monitor subrecipients by reviewing a selected month's cash balances and expenditures to ensure the requested advances did not create excess cash. However, we identified several SDAs that had cash balances that exceeded the three-days' average expenditures.

While DWD instructed the SDAs to limit their requests for cash advances, we recommended that DWD take additional steps throughout the year to ensure subrecipients comply with cash advance policies (Finding WI-98-13).

DWD has taken reasonable corrective action in this area. First, in August 1999, DWD informed the SDAs of the cash management problems and requested that they take steps to achieve acceptable cash balances. Second, it implemented new procedures for reviewing and approving cash advance requests that exceed a threshold established for each SDA. As a result, SDAs now must identify their cash needs and provide justification for receiving cash advances that exceed the established threshold. Finally, DWD plans to conduct unannounced cash surveys of the SDAs two times per year to ensure the advances are reasonable.

### **Access to the KIDS Computer System**

KIDS is a tool used by state and county child support staff to collect child support payments and appropriately distribute the funds. A centralized system such as KIDS is required by the federal Office of Child Support Enforcement to help states enforce the support obligations owed by absent parents to their children; to locate absent parents; to establish paternity; and to obtain child, spousal, and medical support.

In our prior audit, we found that DWD had granted excessive access to KIDS datasets, database tables, and user input screens (Findings WI-98-14 through WI-98-16). While DWD has made significant efforts to reduce unnecessary access, continued progress is needed in this area.

Access to KIDS Datasets - DWD uses ACF2, which is a mainframe security software package, to restrict access to KIDS computerized data, transactions, and programs. To ensure access is limited to that necessary to allow employees and contract workers to perform their job duties, DWD has appointed a security officer within the Bureau of Information Technology Services (BITS) to establish access to data, transactions, and programs based upon access requests approved by supervisors or bureau directors.

DWD has contracted with IBM Global Services to provide programming and other services for KIDS. In addition, BITS staff make programming changes to KIDS programs. In our prior audit, we noted that 35 IBM staff, many of whom were programmers, and several BITS staff had write and allocate access to datasets (Finding WI-98-14). While DWD has taken steps to restrict excess access for the majority of individuals identified in our prior audit, DWD continues to allow two IBM programmers and two BITS programmers to have access to production datasets. Because these programmers have write and allocate access to electronic data, as well as extensive knowledge of the KIDS programs, they could make unauthorized changes to data and conceal those changes. For example, programmers could change the files that contain child support payment information, which could result in unauthorized child support payments or in legitimate checks being sent to the wrong person or address.

Access to KIDS Database Tables - Information contained on KIDS database tables is managed by a relational database system called Data Base 2 (DB2). Staff are given access to authorization identifications, which allow them to update data stored in DB2 tables. Access to production database tables through the authorization identifications should not be granted to programmers and should be limited to employees who need the access to complete their job duties.

DWD has taken steps to address our prior audit concerns (Finding WI-98-15) related to the amount of access granted to authorization identifications that allow users to update database tables. DWD eliminated two authorization identifications, resulting in numerous employees no longer having access to database tables. In addition, DWD reduced the number of staff with access to the remaining authorization identifications. However, we found ten IBM programmers continue to have the ability to use some of the update authorization identifications to make changes to data. Programmers with such access could make and conceal unauthorized changes to data that could result in KIDS generating fraudulent checks.

Access to KIDS User Input Screens - Access granted to update and query KIDS information should be limited to that access necessary for staff to perform their job duties. Child support supervisors are responsible for adjusting access when staff job duties change or are eliminated.

Supervisors assign KIDS worker groups to state and county child support staff based on staff job duties. Individual worker groups control the screens users can read or update in KIDS. Worker groups have been established separately for state staff and county child support agency staff.

During our prior audit, we reviewed worker groups for DWD staff in the Bureau of Child Support and expressed concerns about the level of access granted to some employees (Finding WI-98-16). During FY 1999-2000, DWD conducted an internal review and reduced Bureau of Child Support user access to KIDS information where possible. DWD has contacted county child support agency offices and required supervisors to certify that the access for their staff is necessary for them to perform their job duties. However, DWD still needs to make programming changes in KIDS to further restrict access for other users. DWD plans to form two committees to create more restrictive worker groups that better fit the users' job duties and that could be assigned to staff who currently have unnecessary access, to lower the risk of inappropriate transactions in KIDS.

**FINDING WI-99-21:** *We recommend the Wisconsin Department of Workforce Development:*

- *eliminate the ability to access KIDS datasets for the two IBM employees and the two Bureau of Information Technology Services employees who continue to have that access;*
- *eliminate the ability to access KIDS databases for the ten IBM employees who continue to have that access; and*

- continue its efforts to review and restrict access to KIDS information to the access needed to perform employees' job duties.

Questioned Costs: Child Support Enforcement (catalog #93.563): Access to KIDS Information = None

DWD Response and Corrective Action Plan: DWD agrees with the three parts of the recommendation. Regarding the first part, two BITS employees had update access to a few KIDS datasets. This dataset access was removed for these programmers effective May 15, 2000. Two IBM Global Services contractors have update access to KIDS datasets. IBM is contractually obligated to support the KIDS system, including fixing production problems. One of these individuals is the KIDS lead database administrator, and the other is his primary backup. It will be problematic to restrict their access. However, given the concern of IBM contractors improperly changing files when fixing a production problem, DWD will implement the following procedures to provide more control: 1) access for the two IBM contractors will be granted for emergency backup only; 2) the emergency IBM staff will not change production datasets but, in emergency situations, will manipulate the data on a copy of the dataset received from the BITS Computer Platform Services section; and 3) BITS Computer Platform Services will monitor this process, maintain an audit trail, and re-start the job with the corrected file. The next working day, BITS Computer Platform Services will send a report indicating that a problem arose and what data were changed to the KIDS management team. The next working day, the vendor will send a report detailing the cause of the problem and the action taken, including data corrections, to the KIDS management team. The KIDS management team will review the reports and take action as appropriate. Final action will be reviewed and approved in writing by the Director of the Bureau of Child Support. These procedures will be implemented as quickly as possible. The target date for completion is June 16, 2000. This completion date will be adjusted after the Bureau of Child Support reviews the changes with IBM Global Services.

Regarding the second part of the recommendation, ten IBM contractors have update access to KIDS database tables. It is a contractual responsibility for IBM Global Services to handle code migration, and it is necessary to have four staff with this ability to avoid unnecessary delays in the development process. This number will be reduced to four IBM staff by June 1, 2000—one contractor who performs database administrator functions, and three who are responsible for code migration. Procedures similar to those to be implemented for dataset modifications are already in place to allow auditing when table changes are made. Any production-related changes to the KIDS database tables are logged in a dataset that contains before and after images of the table, and all changes are documented and can be reviewed. The next working day, the vendor will send a report detailing the changes to the KIDS management team. The KIDS

management team will review the reports and take action as appropriate. Final action will be reviewed and approved in writing by the Director of the Bureau of Child Support.

Regarding the third part of the recommendation, the current security structure in KIDS allows users access to more screens than they need to perform their job duties. The Bureau of Child Support gathered data from county child support agencies in fall 1999 and from Bureau of Child Support databases for baseline information on current child support agency usage of the various access codes in spring 2000. The Bureau of Child Support has convened a work group of child support agency staff to examine this information. The group will make recommendations for changes, additions, and deletions of KIDS worker access codes so that they will better meet the needs of the customers and afford DWD better control over access and update ability in KIDS.

The Bureau of Child Support has twice reviewed access for all of its staff in an effort to reduce the level of access. These reviews have significantly reduced KIDS access for many staff in the Bureau to that needed for performance of their job duties. This has not completely eliminated the problem of excessive access for some staff in order to perform their job functions. For those staff, we are currently working with DES Security to identify ways we can use ACF2 security to prevent them from updating KIDS in areas beyond the scope of their jobs.

After the recommendations of the child support agency work group are in, the Bureau of Child Support will convene an internal workgroup to further examine access codes available for state and Trust Fund staff and identify new configurations that will reduce access to only what is needed. This Bureau of Child Support group will begin its work in July 2000. Business requirements for changes to KIDS security programming will be complete by September 30, 2000. Programming, testing, and implementation estimates will depend on the scope of the requirements. The target date for completion of these changes is December 31, 2000.

In the meantime, the Bureau of Child Support will immediately begin to work with DES Security to develop ACF2-based, short-term security measures to limit access to the most critically vulnerable functions in KIDS. These changes will be completed by September 30, 2000. Finally, as of May 1, 2000, the Bureau of Child Support limited access to the KIDS screen that sets worker access codes in the KIDS production environment. Access to this screen is now available only to a group of five Bureau of Child Support staff and five DES Security staff. No county child support agency staff have access to update that screen.

### **Public Assistance Cost Allocation Plan**

With the transfer of certain federal programs, such as food stamps and child support enforcement, to DWD on July 1, 1996, DWD became a public assistance agency. As a public assistance agency, DWD is required to seek approval for its public assistance

cost allocation plan from the U.S. Department of Health and Human Services' Division of Cost Allocation (DCA). The public assistance cost allocation plan includes narrative descriptions of procedures to be used by DWD to distribute administrative costs to various federal and state programs, including public assistance programs. In our prior audit, we reported that DWD had submitted its public assistance cost allocation plan but that it had not obtained DCA approval for its procedures to allocate costs to federal and state programs for FY 1996-97 or FY 1997-98 (Finding WI-98-17).

DWD has yet to obtain DCA approval for its cost allocation plan. During FY 1999-2000, DWD submitted additional revisions to its proposed plan for FY 1996-97 and FY 1997-98, as requested by DCA, as well as information related to the proposed plan for FY 1998-99. All requested information was required to be submitted to DCA by May 1, 2000.

The delay in approval appears to result from two concerns. First, DCA has questioned DWD's proposed methodology to allocate costs of DWD's Division of Workforce Excellence, Partnership for Full Employment to various federal and state programs. Second, DWD's accounting system does not generate reports to allow users to trace many of the different types of cost allocations through the system. DWD programming staff are currently working to generate accounting reports in the format requested by DCA.

We reviewed and tested DWD's cost allocations for FY 1998-99. DWD allocated costs to federal grants in accordance with its proposed plan for FY 1998-99.

**FINDING WI-99-22: We recommend the Wisconsin Department of Workforce Development continue to negotiate with the federal Division of Cost Allocation to resolve any issues delaying approval of the Department's public assistance cost allocation plan for FY 1996-97, FY 1997-98, and FY 1998-99.**

Questioned Costs: Multiple Grants: Public Assistance Cost Allocation Plan = None

DWD Response and Corrective Action Plan: DWD agrees that the public assistance cost allocation plan is not yet approved and that DWD needs to continue working with federal officials. As of May 4, 2000, DWD is current with submitting all requested plan materials and supporting documentation to federal officials, and is awaiting their response. To address DCA's first concern, additional material supporting the methodology for Partnership for Full Employment costs was submitted to federal officials on April 27, 2000. To address DCA's second concern, programming is complete and example reports for October 1999 allocations were submitted to federal officials on April 24, 2000.

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**Wisconsin Department of Workforce Development**  
**Summary of Findings and Questioned Costs**  
FY 1998-99

**U.S. Department of Agriculture**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-9	10.561	State Administrative Matching Grants for Food Stamp Program	Accounting For and Reporting State Matching Expenditures	\$ 68,767

**U.S. Department of Labor**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-18	17.225	Unemployment Insurance	Proceeds from Sale of Fixed Assets	\$ 12,000

**U.S. Department of Education**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-11	84.126	Rehabilitation Services-Vocational Rehabilitation Grants to States	Non-federal Match	\$ 0
WI-99-15	84.126	Rehabilitation Services-Vocational Rehabilitation Grants to States	Allowable Costs for Client Services	1,286
WI-99-16	84.126	Rehabilitation Services-Vocational Rehabilitation Grants to States	Cash Management	0

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**U.S. Department of Health and Human Services**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-12	93.558	Temporary Assistance for Needy Families	Joint Income Maintenance Cost Allocations	\$ 76,092
WI-99-20	93.558	Temporary Assistance for Needy Families	Incentive Payments	0
WI-99-6	93.563	Child Support Enforcement	Late Return of Federal Share of Collections for Public Assistance Programs	300,148
WI-99-7	93.563	Child Support Enforcement	Quarterly Report of Collections	Undetermined
WI-99-8	93.563	Child Support Enforcement	Quarterly Report of Expenditures	0
WI-99-21	93.563	Child Support Enforcement	Access to KIDS Information*	0
WI-99-10	93.600	Head Start	Non-federal Match	0
WI-99-9	93.778	Medical Assistance Program	Accounting For and Reporting State Matching Expenditures	98,586

**Noncompliance Findings Affecting Multiple Grants**

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-12	Multiple Grants	Joint Income Maintenance Cost Allocations	Undetermined
WI-99-13	Multiple Grants	Salary and Fringe Benefits	Undetermined
WI-99-14	Multiple Grants	Excess Cash Balances in Cost Pools	\$ 0
WI-99-17	Multiple Grants	Property Records	0
WI-99-19	Multiple Grants	Subrecipient Monitoring	0
WI-99-22	Multiple Grants	Public Assistance Cost Allocation Plan*	0

\* Repeat finding from audit report 99-12.

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix I of this report.

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The University of Wisconsin (UW) System, which provides postsecondary academic education for more than 152,900 students, consists of 13 campuses, UW Colleges, UW-Extension, and UW System Administration. The 17-member Board of Regents establishes policies to govern UW System and plans for the future of public higher education in Wisconsin. Each of the 13 campuses award bachelor's and master's degrees; UW-Madison and UW-Milwaukee also confer doctoral degrees. The UW Colleges are 13 two-year branch campuses that offer general-education associate degrees and course credits that transfer to other degree-granting universities. UW-Extension, in cooperation with the UW campuses, provides continuing education courses in classrooms and via distance education, as well as wide-ranging public service programs to Wisconsin residents. UW System Administration is the UW President's staff to assist the Board of Regents in establishing policies; reviewing policy administration; and planning the programmatic, financial, and physical development of the system.

UW System, which had operating costs that totaled almost \$2.7 billion, disbursed \$695.1 million in federal financial assistance during FY 1998-99, including nearly \$271.7 million for the research and development cluster and \$366.5 million for the student financial aid cluster. Federal funds were received either directly from the federal government or as a subrecipient from other organizations. As required by OMB Circular A-133, we tested compliance with laws and regulations related to the federal programs, contracts, and subgrants that UW System administered during the audit period. Our compliance review for FY 1998-99 focused on four grant programs: the research and development cluster system-wide, the student financial aid cluster at five UW campuses, the Head Start grant, and the TRIO cluster.

The research and development cluster, which is a major type A program, is defined by OMB Circular A-133 as including all research activities, both basic and applied, and all development activities that are supported at universities, colleges, and nonprofit institutions. "Research" is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. "Development" is a systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes. The research and development grants, which were administered by 12 of the 13 UW campuses, as well as by UW Colleges, accounted for 39 percent of federal funds disbursed by UW System during FY 1998-99. Of that amount, over 95 percent was disbursed by UW-Madison and, accordingly, we documented and tested controls used in administering the research and development cluster at UW-Madison and tested compliance with grant requirements for selected research and development grants at UW-Madison.

The student financial aid cluster is defined by OMB Circular A-133 as including those programs of general student assistance in which institutions participate, such as those authorized by Title IV of the Higher Education Act of 1965, as amended. It does not include programs that provide fellowships or similar awards to students on a competitive basis. The student financial aid program accounted for nearly 53 percent of federal funds disbursed by UW System during FY 1998-99. The student financial aid cluster is a low-risk type A program and, therefore, must be audited at least once every three years. The Legislative Audit Bureau audits the student financial aid cluster at the UW campuses over a three-year cycle. During the FY 1998-99 audit, the Audit Bureau audited the student financial aid cluster as a major program at UW-Milwaukee, UW-Oshkosh, UW-Parkside, UW-Superior, and UW-Whitewater. We documented and tested controls used in administering the student financial aid programs and tested compliance with grant requirements for the student financial aid programs at these five campuses.

In addition, for our FY 1998-99 single audit, the Head Start program and the TRIO cluster were selected for review as high-risk type B programs. While UW-Oshkosh is the only campus in the UW System that received funds under the Head Start program, all campuses and UW Colleges received funding under the TRIO cluster, which includes the Student Support Services, Talent Search, and Upward Bound programs.

We also followed up on progress made at all UW campuses, UW Colleges, UW-Extension, and UW System Administration on findings included in our prior single audit report (report 99-12). There were no findings or follow-up work to be reported for UW-Eau Claire, UW-Green Bay, UW-La Crosse, UW-Stevens Point, UW Colleges, and UW-System Administration; consequently, this report does not include subsections for these components of UW System.

Finally, at the request of the National Endowment for the Humanities, we included the Wisconsin Humanities Council in our FY 1998-99 audit of UW System and audited the Promotion of the Humanities—Federal/State Partnership grant (catalog #45.129) as a major program. The Wisconsin Humanities Council is a nonprofit organization tied to UW System through its relationship with UW-Extension, which is responsible for fiscal and personnel administration of the Humanities Council. We documented and tested controls used in administering the grant and tested federal grant requirements. There were no findings to report and, therefore, this report does not include a subsection for the Humanities Council.

### **University of Wisconsin-Madison**

UW-Madison is the largest UW campus and one of the major research universities in the nation. It provides instruction to 39,500 students seeking undergraduate or graduate degrees and had operating costs totaling \$1.3 billion in FY 1998-99. Federal grant expenditures for FY 1998-99 totaled \$391.1 million, including \$259.0 million for the major research and development program and \$106.7 million for the major student financial aid program.

We gained an understanding of and tested UW-Madison's internal control structure used in administering the research and development program. We also tested compliance with specific grant requirements for this program.

Overall, UW-Madison's internal control structure appears adequate to ensure compliance with federal requirements for the research and development program. However, while reviewing requirements related to the research and development grants, we identified a concern related to cost-share monitoring. Our prior audit concerns regarding indirect cost rate documentation were not followed up on during this audit because new rates have not been negotiated since our FY 1996-97 audit. Therefore, we will continue to monitor this area during future audits but offer no recommendations at this time.

In addition, we followed up on UW-Madison's efforts to address concerns included in our prior single audit report for FY 1997-98. We continue to note concerns related to loan assignments within the student financial aid program. However, we found that UW-Madison has satisfactorily resolved concerns related to allowable costs, suspension and debarment certifications, airline ticket procurement, and collection agencies.

### **Cost-share Monitoring**

UW-Madison administers several federal grants that require the State to share in overall project costs by having non-federal sources take responsibility for a certain level of expenditures. For example, UW-Madison must finance from non-federal sources expenditures equal to at least 1 percent of federal expenditures from the National Science Foundation. If a specific cost-share requirement is identified in the grant agreement, however, that requirement overrides the general 1 percent requirement.

During our FY 1997-98 audit, we reviewed UW-Madison's procedures for ensuring required cost-share amounts were met. According to UW-Madison staff, cost-share requirements are generally met with employees' salaries, fringe benefits, and related indirect costs. However, cost-share requirements are occasionally met with other types of expenditures, and it is the responsibility of the deans' offices to ensure these requirements are met. We found that in these instances, UW-Madison did not have a central procedure in place to monitor the deans' offices' progress in reaching the required amounts, which may result in cost-share requirements being overlooked and federal funds being questioned if the necessary non-federal expenditures are not incurred. In particular, we noted a National Science Foundation grant that required a cost-share amount of \$2.15 million over a five-year project period. With one year left, UW-Madison reported cost-share expenditures of only \$976,400. Therefore, we recommended (Finding WI-98-19) that UW-Madison develop and implement a systematic approach to identify and monitor all federal cost-share requirements.

During our current audit, we found UW-Madison has not implemented procedures to monitor the deans' offices' progress in meeting federal cost-share amounts that do not result from salary effort. UW-Madison continues to delegate this responsibility to

individual dean's offices. However, without reviewing the efforts of the deans' offices to ensure cost-share requirements are met, UW-Madison may need to incur significant non-federal expenditures in a relatively short time period or return federal funds to the National Science Foundation if the requirement is not met. For example, though UW-Madison met the \$2.15 million cost-share requirement identified during our prior audit, we identified another National Science Foundation grant during our FY 1998-99 audit that required a specific cost-share amount of \$3.5 million over a five-year project period. With approximately one year remaining for this project, UW-Madison reported cost-share expenditures of only \$1.0 million.

To maintain adequate internal controls that help ensure compliance with applicable laws and regulations, as required by OMB Circular A-133, we believe UW-Madison should monitor unique cost-share requirements by determining which projects appear to be significantly short of meeting their requirements and verifying that additional cost-share expenditures are planned for those projects.

**FINDING WI-99-23:** *We continue to recommend the University of Wisconsin-Madison develop and implement a systematic approach to identify and monitor projects with unique federal cost-share requirements.*

Questioned Costs: Multiple Grants: Cost-share Monitoring = None

UW-Madison Response and Corrective Action Plan: UW-Madison generally disagrees with the recommendation. UW-Madison believes it has procedures in place to identify, capture, and report cost-sharing required by federal award or regulation because it is documented through its effort reporting system. The source of this cost-sharing is limited to salaries and related fringe benefits and indirect costs. An exception to this policy is that unique projects require extensive amounts of cost-sharing that effort reports alone cannot satisfy. The Office of Research and Sponsored Programs (RSP), which supports and administers extramural sponsored programs, works in partnership with each dean's office to document the required cost sharing. This partnership is necessary because the deans' offices control what resources they are willing to commit to each extramural project. An agreement indicating who is responsible for the documentation of non-salary cost sharing must be provided to RSP by the appropriate dean's office before the project is allowed to begin. With these unique projects and their cost-sharing requirements, there is no "one size fits all" concept that can be applied centrally. UW-Madison indicated in its response to the FY 1997-98 finding that the university's cost-sharing requirement would be met, and it was. We will meet or exceed the cost-sharing requirement on the project identified in this year's audit.

We will continue to examine our cost-sharing policy and procedures and make improvements where warranted.

## Loan Assignments

Federal regulations for the Perkins Loan Program specify that if a loan is still in default after four years of collection efforts, the institution shall continue to make annual attempts to collect from the borrower until the loan is recovered; write off the account, if under \$200; or assign the account to the U.S. Department of Education. Although federal regulations do not specify how long institutions may keep defaulted loans before assignment, good loan management practices require institutions to identify when collection efforts available to them have been exhausted and more powerful collection efforts are necessary. When defaulted loans are assigned, the U.S. Department of Education is able to use collection methods that are not available to campus staff, such as intercepting federal tax refunds.

Based on our review of various delinquent loan reports in FY 1997-98, we determined that UW-Madison, UW-Green Bay, and UW Colleges had several loans that were in default for more than eight years without any collections being received. We recommended (Finding WI-98-22) that UW-Madison provide additional guidance to its staff to determine when loans should be assigned, periodically evaluate defaulted loans in accordance with these criteria, and assign defaulted loans to the U.S. Department of Education in a timely manner.

During our current audit, we found that UW-Madison has developed criteria for when loans should be assigned and has identified 33 accounts for assignment to the U.S. Department of Education. However, UW-Madison is waiting to assign these accounts until new procedures for assigning accounts are released by the U.S. Department of Education. According to UW-Madison staff, these procedures are expected to be available in July 2000.

**FINDING WI-99-24:** Nevertheless, to ensure effective loan management practices are used, *we recommend the University of Wisconsin-Madison continue to evaluate defaulted loans in accordance with its loan assignment policy and take timely action to assign delinquent loans to the U.S. Department of Education.*

Questioned Costs: Perkins Loan Program (catalog #84.038): Loan Assignments = None

UW-Madison Response and Corrective Action Plan: UW-Madison agrees and will be assigning more defaulted loans in the future.

## Indirect Cost Rate

When funding university-based research projects, the federal government provides reimbursement for two types of costs: 1) the direct costs of conducting research, such as faculty salaries and laboratory supplies; and 2) the indirect costs to support research, such as administrative and facility operations and maintenance costs. In FY 1995-96, UW-Madison negotiated a general indirect cost rate of 44 percent with the U.S. Department of Health and Human Services (DHHS) for FY 1996-97 through FY 1999-2000. We are required by OMB Circular A-133 to review the development

of the indirect cost rate as part of the A-133 audit. During our prior A-133 audit, we recommended that UW-Madison take steps to better document the calculation and negotiation process for its indirect cost rate (Finding WI-97-11).

Although the indirect cost rate calculation is complex, a university can establish a fair and defensible rate if it documents and accurately categorizes all costs, uses reasonable methods of allocating indirect costs, and ensures that only allowable costs are included in the rate. OMB Circular A-21 states that accounting practices must support the accumulation of costs and must provide adequate documentation to support costs charged to sponsored agreements. In addition, the DHHS *Review Guide for Long-Form University Indirect Cost Proposals*, which is a guide for educational institutions preparing the indirect cost rate proposal, states that negotiation workpaper files should contain sufficient documentation to clearly show items such as adjustments that were made to the proposal, the reasons for those adjustments, and how the approved rates were computed and negotiated.

As part of our prior review of the indirect cost rate calculation, we found UW-Madison did not maintain sufficient documentation of the overall process. For example, we found the appropriateness of costs included in various cost pools could not be readily evaluated because of a lack of supporting documentation. In addition, UW-Madison was unable to explain or provide supporting documentation for some expenditure transfers between cost pools. We did not believe the areas in which supporting documentation was lacking would materially affect the negotiated rate and, therefore, did not identify any questioned costs. However, we noted that without sufficient documentation, staff responsible for completing future indirect cost rate proposals may have a difficult time understanding or reproducing this complex process.

During our FY 1998-99 audit, we found that UW Madison submitted the indirect cost rate proposal to DHHS for years beginning after July 1, 2000. We performed a preliminary review of the indirect cost rate proposal but did not test the supporting documentation, since the negotiation process between UW-Madison and DHHS has not started. Therefore, we make no recommendations at this time but plan to test the documentation for new indirect cost rates during future audits.

### **Allowable Costs**

Costs charged to federal grants are allowable if they are in accordance with OMB Circular A-21 or specific guidelines established by the grantor agency. One of the primary factors affecting the allowability of costs is reasonableness. Costs are considered reasonable if actions taken are consistent with established institutional policies and practices applicable to the general work of the institution.

During our FY 1997-98 review of 60 federal expenditures, we identified 3 unallowable expenditures that were processed by UW-Madison and not identified by department or central processing staff as being inappropriate. Therefore, we questioned costs of \$8,973 and recommended (Finding WI-98-18) that UW-Madison consider whether the identified errors were isolated instances or the result of procurement deficiencies, and take the appropriate action. During our current audit, we found that UW-Madison took

appropriate corrective action to transfer the three identified expenditures to non-federal funding sources. During our FY 1998-99 review of 29 research and development grants, we did not identify any additional unallowable expenditures.

### **Suspension and Debarment Certifications**

According to OMB Circular A-110, non-federal entities are prohibited from contracting with or making subawards with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities. In addition, contractors receiving individual awards for \$100,000 or more, and all subrecipients, must certify that the organization and its principals are not suspended or debarred.

During our FY 1997-98 audit, we found that suspension and debarment certifications were not obtained from vendors other than subrecipients. Therefore, we recommended (Finding WI-98-20) that UW-Madison obtain a suspension and debarment certification from all vendors with contracts in excess of \$100,000.

In response to our prior audit recommendation, UW-Madison has included a clause in its standard purchase order, indicating that by accepting the purchase order, the vendor certifies it is in compliance with the applicable federal regulations and has not been debarred or suspended.

### **Airline Ticket Procurement**

UW System policy requires UW campuses to obtain quotes from at least two travel agencies when round-trip airfare exceeds \$500. This requirement is intended to ensure departments use the lowest available commercial airfare and that grant expenditures are reasonable, as required by OMB Circular A-21. During our prior audit, we found that 16 out of 17 travel vouchers in FY 1997-98 did not have documentation of two price quotes. Therefore, we recommended (Finding WI-98-21) that UW-Madison identify departments violating the UW System policy to obtain at least two price quotes when airfare exceeds \$500 and provide explicit instructions to promote compliance with the requirement.

In our current audit, we found that UW-Madison provided departments with updated travel requirements and periodically reviewed proper airline ticket procurement procedures with department staff. We also found that UW-Madison was in substantial compliance with its travel policies and was able to provide documentation of two price quotes for 13 out of 15 travel vouchers in FY 1998-99.

### **Collection Agencies**

Federal regulations for the Perkins Loan Program require collection agencies to return loans to institutions if they do not succeed in converting the loans to regular repayment status after 12 months of collection activity. Upon the return of a loan, the institution is required to attempt to collect the loan in house or place the loan with a different

collection firm for an additional 12-month period. This federal requirement was intended to ensure institutions did not leave defaulted loans at collection agencies for excessive periods of time without any action being taken.

In our FY 1997-98 audit, we identified five loans that had been at the same collection agency for more than ten years and four additional loans that had been at the same collection agency for more than five years. UW-Madison staff stated that once defaulted loans have been litigated, which the identified accounts had been, the 12-month requirement no longer applies. However, allowing defaulted loans to remain at the same collection agency for long periods of time, such as ten years, is inconsistent with the federal regulations' intent of ensuring prompt and appropriate actions are taken. Therefore, we recommended (Finding WI-98-23) that UW-Madison develop and implement procedures to ensure defaulted loans that have been litigated are returned from the collection agency in a timely manner and necessary subsequent actions, such as assignment, are taken.

During our current audit, we found that UW-Madison has developed a policy requiring defaulted loans to be returned from the collection agency within five years of litigation. We reviewed the nine loans identified in the prior audit and found that four accounts are in repayment status, two accounts have been returned from the collection agency, and three accounts are in the process of being returned. We also reviewed 18 additional defaulted loans at collection agencies and did not identify any accounts that have been at the same collection agency more than 12 months without collection activity or litigation.

### **University of Wisconsin-Milwaukee**

UW-Milwaukee, which provides instruction to 22,600 students seeking undergraduate or graduate degrees, had operating costs totaling \$281.2 million in FY 1998-99. Federal grant expenditures for that period totaled \$69.0 million, including \$9.1 million for the major research and development program and \$55.8 million for the major student financial aid program.

We documented and tested UW-Milwaukee's internal control structure used in administering the student financial aid program. In addition, we tested compliance with grant requirements for the student financial aid program. Overall, UW-Milwaukee's internal control structure appears sufficient to ensure compliance with grant requirements for the student financial aid program. However, we identified a concern related to loan assignments. In addition, as required by federal regulations, UW-Milwaukee and Audit Bureau staff are in the process of completing the necessary procedures to finalize UW-Milwaukee's FY 1998-99 Pell Grant reconciliation because the entire reconciliation and payment process was not completed by the federally required date.

## Loan Assignments

Federal regulations for the Perkins Loan Program specify that if a loan is still in default after four years of collection efforts, the institution shall continue to make annual attempts to collect from the borrower until the loan is recovered; write off the account, if under \$200; or assign the account to the U.S. Department of Education. Though federal regulations do not specify how long institutions may keep defaulted loans before assignment, good loan management practices require institutions to identify when collection efforts available to them have been exhausted and more powerful collection efforts are necessary. For example, when defaulted loans are assigned, the U.S. Department of Education is able to use collection methods that are not available to UW-Milwaukee staff, such as intercepting federal tax refunds.

Based on our review of various delinquent loan reports, we determined that UW-Milwaukee has at least 321 loans, totaling approximately \$663,338 in principal and interest, that have been in default for more than ten years without any collections being received. Of these 321 loans, 32 that total over \$80,700 in principal and interest have been in default more than 15 years. UW-Milwaukee has not assigned any delinquent loans to the U.S. Department of Education since at least 1992.

**FINDING WI-99-25:** To ensure effective loan management practices are used, we recommend the University of Wisconsin-Milwaukee develop criteria for the assignment of loans, periodically evaluate delinquent loans in accordance with these criteria, and assign delinquent loans to the U.S. Department of Education in a timely manner.

Questioned Costs: Perkins Loan Program (catalog #84.038): Loan Assignments = None

UW-Milwaukee Response and Corrective Action Plan: There is no federal regulation or UW System policy concerning the assignment of defaulted Perkins loans. The U.S. Department of Education recommends the assignment of defaulted Perkins loans after unsuccessful collection efforts as a “good management” practice. However, as recommended, UW-Milwaukee will develop criteria for the assignment of loans and periodically evaluate loan accounts for assignment to the U.S. Department of Education.

UW-Milwaukee’s first priority will be to review the 321 loan accounts identified in this audit.

## Pell Grant Reconciliation

For the Pell Grant Program, UW-Milwaukee completes an annual reconciliation between its Pell disbursement records and the U.S. Department of Education Student Payment Summary report. UW-Milwaukee must then submit its final Pell Grant summary report and student financial aid report to the Department of Education by September 30 following the end of the academic year.

In FY 1998-99, UW-Milwaukee was unable to finalize its annual Pell Grant reconciliation by September 30 because another institution three students had previously attended had inappropriately claimed Pell reimbursement for the students. Since the other institution did not return the Pell funds it received by September 30, the Department of Education did not reimburse UW-Milwaukee. To complete the Pell reconciliation process, UW-Milwaukee has prepared the Pell Increase Award Report to notify the Department of Education of the three additional students for which it should be reimbursed \$1,414. In addition, UW-Milwaukee is in the process of working with the Audit Bureau to obtain the required auditor's certification.

### **University of Wisconsin-Oshkosh**

UW-Oshkosh, which provides instruction to 10,800 students seeking undergraduate or graduate degrees, had operating costs totaling \$103.9 million in FY 1998-99. Federal grant expenditures for that period totaled \$26.1 million, including \$300,000 for the major research and development program and \$22.2 million for the major student financial aid program.

We documented and tested UW-Oshkosh's internal control structure used in administering the student financial aid program. In addition, we tested compliance with grant requirements for the student financial aid program. Overall, UW-Oshkosh's internal control structure appears sufficient to ensure compliance with grant requirements for the student financial aid program. However, we did identify concerns regarding refunds and overpayments and physical inventory. We also continue to note concerns with UW-Oshkosh's federal reporting procedures for the Fiscal Operations Report and Application to Participate (FISAP).

### **Refunds and Overpayments**

Refunds of student payments toward institutional costs, such as tuition, fees, and on-campus housing, are due to students who withdraw during the semester. Overpayments, on the other hand, are due from students who received financial aid to pay non-institutional costs, such as off-campus housing and other living expenses, but withdrew during the semester and, therefore, are not entitled to all the funds received for such costs. When a student withdraws, UW-Oshkosh must calculate, in accordance with federal regulations, the refund and overpayment amounts and determine the portion of these amounts, if any, to be paid back to the financial aid programs. During our FY 1998-99 audit, we noted a concern with UW-Oshkosh's calculation of overpayments.

Using the overpayment worksheet from the federal Student Financial Aid Handbook, we tested overpayments for five students who withdrew during the semester and received financial aid. We calculated that an overpayment of \$2,090 had been made to one student. However, UW-Oshkosh had calculated that no overpayment had been made.

UW-Oshkosh financial aid staff calculate refunds and overpayments using software certified by the U.S. Department of Education. However, financial aid staff did not know how the software calculates an overpayment or what amounts are included the calculation. In the overpayment calculation for the student identified above, UW-Oshkosh was unable to explain why:

- the tuition amount within the calculation did not agree with the amount paid by the student;
- the calculations amount disbursed to the student for non-institutional costs did not agree with the cash amount provided to the student at the beginning of the semester; and
- all financial aid awards received by the student, such as Pell Grant funds, were not included in the overpayment calculation.

**FINDING WI-99-26:** We believe UW-Oshkosh staff need to understand the software and ensure it operates based on accurate information. Therefore, *we recommend the University of Wisconsin-Oshkosh obtain an understanding of its refund and overpayment calculation software system and verify the system has accurate information.*

Questioned Costs: Various Student Financial Aid Programs: Refunds and Overpayments = \$2,090, Plus an Undetermined Amount

UW-Oshkosh Response and Corrective Action Plan: UW-Oshkosh believes the MARKO software provides user guides and adequate documentation for the calculation of refunds and overpayments. UW-Oshkosh has determined how the calculations for the identified student were computed in error and believes this was an isolated incident. Policies and procedures have been implemented to ensure the MARKO software system has incorporated complete data to perform the calculations accurately.

### **Physical Inventory**

OMB Circular A-110 prescribes standards for property furnished by the federal government or whose cost was charged to a federally supported project. For example, it requires a physical inventory of equipment acquired with federal funds to be taken at least once every two years and the results reconciled with property records. We found that UW-Oshkosh has not taken a complete physical inventory since 1994.

**FINDING WI-99-27:** *We recommend the University of Wisconsin-Oshkosh comply with federal requirements by initiating a full physical inventory immediately and by completing a physical inventory at least every two years thereafter.*

Questioned Costs: Multiple Grants: Physical Inventory = None

UW-Oshkosh Response and Corrective Action Plan: UW-Oshkosh agrees with the recommendation. A full physical inventory of all campus equipment valued at \$5,000 and above will be initiated in May 2000 and subsequently will be completed every two years.

### **Federal Reporting**

Beginning with the FY 1995-96 single audit, we recommended (Finding WI-98-24) that for FISAP reporting purposes, UW-Oshkosh properly allocate segregated fees and special course fees that are not specifically identifiable as graduate or undergraduate fees, based on the ratio of graduate and undergraduate students for the year in which the allocation is made. Fees that can be identified with a specific student group should be directly assigned to that group. Further, for the FY 1997-98 FISAP, we recommended UW-Oshkosh submit a revised report with appropriate graduate and undergraduate fee amounts.

During our current audit, we again noted that the FISAP amounts for graduate and undergraduate fees were not prepared or reported appropriately in the revised FY 1997-98 FISAP and the FY 1998-99 FISAP. For example, we determined which fees could be specifically identifiable as graduate and undergraduate fees and estimate that graduate fees were understated by nearly \$3.6 million in the revised FY 1997-98 FISAP and overstated by \$1.5 million in the FY 1998-99 FISAP. Because of staff turnover, a lack of written procedures for calculating graduate and undergraduate fee amounts, and a lack of supporting documentation for the FISAPs, UW-Oshkosh was unable to provide documentation to support its determination of graduate and undergraduate fee amounts.

**FINDING WI-99-28:** We recommend the University of Wisconsin-Oshkosh:

- develop and implement written procedures to directly assign student fees that are specifically identifiable as graduate and undergraduate, and allocate those fees that are not identifiable based on the ratio of graduate and undergraduate students for the year;
- submit a revised FY 1998-99 FISAP to properly report its graduate and undergraduate fees; and
- maintain supporting documentation for federal reports for a minimum of 3 years.

Questioned Costs: Various Student Financial Aid Programs: Federal Reporting = None

UW-Oshkosh Response and Corrective Action Plan: UW-Oshkosh has attempted to calculate student fee distribution in accordance with FISAP instructions. However, written procedures will be further developed and

implemented for use in FISAP reporting. UW-Oshkosh will submit a revised FY 1998-99 FISAP and, in the future, all FISAP supporting documentation will be maintained for three years.

### **University of Wisconsin-Parkside**

UW-Parkside, which provides instruction to 4,700 students seeking undergraduate or graduate degrees, had operating costs totaling \$44.7 million in FY 1998-99. Federal grant expenditures for that period totaled \$8.9 million, including \$100,000 for the major research and development program and \$7.9 million for the major student financial aid program.

We gained an understanding of and tested UW-Parkside's internal control structure used in administering the student financial aid program. In addition, we tested compliance with grant requirements for the student financial aid program. We noted concerns related to student eligibility and awards, federal work study awards, loan assignments, collection agencies, federal reporting, overdraw of federal awards, and refunds and overpayments.

#### **Student Eligibility and Awards**

Federal regulations require that UW-Parkside review students' academic progress at the end of each academic year and determine if each student has an academic standing consistent with the campus graduation requirements. According to UW-Parkside's satisfactory academic progress policy for student financial aid eligibility, a student must have earned a cumulative 2.0 grade point average (GPA) after completing two semesters and must maintain a 2.0 GPA in subsequent semesters. If a student fails to earn the minimum GPA, he or she may still receive financial aid if granted an appeal because of an injury or illness of the student, death of a family member, or other special circumstances.

As part of our FY 1998-99 audit, we reviewed 20 student financial aid awards and identified 2 students who had not met UW-Parkside's satisfactory academic progress policy but received federal financial aid totaling \$3,950. We then expanded our review and requested a report of all student expulsions during the audit period. Of the 463 students on this report who met the financial eligibility requirements for financial aid, we selected 60 students for review. We identified 17 additional students who failed to meet the satisfactory academic progress policy but received federal financial aid totaling \$47,174. If this amount is applied to all students in the report who were eligible to receive financial aid, we project that UW-Parkside may have disbursed a total of \$364,026 in federal financial aid to academically ineligible students.

UW-Parkside's student financial aid system identifies students who fail to meet the satisfactory academic progress requirement, and it can be set to reject payments to them. However, this system control was automatically overridden prior to the spring

2000 session. UW-Parkside staff indicate that for the spring 2000 session, procedures were implemented to review academic standing and ensure students who failed to meet the satisfactory academic progress requirement did not receive financial aid or were granted approval to receive it because of extenuating circumstances.

To review UW-Parkside's new procedures, we selected five students who were included on the expulsion list for the fall 1999 session and received federal financial aid during the spring 2000 session to determine if the disbursements were in compliance with the federal regulations and the University's financial aid academic progress policy. All five students had submitted, and were granted, appeals to continue receiving financial aid.

**FINDING WI-99-29:** To ensure only eligible students receive federal financial aid, we recommend the University of Wisconsin-Parkside review all FY 1998-99 and FY 1999-2000 student financial aid awards to determine whether federal financial aid was awarded to students who failed to meet the satisfactory academic progress policy and, if so, reimburse the federal financial aid program.

Questioned Costs: Various Student Financial Aid Programs: Student Eligibility and Awards = \$51,124, Plus an Undetermined Amount

UW-Parkside Response and Corrective Action Plan: UW-Parkside acknowledges that there were some inconsistencies in applying and adhering to its satisfactory academic progress policy during the 1998-99 academic year. UW-Parkside will take this recommendation and conduct a review of the 1998-99 and 1999-2000 financial aid awards. By September 1, 2000, UW-Parkside will determine and present to the Department of Education the actual amount of financial aid disbursed to students who did not meet the satisfactory academic progress policy.

While UW-Parkside agrees that not all students were assessed and appropriately penalized for poor academic performance, there was not a general disregard of the policies and regulations related to satisfactory academic progress. Following the fall 1999 session and prior to beginning the spring 2000 session, there was a concerted effort by UW-Parkside to identify students who were not in compliance with the satisfactory academic progress regulations. UW-Parkside has converted to a new student information system that allows better monitoring of the academic status of students receiving financial aid. This system, along with UW-Parkside procedures, will prevent such oversights from occurring in the future.

### **Federal Work Study Awards**

As part of student financial aid awards, eligible students may earn Federal Work-Study (FWS) funds by working for the university; a federal, state, or local government agency; a private nonprofit organization; or a private for-profit organization. During the FY 1998-99 audit, we identified two areas of noncompliance with FWS regulations.

First, federal regulations require the work performed by FWS students to be supported by time sheets documenting actual hours worked and require students to be paid an hourly rate that is at or above minimum wage. For our FY 1998-99 audit, we reviewed five FWS awards. Of these five, we found one student was paid on a salary basis, instead of an hourly basis, and did not have time sheets to support actual hours worked. This student received FWS compensation of \$1,758 in FY 1998-99 while employed by the UW-Parkside Athletic Department. UW-Parkside financial aid staff stated they were unfamiliar with the Athletic Department's procedures for paying student workers.

**FINDING WI-99-30:** *We recommend the University of Wisconsin-Parkside ensure all employers employing students under the Federal Work Study Program comply with the requirements to pay on an hourly basis and maintain documentation of actual hours worked.*

Questioned Costs: Federal Work-Study (catalog #84.033): Compensation and Documentation = \$1,758

UW-Parkside Response and Corrective Action Plan: UW-Parkside's Student Employment Handbook and Student Employment Authorization form, which are used to guide student employment decisions, will be changed to reflect that students working under the Federal Work Study Program must be paid on an hourly basis. Time sheets to support the actual hours worked will be an automatic byproduct of hourly employment.

Federal regulations also require the University to spend 5 percent of its allocated FWS funds for community service jobs. UW-Parkside transferred 25 percent of its awarded FWS amount to the Federal Supplemental Educational Opportunity Grant Program, as allowed by federal regulations, to arrive at its final allocated amount of \$123,215. To comply with the 5 percent requirement, UW-Parkside needed to incur community service job expenditures of \$6,161. However, UW-Parkside incurred only \$4,921 in community service job expenditures, or 4.0 percent of its allocated funds, and fell short of meeting this FWS requirement by \$1,240. UW-Parkside staff stated it is difficult to place students in community service-type jobs because of the typically lower pay. We have no questioned costs because this appears to be a nonmonetary instance of noncompliance.

**FINDING WI-99-31:** *However, we recommend the University of Wisconsin-Parkside develop and implement procedures to ensure at least the minimally required amount of Federal Work Study funds are spent for community service jobs.*

Questioned Costs: Federal Work-Study Program (catalog #84.033): Community Service Jobs = None

UW-Parkside Response and Corrective Action Plan: UW-Parkside has made efforts to increase the number of off-campus community service opportunities, as well as to make students more aware of these opportunities. UW-Parkside is confident it will be in full compliance with the new 1999-2000 requirement of 7 percent community service spending.

## Loan Assignments

Federal regulations for the Perkins Loan Program specify that if a loan is still in default after four years of collection efforts, the institution shall continue to make annual attempts to collect from the borrower until the loan is recovered; write off the account, if under \$200; or assign the account to the U.S. Department of Education. Although federal regulations do not specify how long institutions may keep defaulted loans before assignment, good loan management practices require institutions to identify when collection efforts available to them have been exhausted and when additional collections efforts are necessary. For example, when defaulted loans are assigned, the U.S. Department of Education is able to use collection methods that are not available to UW-Parkside staff, such as intercepting federal tax refunds.

Based on our review of various delinquent loan reports, we determined that UW-Parkside has 81 loans, totaling \$164,186 in principal and interest, that have been in default for more than five years without any collections being received. Of these delinquent loans, 9 loans with approximately \$21,211 in principal and interest have been in default for over ten years. UW-Parkside has not assigned any loans to the U.S. Department of Education since 1992.

**FINDING WI-99-32:** To ensure effective loan management practices are used, *we recommend the University of Wisconsin-Parkside develop criteria for the assignment of loans by September 1, 2000. Thereafter, we recommend the University of Wisconsin-Parkside periodically evaluate its delinquent loans in accordance with these criteria and assign delinquent loans to the U.S. Department of Education in a timely manner.*

Questioned Costs: Perkins Loan Program (catalog #84.038): Loan Assignments = None

UW-Parkside Response and Corrective Action Plan: In an effort to improve UW-Parkside's collection rate, it will be more aggressive in its use of collection agencies. With each loan, UW-Parkside will annually review the success of the current collection agency and reassign to other collection agencies as appropriate.

## Collection Agencies

Federal regulations for the Perkins Loan Program require collection agencies to return loans to the institution if they do not succeed in converting loans to repayment status within 12 months. Upon the return of a loan, the institution is required to attempt to collect the loan in house or place the loan with a different collection agency for an additional 12-month period. This federal requirement was intended to ensure institutions did not leave defaulted loans at collection agencies for excessive periods of time without any action being taken.

While reviewing ten UW-Parkside loans in default as of February 1999, we identified nine loans that had been with the same collection agency for more than 12 months without being brought into repayment status. As shown in Table 4, of these nine loans, one has been with the same collection agency for six years, while another has been with the same agency for three years.

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Table 4

**Time at Collection Agencies**

<u>Months at Same Collection Agency</u>	<u>Number of Loans</u>
17-20 Months	2
21-24 Months	3
29-31 Months	2
36 Months	1
72 Months	<u>1</u>
Total	9

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**FINDING WI-99-33:** To ensure federal due-diligence requirements are met, *we recommend the University of Wisconsin-Parkside develop and implement procedures by September 1, 2000, to ensure defaulted loans are not held at a collection agency for more than 12 months without collection activity.*

Questioned Costs: Perkins Loan Program (catalog #84.038): Collection Agencies = None

UW-Parkside Response and Corrective Action Plan: The identified loans were returned to UW-Parkside in March 2000. In the future, all collection agencies will be notified at the time of loan assignment that loans must be returned in 12 months if there is no collection activity. UW-Parkside will also monitor all assignments on a regular basis to ensure compliance.

**Federal Reporting**

After each academic term, UW-Parkside is required to complete the FISAP to report financial activity for the Perkins Loan, Federal Supplemental Educational Opportunity Grant (SEOG), and FWS financial aid programs. The FISAP is also used as a basis for determining future financial aid awards from the U.S. Department of Education. Therefore, it is critical that the information in the FISAP is both accurate and properly

supported. The Student Financial Aid Handbook developed by the U.S. Department of Education states that institutions must maintain any records necessary to support the data contained in the FISAP for three years after the end of the award year in which the FISAP is submitted.

However, during our FY 1998-99 audit, UW-Parkside staff could not provide supporting documentation for the portion of the FISAP that provides the number of program recipients and amount of expenditures for SEOG and FWS funds. In addition, current UW-Parkside staff were unfamiliar with FISAP compilation procedures and were unable to regenerate the necessary information. Therefore, we were unable to verify that the SEOG and FWS amounts were accurate.

**FINDING WI-99-34:** To ensure accurate financial reporting, we recommend the University of Wisconsin-Parkside maintain all records necessary to support the data contained in the FISAP for three years after the end of the award year in which the report is submitted. We further recommend the University of Wisconsin-Parkside develop written procedures to standardize report preparation and help prepare future reports.

Questioned Costs: Various Student Financial Aid Programs: Federal Reporting = None

UW-Parkside Response and Corrective Action Plan: UW-Parkside agrees with the recommendations. Written procedures will be updated to assist in the accurate completion of the FISAP prior to the submission of the next FISAP.

### **Overdraw of Federal Awards**

Each year, UW-Parkside receives an award letter from the U.S. Department of Education stating the amount of federal funds available for the Perkins Loan, SEOG, and FWS programs. Good grant management practices require grant recipients to monitor the amount drawn for each fiscal year to ensure the award amounts are not exceeded.

During our audit, we determined that UW-Parkside overdrew its SEOG award amount for FY 1998-99 by \$7,050. UW-Parkside staff indicated it was their belief that the accounting system did not allow the awarded amount to be exceeded. However, they also stated there are currently no formal procedures for comparing the accounting system amounts to the awarded amounts.

**FINDING WI-99-35:** We recommend the University of Wisconsin-Parkside develop and implement procedures to ensure federal award amounts are not exceeded.

Questioned Costs: Supplemental Educational Opportunity Grant (catalog #84.007): Overdraw of Federal Award = \$7,050

UW-Parkside Response and Corrective Action Plan: UW-Parkside agrees and will develop written procedures detailing the process used by the Office of Financial Aid, the Controller's Office, UW-Madison, and the Department of Education.

## **Refunds and Overpayments**

Refunds of student payments toward institutional costs, such as tuition, fees, and on-campus housing, are due to students who withdraw during the semester. Overpayments, on the other hand, are due from students who received financial aid to pay non-institutional costs, such as off-campus housing and other living expenses, but withdrew during the semester and, therefore, are not entitled to all the funds received for such costs. When a student withdraws, UW-Parkside must calculate, in accordance with federal regulations, the refund and overpayment amounts and determine the portion of these amounts, if any, to be paid back to the financial aid programs.

Federal regulations require that a refund or overpayment be returned to the appropriate financial aid account within 30 days of the date the student officially withdraws or is expelled. In the case of Stafford loans, funds must be returned to the lender within 60 days of the official withdrawal or expulsion date.

During our testing of nine refunds and overpayments, we identified one overpayment for \$1,500 that was returned to the Pell Grant Program account 56 days after the student withdrew from UW-Parkside. UW-Parkside staff indicated that the current procedures to calculate and credit financial aid accounts for refunds and overpayments involve several different offices within the university. A delay in one office could result in the 30-day requirement being exceeded.

**FINDING WI-99-36:** To ensure compliance with the federal regulations, we recommend the University of Wisconsin-Parkside develop policies and procedures by September 1, 2000, to ensure refunds and overpayments are credited to the applicable federal financial aid accounts within the required time period.

Questioned Costs: Various Student Financial Aid Programs:

Late Refund = Undetermined

UW-Parkside Response and Corrective Action Plan: The Office of Financial Aid, the Cashier's Office, and the Office of the Registrar are currently developing policies and procedures in compliance with new regulations regarding refunds and overpayments, effective with the fall 2000 term. Issues of timeliness will be included in these procedures to ensure compliance with the 30-day requirement.

## University of Wisconsin-Platteville

UW-Platteville, which provides instruction to 5,000 students seeking undergraduate or graduate degrees, had operating costs totaling \$63.2 million in FY 1998-99. Federal grant expenditures for that period totaled \$12.9 million.

During our current audit, we followed up on UW-Platteville's efforts to address concerns included in our FY 1997-98 single audit report. We found UW-Platteville has satisfactorily addressed our concerns related to refunds and overpayments. However, we continue to note concerns with property management issues.

### Property Management

OMB Circular A-110, Subpart C, prescribes standards for property purchased with federal funds or furnished by the federal government. For example, federal rules require UW-Platteville to maintain property records that include a description, acquisition date, cost, location, use, condition, and funding source for each piece of equipment. Federal rules also require UW-Platteville to perform a physical inventory at least once every two years and to reconcile the results to property records.

During our FY 1994-95 through FY 1997-98 audits, we identified concerns with UW-Platteville's compliance with federal property management requirements. Specifically, we noted that UW-Platteville had not:

- conducted a physical inventory of equipment since FY 1993-94;
- reconciled or updated inventory records based on the FY 1993-94 inventory count results; and
- updated the inventory system for new equipment acquisitions since January 1995.

In our FY 1997-98 audit, we again recommended (Finding WI-98-26) that UW-Platteville take steps to address these concerns. During our current audit, we found that UW-Platteville has updated its inventory system for equipment additions and deletions and sent inventory listings to each department, asking them to verify their equipment. However, to date, UW-Platteville has not received responses from all departments and has not completed the physical inventory.

In September 2000, UW-Platteville will be implementing a new property management system. This system, however, will be effective only if accurate and up-to-date property management information is maintained and available.

**FINDING WI-99-37:** *We recommend the University of Wisconsin-Platteville complete the current physical inventory by August 31, 2000, and then make any necessary adjustments to its inventory records prior to conversion to the new property management system. Thereafter, we recommend the University of Wisconsin-Platteville meet federal requirements related to physical inventories and accurate record-keeping.*

Questioned Costs: Multiple Grants: Property Management = None

UW-Platteville Response and Corrective Action Plan: UW-Platteville agrees with the audit recommendation and will strive to complete the physical inventory prior to the implementation of the property management system. UW-Platteville has been updating the inventory records upon return of the departmental lists. A monthly reconciliation has been performed since January 2000 to ensure all assets on the departmental lists are accounted for in the property management system. As of April 2000, 97 percent of the departments have returned their lists and 33 percent of the departments' assets have been verified. UW-Platteville is revising the inventory procedures to ensure compliance with federal requirements related to physical inventories and accurate record-keeping.

## **Refunds and Overpayments**

Refunds of student payments toward institutional costs, such as tuition, fees, and on-campus housing, are due to students who withdraw during the semester. Overpayments, on the other hand, are due from students who received financial aid to pay non-institutional costs, such as off-campus housing and other living expenses, but withdrew during the semester and, therefore, are not entitled to all the funds received for such costs. When a student withdraws, UW-Platteville must calculate, in accordance with federal regulations, the refund and overpayment amounts and determine the portion of these amounts, if any, to be paid back to the financial aid programs.

During our FY 1996-97 and FY 1997-98 audits, we noted concerns with UW-Platteville's refund and overpayment policies, which allowed students who withdrew to receive funds in excess of their incurred costs. We recommended (Finding WI-98-25) that UW-Platteville calculate refunds and overpayments and distribute these amounts to the various financial aid programs in a manner consistent with federal requirements.

During the FY 1998-99 audit, we found that UW-Platteville has developed and implemented procedures to properly calculate and distribute refunds and overpayments. We tested overpayments for 24 students who received financial aid and withdrew during the semester and found all overpayments were appropriately calculated. UW-Platteville staff indicated they are awaiting federal instructions and, therefore, have not reimbursed the various student financial aid programs for the \$1,085 in questioned costs identified in our FY 1997-98 single audit report.

## **University of Wisconsin-River Falls**

UW-River Falls, which provides instruction to 5,600 students seeking undergraduate or graduate degrees, had operating costs totaling \$72.9 million in FY 1998-99. Federal grant expenditures for that period totaled \$15.2 million, including \$60,000 for the major research and development program and \$14.5 million for the major student financial aid program.

During our current audit, we followed up on the efforts of UW-River Falls to address concerns included in our FY 1997-98 single audit report. We found UW-River Falls has satisfactorily addressed our concerns related to the loan collection system and late fee assessments. However, we continue to note concerns with loan assignments and collection agencies.

### **Loan Assignments**

Federal regulations for the Perkins Loan Program specify that if a loan is still in default after four years of collection efforts, the institution shall continue to make annual attempts to collect from the borrower until the loan is recovered; write off the account, if under \$200; or assign the account to the U.S. Department of Education. Although federal regulations do not specify how long institutions may keep defaulted loans before assignment, good loan management practices require institutions to identify when collection efforts available to them have been exhausted and more powerful collection efforts are necessary. When defaulted loans are assigned, the U.S. Department of Education is able to use collection methods that are not available to campus staff, such as intercepting federal tax refunds.

Based on our review of various delinquent loan reports in FY 1997-98, we determined that UW-River Falls had at least 80 loans that had been in default for more than five years without any collections being received. Although UW-River Falls was preparing 32 loans for assignment at the time of our FY 1997-98 audit, it had not assigned any delinquent loans to the U.S. Department of Education since FY 1993-94. We recommended (Finding WI-98-28) that UW-River Falls develop criteria for the assignment of loans, periodically evaluate delinquent loans in accordance with these criteria, and assign delinquent loans to the U.S. Department of Education in a timely manner.

During our current audit, we found that UW-River Falls has developed a policy requiring the assignment of a loan after the loan has been placed with two collection agencies for 12 months each, without any collection activity. In FY 1998-99, UW-River Falls also assigned 8 of the 32 loans that were previously identified for assignment. However, although UW River-Falls staff indicated they are currently preparing 44 loans for assignment, we found UW-River Falls has at least 55 additional loans that well exceed its policy for assignment but have not been identified for assignment. These loans have been in default status for over nine years without any collection activity.

**FINDING WI-99-38:** To ensure effective loan management practices are used, we recommend the University of Wisconsin-River Falls take timely action to assign delinquent loans to the U.S. Department of Education, in accordance with the campus loan assignment policy.

Questioned Costs: Perkins Loan Program (catalog #84.038): Loan Assignments = None

UW-River Falls Response and Corrective Action Plan: UW-River Falls is currently reviewing the loans identified for assignment and taking appropriate action to assign the loans to the U.S. Department of Education. Based on its current policy, quarterly reviews to identify accounts to be assigned will be performed on all accounts returned from a second collection agency.

### **Collection Agencies**

Federal regulations for the Perkins Loan Program require collection agencies to return loans to institutions if they do not succeed in converting loans to repayment status within 12 months. Upon the return of a loan, the institution is required to attempt to collect the loan in house or place the loan with a different collection firm for an additional 12-month period.

During the FY 1997-98 audit, we reviewed 15 loans in default as of June 30, 1998, and found 2 loans that were at the same collection agency for 16 months. In both cases, the collection agency had been unsuccessful in making any collections. We recommended (Finding WI-98-29) that UW-River Falls develop and implement procedures to ensure defaulted loans assigned to collection agencies are returned to the institution at the end of 12 months.

We followed up on this audit recommendation during our FY 1998-99 audit. We found that although UW-River Falls has developed procedures that are in accordance with federal regulations, these procedures are either insufficient or are not being followed. We reviewed 15 loans in default as of June 30, 1999, and found 1 loan that was at the same agency for 25 months and 4 loans that were at the same agency for 20 months. In April 2000, UW-River Falls requested 22 accounts be returned to the institution from the collection agencies. However, the five accounts identified during our testing were not included in this request. UW-River Falls staff were unable to determine why these accounts were not identified and recalled from the collection agencies.

**FINDING WI-99-39:** To ensure federal due-diligence requirements are met, we recommend the University of Wisconsin-River Falls fully carry out its procedures to ensure the return of defaulted loans assigned to collection agencies at the end of 12 months, if collection efforts are unsuccessful.

Questioned Costs: Perkins Loan Program (catalog #84.038): Collection Agencies = None

UW-River Falls Response and Corrective Action Plan: UW-River Falls is currently reviewing existing policies for recalling defaulted loan accounts from collection agencies. A more diligent effort will be made to ensure compliance with its current policy. The five accounts identified during this audit have been recalled from the collection agency as of the end of April 2000.

### **Loan Collection System**

During our review of Perkins loans for FY 1997-98, we relied on information and reports from the UW-River Falls loan collection system. To ensure loans are properly managed and collected, the loan collection system should provide accurate and complete information. However, we identified several instances during FY 1997-98 in which the system generated reports with incorrect or incomplete data.

UW-River Falls staff stated that the inconsistencies in data may have been caused by changing dates on the loan collection system. For example, a change in loan status would reset the delinquency date to the date the change was made, and the delinquent loan would not be properly reported on the loan receivable aging reports. Though campus staff stated that this procedure of changing the loan status had been discontinued, UW-River Falls had not updated the loan collection system to properly reflect the correct default dates. We recommended (Finding WI-98-27) that UW-River Falls determine the appropriate delinquent date for each delinquent loan on its collection system and make the necessary changes to ensure the system's information is accurate and complete.

During the FY 1998-99 audit, we found that UW-River Falls has implemented our prior audit recommendation by determining the appropriate delinquent date for delinquent loans on its loan collection system and making the necessary changes to the loan collection system. We tested 20 delinquent loans and found all loan information was reflected accurately in the loan collection system.

### **Late Fee Assessments**

According to federal Perkins Loan Program regulations, for loans made on or after January 1, 1986, institutions are required to assess a late fee if the borrower's payment is overdue and the borrower has not filed a request for forbearance, deferment, cancellation, or postponement. Federal regulations allow a waiver of late fees for borrowers who have repaid the full amount of the past-due principal and interest balance.

During our FY 1997-98 review of five delinquent accounts, we identified one account in which, although \$468 in accumulated late fees had been removed, the criteria for waiving late fees were not met. Since UW-River Falls had no written policies or procedures for removing late fees or documenting the removals, campus staff were unable to determine why these fees, in particular, were removed. We also found the UW-River Falls loan officer was able to manually eliminate late fees from the loan accounts without supervisory approval or review. We recommended (Finding WI-98-30) that UW-River Falls develop and implement procedures to document the justification of late-fee waivers and require at least periodic supervisory review of the removal of late fees.

During the FY 1998-99 audit, we found that UW-River Falls has adequately implemented our recommendation by instituting procedures to document the justification of late-fee waivers and requiring periodic supervisory review of the removal of late fees. We tested the removal of ten late fees and determined that appropriate justification and supervisory review were documented.

### **University of Wisconsin-Superior**

UW-Superior, which provides instruction to 2,600 students seeking undergraduate or graduate degrees, had operating costs totaling \$37.1 million in FY 1998-99. Federal grant expenditures for that period totaled \$8.1 million, including \$66,000 for the major research and development program and \$7.8 million for the major student financial aid program.

During our FY 1998-99 audit, we documented and tested UW-Superior's internal control structure used in administering the student financial aid program. In addition, we tested compliance with grant requirements for the student financial aid program. Overall, UW-Superior's internal control structure appears sufficient to ensure compliance with grant requirements for the student financial aid program. However, as required by federal regulations, UW-Superior and Legislative Audit Bureau staff are in the process of completing the necessary procedures to finalize UW-Superior's FY 1998-99 Pell Grant reconciliation, because the entire reconciliation and payment process was not completed by the federally required date.

#### **Pell Grant Reconciliation**

For the Pell Grant Program, UW-Superior completes an annual reconciliation between its Pell disbursement records and the U.S. Department of Education Student Payment Summary report. UW-Superior must then submit its final Pell Grant summary report and student financial aid report to the Department of Education by September 30 following the end of the academic year.

In FY 1998-99, UW-Superior was unable to finalize its annual Pell Grant reconciliation by September 30. Therefore, to complete the Pell reconciliation process, UW-Superior is in the process of completing its Pell Increase Award Report to notify the Department of Education of one additional student for which it should be reimbursed \$750. In addition, UW-Superior staff will be working with the Legislative Audit Bureau to obtain the required auditor's certification.

## University of Wisconsin-Extension

UW-Extension, in cooperation with the other UW campuses, provides continuing education courses in classrooms and via distance education, as well as a wide-ranging public service program to Wisconsin residents. In FY 1998-99, UW-Extension had operating costs totaling \$75.5 million; federal grant expenditures for that period totaled \$10.8 million.

During our FY 1998-99 audit, we followed up on UW-Extension's efforts to address a concern included in our prior single audit report. We noted that in FY 1998-99, UW-Extension satisfactorily implemented our recommendations related to property management.

### Property Management

OMB Circular A-110 prescribes standards for equipment furnished by the federal government or whose cost was charged to a federally supported project. For example, it requires UW-Extension to perform a physical inventory at least once every two years and to reconcile its results with the property records.

During the FY 1995-96 audit, we noted three UW-Extension departments had not taken physical inventories. In response to our concern, UW-Extension performed a complete physical inventory in August 1997. However, we noted that UW-Extension's inventory procedures did not specify that the various departments should have a person who does not have custodial responsibility for inventory perform the physical inventory. In addition, UW-Extension did not verify any of the equipment items on the departments' physical inventory listings. As a result, some departments may distribute the inventory listings to employees maintaining the equipment, who may not provide full and complete reports on the status of the equipment. In the FY 1996-97 audit, we recommended (Finding WI-97-33) that UW-Extension develop and implement procedures to ensure an independent physical inventory is conducted at each department.

During our FY 1997-98 audit, we were unable to review updated physical inventory procedures or records because UW-Extension had not conducted a physical inventory since the August 1997 inventory we reviewed during our previous audit. UW-Extension performs a physical inventory of capital equipment only every two years, as required by OMB Circular A-110. Therefore, no recommendation was made at that time. However, during our current audit, we found that a UW-Extension employee who does not have custodial responsibility for equipment performed a physical inventory in FY 1998-99.

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**University of Wisconsin System**  
**Summary of Findings and Questioned Costs**  
 FY 1998-99

**U.S. Department of Education**

*University of Wisconsin-Madison*

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-24	84.038	Perkins Loan Program	Loan Assignments*	\$ 0

*University of Wisconsin-Milwaukee*

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-25	84.038	Perkins Loan Program	Loan Assignments	\$ 0

*University of Wisconsin-Oshkosh*

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-26		Various Student Financial Aid Programs	Refunds and Overpayments	\$ 2,090 Plus an Undetermined Amount
WI-99-28		Various Student Financial Aid Programs	Federal Reporting*	0

***University of Wisconsin-Parkside***

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-35	84.007	Supplemental Educational Opportunity Grant	Overdraw of Federal Award	\$ 7,050
WI-99-30	84.033	Federal Work-Study Program	Compensation and Documentation	1,758
WI-99-31	84.033	Federal Work-Study Program	Community Service Jobs	0
WI-99-32	84.038	Perkins Loan Program	Loan Assignments	0
WI-99-33	84.038	Perkins Loan Program	Collection Agencies	0
WI-99-29		Various Student Financial Aid Programs	Student Eligibility and Awards	51,124 Plus an Undetermined Amount
WI-99-34		Various Student Financial Aid Programs	Federal Reporting	0
WI-99-36		Various Student Financial Aid Programs	Late Refund	Undetermined

***University of Wisconsin-River Falls***

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-38	84.038	Perkins Loan Program	Loan Assignments*	\$ 0
WI-99-39	84.038	Perkins Loan Program	Collection Agencies*	0

## Noncompliance Findings Affecting Multiple Grants

### *University of Wisconsin-Madison*

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-23		Multiple Grants	Cost-share Monitoring*	\$ 0

### *University of Wisconsin-Oshkosh*

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-27		Multiple Grants	Physical Inventory	\$ 0

### *University of Wisconsin-Platteville*

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-37		Multiple Grants	Property Management*	\$ 0

\*Repeat finding from audit report 99-12.

Inquiries regarding resolution of findings and questioned costs should be directed to the contact person listed in Appendix II of this report.

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The Wisconsin Department of Transportation (DOT) is responsible for providing leadership in the development and operation of a safe and efficient transportation system for the State of Wisconsin. DOT administers both state and federal transportation programs, including those affecting highways, bridges, airports, harbors, and railroads. DOT disbursed \$1.8 billion dollars during FY 1998-99; federal grants to the State financed \$459 million of that amount.

As part of our standard audit procedures, we reviewed DOT's internal control policies and procedures over receipts, disbursements, and the administration of federal financial assistance programs. We tested compliance with grant requirements for two major grants administered by DOT: Highway Planning and Construction (catalog #20.205) and the Airport Improvement Program (catalog #20.106), both of which are type A major programs. Overall, we found DOT's internal controls to be adequate and the agency to be in compliance with the grant requirements for the major programs. We do, however, have concerns related to contract change order pre-approvals. In addition, we followed up on the findings included in our prior single audit report (report 99-12).

### **Contract Change Order Pre-approvals**

Under 23 CFR 635.121, the Federal Highway Administration (FHWA) requires DOT, as a recipient of Highway Planning and Construction grant funds, to obtain approval for extensions affecting project costs or for contract change orders. DOT has an agreement with FHWA that limits the pre-approval requirement to contract change orders on federal projects that exceed \$50,000 or significantly change the scope of the project. In prior audits, we have reported that DOT did not consistently obtain contract change order pre-approvals from the federal government. We did not have a finding in our prior audit because, as we reported, DOT had reissued its policy statement on the requirements in this area and directed districts to establish specific procedures to obtain the necessary contract change order pre-approvals.

However, we reviewed four federal construction projects with five contract change orders exceeding \$50,000 during FY 1998-99 for the required written pre-approval. We found districts 2 and 4 had not obtained the required pre-approvals for three changes totaling \$286,538. While it appears that FHWA staff gave oral approval for at least two of these change orders, it is important that DOT obtain written documentation of the pre-approvals, as required by federal rules.

We contacted the two districts and learned that neither had established specific procedures to obtain contract change order pre-approvals, as directed by central staff. Central staff did not follow up to ensure the districts established the required procedures.

**FINDING WI-99-40:** *We recommend the Wisconsin Department of Transportation require districts to submit to the central office by July 1, 2000, specific procedures to ensure that the requirement for federal approval is met and the approval is documented.*

Questioned Costs: Highway Planning and Construction (catalog #20.205):  
Contract Change Order Pre-approvals = None

DOT Response and Corrective Action Plan: The Bureau of Highway Construction, Operations Management Section agrees with the recommendation and will immediately remind districts of the FHWA approval requirements for change orders that exceed \$50,000 on projects subject to federal oversight. Prior to July 1, 2000, the Bureau will convene a group of appropriate district and central office personnel to review procedures presently used by the districts and determine one procedure acceptable to all units. The procedures ultimately devised will include a control that will ensure the required approvals are obtained and documented.

### **Prior Audit Follow-up**

As part of our current audit, we followed up on the progress DOT made in addressing findings WI-98-31 through WI-98-34 in our FY 1997-98 single audit report. DOT has implemented appropriate corrective actions to address our prior audit concerns.

### **Monetary Recoveries from Contractors**

If the State recovers funds from highway contractors for project overcharges that result from bid-rigging, fraud, or antitrust violations, or otherwise recovers compensatory damage, federal rules require DOT to credit the federal government's share of the recovery to the applicable federal aid projects. During our prior audit, we found that because of the lack of written procedures, DOT did not credit the federal government for its share of a \$40,000 settlement payment (Finding WI-98-31). In response, DOT credited \$21,354 to federal accounts and incorporated written procedures that address monetary recoveries in the Transportation Administrative Manual.

### **Debarment and Suspension**

The federal government prohibits grantees from entering into any agreement with a person or entity that is barred, suspended, declared ineligible, or voluntarily excluded from participation in federal programs. In accordance with 49 CFR Part 29, DOT is required to ensure that contractors receiving individual awards for \$100,000 or more, and all subrecipients, certify that the organizations and their principal members are not suspended, debarred, or otherwise ineligible to participate in federal programs. DOT implemented our prior audit recommendation to include in all State and Community

Highway Safety (catalog #20.600) agreements with subrecipients all information required by the federal government related to the debarment and suspension requirement (Finding WI-98-32).

### **Cash Management Improvement Act**

An agreement in accordance with the federal Cash Management Improvement Act was signed between the State of Wisconsin and the U.S. Treasury for the period July 1994 through June 1999 to ensure that neither the federal government nor the State is able to earn interest income at the expense of the other. During our prior audit, we noted that DOT computed a Tuesday draw-down day for the Airport Improvement Program (catalog #20.106) for the previous week's expenditures. However, we calculated a Wednesday draw-down day using criteria included in the Cash Management Improvement Act agreement (Finding WI-98-33). DOT has addressed concerns and now draws down funds on Wednesday for the previous week's Airport Improvement Program expenditures.

### **Capital Equipment Inventory**

DOT receives funds from the U.S. Department of Transportation National Highway Traffic Safety Administration (NHTSA) under the State and Community Highway Safety grant (catalog #20.600) and the Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants (catalog #20.601). A portion of these funds is subgranted to local units of government to fund various traffic safety programs. Under the grant regulations, the localities may use grant funds to purchase capital equipment such as computers used for the grant programs.

Federal regulations discuss the various requirements relating to equipment purchased in whole or in part with grant funds. For example, 49 CFR 18.32(d) states that equipment must be physically inventoried and the results reconciled with the equipment records at least once every two years. To accomplish this for capital equipment purchased by both the State and subrecipients under these traffic safety grants, DOT's Bureau of Transportation Safety established a central capital inventory system.

In our prior audit, we reported that DOT needed to ensure it fully complied with federal capital equipment management rules (Finding WI-98-34). DOT has addressed, or is in the process of addressing, concerns in this area. DOT performed a physical inventory of locally owned equipment and obtained information on disposals of federally funded equipment. In addition, to ensure that its current inventory records are correct, DOT plans to reconcile the results of the inventory with inventory records by the end of FY 1999-2000.

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**Wisconsin Department of Transportation**  
**Summary of Findings and Questioned Costs**  
FY 1998-99

**U.S. Department of Transportation**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-40	20.205	Highway Planning and Construction	Contract Change Order Pre-approvals	\$ 0

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix I of this report.

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The Wisconsin Department of Public Instruction (DPI) is responsible for providing direction for public elementary and secondary education in Wisconsin and for ensuring access to public library services to all state citizens. DPI disbursed \$4.3 billion during FY 1998-99; federal grants to the State financed \$367.6 million of that amount. In addition, DPI distributed \$17.5 million worth of food products during the year under various federal commodity distribution programs.

As part of our standard audit procedures, we reviewed DPI's internal control policies and procedures over receipts, disbursements, and the administration of federal financial assistance programs. We tested DPI's compliance with grant requirements for the Title I Grants to Local Educational Agencies (catalog #84.010) and the Special Education Cluster (catalog #84.027 and #84.173), both of which are type A major programs, and TRIO—Talent Search (catalog #84.044) and Charter Schools (catalog #84.282), both of which are type B major programs. In addition, we tested compliance for the Tech Prep Education (catalog #84.243) subgrant received from the Wisconsin Technical College System Board.

Overall, we found DPI's internal controls to be adequate and the agency to be in compliance with the grant requirements for the major programs. However, we did identify concerns with property management and suspension and debarment certifications.

### **Property Management**

As of June 30, 1999, DPI's fixed assets totaled \$3,449,000. Approximately \$807,000 of these assets were funded, in part, by federal grants. The Common Rule and other federal regulations require state agencies that acquire permanent property with federal funds to follow state and department property management policies. The State's policy is to indicate in permanent property records descriptions of the assets and their locations, as well as the acquisition dates, cost, and funding sources. In addition, agencies are to perform an annual physical inventory and to reconcile the results to permanent property records. DPI's Business Office maintains a database of all fixed assets. In addition, the information technology unit maintains a separate database of equipment attached to DPI's local area network. We have three concerns related to permanent property management.

First, DPI has not performed a physical inventory of non-computer equipment since FY 1996-97. Many of the pieces of equipment are located at the School for the Visually Handicapped and the School for the Deaf. Staff at these schools told us that they were instructed by management services staff to not complete a physical inventory until DPI management decided whether assets under the \$5,000 capital asset threshold should be inventoried. Because DPI has not performed a physical inventory of

non-computer equipment, it is not assured that equipment that should be on hand is, in fact, on hand and that any discrepancies are investigated. DPI staff told us they expect to perform a physical inventory of non-computer equipment maintained at the agency's main office by June 30, 2000, and at the two schools by September 1, 2000.

Second, while it appears that local area network equipment records were distributed to unit liaisons twice during FY 1998-99 for their use in taking a physical inventory, the information technology unit did not retain documentation of the physical inventories or follow up to ensure that responses were received from each unit. In addition, DPI did not reconcile or update the business office's records with those of the information technology unit to ensure the accuracy of the business office's records. It is important that the business office's permanent property records are updated because they are used for financial reporting and other purposes.

Finally, DPI does not consistently include fixed-asset funding sources on the business office's database. For example, DPI did not include in its permanent property records the funding sources for five fixed assets, with acquisition costs totaling \$56,000.

**FINDING WI-99-41:** *We recommend the Wisconsin Department of Public Instruction:*

- *perform an annual physical inventory of its permanent property and maintain documentation of the results of its physical inventory;*
- *reconcile the results of its physical inventory to permanent property records; and*
- *consistently include funding source information when updating permanent property records.*

Questioned Costs: Multiple Grants: Property Management = None

DPI Response and Corrective Action Plan: DPI agrees with the audit recommendation and expects to complete the physical inventory within a few months. Once the inventory is complete, DPI will complete the reconciliation of the results with the permanent property records. Finally, DPI has changed its procedures for inputting funding source information into the permanent property records.

### **Suspension and Debarment Certifications**

The federal government prohibits grantees from entering into any agreement with a person or entity that is debarred, suspended, declared ineligible, or voluntarily excluded from participation in federal assistance programs. DPI is required to ensure that contractors receiving individual awards for \$100,000 or more, and all subrecipients, certify that the organizations and their principal members are not suspended, debarred, or otherwise ineligible to participate in federal programs. DPI's standard subrecipient application for federal funds includes a clause in which the subrecipient certifies that it

has not been suspended or debarred from participating in federal programs. However, due to oversight, DPI did not require similar certifications from vendors contracting for \$100,000 or more. During FY 1998-99, DPI entered into four contracts in excess of \$100,000 related to federal programs. While we determined that none of the contractors were debarred, suspended, or otherwise ineligible to participate in federal programs, DPI should comply with federal rules and require vendors entering into contracts in excess of \$100,000 to make the necessary certifications.

**FINDING WI-99-42:** We recommend the Wisconsin Department of Public Instruction require all vendors of federally funded contracts of \$100,000 or more to certify that they are not debarred, suspended, or otherwise ineligible for participation in federal programs.

Questioned Costs: Multiple Grants: Suspension and Debarment  
Certifications = None

DPI Response and Corrective Action Plan: DPI agrees with the recommendation and has modified its procurement process to require that eligible vendors certify they are not debarred, suspended, or otherwise ineligible to participate in federal programs.

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**Wisconsin Department of Public Instruction  
Summary of Findings and Questioned Costs  
FY 1998-99**

**Noncompliance Findings Affecting Multiple Grants**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-41		Multiple Grants	Property Management	\$ 0
WI-99-42		Multiple Grants	Suspension and Debarment Certifications	0

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix I of this report.

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The Wisconsin Department of Natural Resources (DNR) administers programs related to environmental standards for air and water quality, water supply regulation, solid waste management, fish and wildlife management, state parks, and forestry. DNR disbursed \$438.5 million during FY 1998-99; federal grants to the State financed \$93.7 million of that amount.

As part of our standard audit procedures, we reviewed DNR's internal control policies and procedures over receipts, disbursements, and the administration of federal grant programs. We tested DNR's compliance with grant requirements for the Capitalization Grants for Drinking Water State Revolving Fund (catalog #66.468), a type A major program, and the Fish and Wildlife Cluster (catalog #15.605 and #15.611) and Hazardous Waste Management State Program Support grant (catalog #66.801), which are type B major programs.

Overall, we found DNR's internal controls to be adequate and the agency to be in compliance with the grant requirements for the major programs. We did not identify any significant new internal control weaknesses or new instances of noncompliance with federal rules.

### **Prior Audit Follow-up**

We followed up on DNR's progress in implementing corrective action plans for findings WI-98-38 through WI-98-40 of our FY 1997-98 single audit report (report 99-12). DNR has implemented, or is in the process of implementing, corrective action regarding the reconciliation of the Cost Accounting and Reporting System (CARS) to the State's central accounting system and concerns related to its property management system. However, continued improvement is needed related to cash management.

### **Cash Management**

Effective cash management requires state agencies to request federal reimbursement as soon as practical after incurring allowable grant expenditures. The State receives prompt federal reimbursements related to the Capitalization Grants for State Revolving Funds and the Capitalization Grants for Drinking Water State Revolving Fund automatically through the State's Cash Management System administered by the State Controller's Office. However, during FY 1998-99, DNR used other processes to request over \$41.0 million in federal reimbursements for other grant programs because DNR's accounting methods for these grants do not allow it to effectively use the Cash Management System.

In prior years, DNR requested federal reimbursement on a monthly basis. However, during our prior audit, we noted that DNR had requested reimbursement on a quarterly basis, or longer, because according to Bureau of Finance staff, the agency experienced difficulties obtaining the necessary expenditure information from CARS, which was implemented at the start of FY 1996-97.

DNR continued to have difficulties obtaining expenditure information during FY 1998-99 and again requested federal reimbursement on a quarterly, or longer, basis. As a result, state funds continued to temporarily subsidize federal programs, resulting in lost interest earnings to the State.

For example, although DNR had expended the entire award of \$500,000 by June 30, 1999, for a grant included in the Great Lakes Program (catalog #66.469), it did not request federal reimbursement until December 23, 1999, resulting in lost interest of at least \$10,400 to the State's General Fund. In addition, DNR made only three reimbursement requests for a \$5.2 million Sport Fish Restoration grant (catalog #15.605), and two requests for a \$4.6 million Wildlife Restoration grant (catalog #15.611), during the period June 30, 1998, to October 12, 1999. We estimate that had DNR requested monthly reimbursement for the average salary, fringe benefits, and indirect costs of the Wildlife Restoration grant alone, the Conservation Fund would have earned an additional \$85,000 in interest.

DNR agreed with our prior audit recommendation (Finding WI-98-38) and recently informed us that it has identified federal grants of over \$200,000 for which it will seek reimbursement on a monthly basis. However, for some grants, such as the Fish and Wildlife Cluster, staff will continue to request quarterly reimbursement because of continued difficulties in obtaining expenditure information necessary to make reimbursement requests. Therefore, the State will continue to temporarily subsidize federal programs, resulting in lost interest earnings.

We note that DNR is currently piloting a system that automatically transfers expenditures eligible for federal reimbursement from subsidiary accounts to the same accounts in which grant revenues are recorded. For most grants, staff could use information from this system, which is expected to be fully implemented in FY 2000-01, to readily calculate on a monthly basis the unreimbursed grant balance and request this amount from the federal government. However, for more complicated grants such as the Fish Management grant (included in catalog #15.605), DNR may need more detailed reports summarizing the transferred expenditures by the required federal reporting categories.

**FINDING WI-99-43:** *We recommend the Wisconsin Department of Natural Resources continue its efforts to request federal reimbursement in a manner that will minimize the delay between when the State incurs grant expenditures and when it receives federal reimbursement.*

Questioned Costs: Multiple Grants: Cash Management = None

DNR Response and Corrective Action Plan: DNR agrees with the recommendation and will continue to work toward requesting federal reimbursement in a more timely manner.

### **Reconciliation of CARS and WiSMART**

DNR uses CARS to perform expenditure tracking and reporting functions necessary to administer federal grants. CARS uses data from WiSMART, the State's accounting system, and from DNR's Payroll and Labor System to track and allocate expenditures for various DNR activities. In prior audits, we noted that DNR did not reconcile CARS expenditures to those reported by WiSMART and, therefore, was not assured that CARS information used for federal reporting and reimbursement requests was complete and accurate.

DNR has implemented appropriate corrective action to address our prior audit finding in this area (Finding WI-98-39). DNR reconciled year-end expenditure data for FY 1998-99 between CARS and WiSMART. In addition, DNR has established routine procedures to reconcile expenditure amounts on a quarterly basis.

### **Property Management**

DNR purchased \$7.0 million of equipment during FY 1998-99, of which a portion was federally funded. According to the *State of Wisconsin Uniform GAAP Conversion Policies and Procedures Manual*, equipment should be capitalized at the original contract or invoice price. In prior audits, we noted that DNR recorded equipment additions to the inventory system at either purchase order or invoice price, depending on what information was provided by the bureaus or regions to the individual responsible for maintaining the equipment inventory system. We also noted that DNR had not added equipment items purchased with Air Pollution Control Program Support grant (catalog #66.001) funds to the inventory system in a timely manner and that DNR did not reconcile in a timely manner capital equipment expenditures recorded on WiSMART with items added to the inventory system.

DNR has taken, or is in the process of taking, corrective action to address our prior audit concerns in this area (Finding WI-98-40). At the time of our fieldwork, DNR expected its new equipment inventory system to be tested and implemented by May 1, 2000. This new system should allow DNR to consistently record inventory at the original contract or invoice amount. In addition, as indicated in its prior audit corrective action plan, DNR reconciled the equipment expenditures recorded on WiSMART for FY 1998-99 to items added to the inventory system. We tested the recording of \$39,580 in equipment items purchased during FY 1998-99 under the Sport Fish Restoration grants (catalog #15.605) and Wildlife Restoration grants (catalog #15.611). We found that the items tested were properly included in DNR's inventory records.

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**Wisconsin Department of Natural Resources**  
**Summary of Findings and Questioned Costs**  
FY 1998-99

**Noncompliance Findings Affecting Multiple Grants**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-43		Multiple Grants	Cash Management*	\$ 0

\*Repeat finding from audit report 99-12.

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix I of this report.

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The Wisconsin Department of Administration (DOA) provides support services to other state agencies; coordinates statewide planning for information technology, housing, telecommunications, energy, and coastal management; and performs other functions prescribed by law. DOA is also responsible for providing the Governor with fiscal management information and the policy alternatives required for preparation of Wisconsin's biennial budget. DOA disbursed \$343.6 million during FY 1998-99; federal grants to the State financed \$90.2 million of that amount.

As part of our standard audit procedures, we reviewed DOA's internal control policies and procedures related to receipts, disbursements, and the administration of federal grant programs. We tested its compliance with grant requirements for the Low-Income Home Energy Assistance Program (catalog #93.568), a type A grant program. In addition, we tested its compliance with grant requirements for the Weatherization Assistance for Low-Income Persons (catalog #81.042) program and the Petroleum Violation Escrow Fund (no catalog number), both of which are type B grants.

Overall, we found DOA's internal control structure to be adequate and the agency to be in compliance with the grant requirements for the major programs. However, we did have concerns with DOA's methodology to determine billing rates for an internal service fund, which may have resulted in overcharges to federal grants.

We also followed up on the progress DOA made in addressing findings WI-98-35 through WI-98-37 of our prior single audit report (report 99-12). We continue to have concerns related to program income for the HOME Investment Partnerships Program grant (catalog #14.239) awarded by the U.S. Department of Housing and Urban Development.

### **Rate Determination**

DOA's Division of Information Technology Services (Info-Tech) develops billing rates for the mainframe computer services it provides by assigning budgeted costs to various cost pools and then dividing each pool's total budgeted costs by projected usage. For rates to accurately reflect the costs of providing specific services, all costs directly related to providing each mainframe service should be assigned to their proper cost pool. Costs that relate to all mainframe cost pools should be assigned to overhead and then fairly distributed to the other pools.

We analyzed the FY 1998-99 billing rates and have concerns with DOA's method for assigning costs to the overhead cost pool and the central processing unit (CPU) cost pool. We also have concerns related to the rate methodology submitted to the U.S. Department of Health and Human Services (DHHS) and with the spreadsheets used to allocate costs to the various cost pools.

## Overhead Cost Pool

For FY 1998-99, Info-Tech assigned total budgeted costs of \$19.4 million to the overhead cost pool, including \$2.8 million that was largely unrelated to providing mainframe computer services, and \$5.2 million that should have been allocated to other cost pools. The overhead cost pool should have been reduced to \$11.4 million. Because the overhead cost pool is allocated to all other cost pools, the excess allocation resulted in increased billing rates. Since state agencies charge computer use to federal and state accounts, federal grants may have been charged for excess computer costs.

Assigned Costs Unrelated to Providing Mainframe Services - We identified three areas in which DOA included costs unrelated to providing mainframe services in the overhead cost pool:

- DOA provides core technical training, which includes courses related to mainframe, desktop, and local area network software. The overhead cost pool included \$1.5 million in budgeted costs for this training, which is provided to state employees without charge. We believe costs only for training related to mainframe activities are allowable costs for recovery through mainframe charges.
- Info-Tech has led an effort to provide desktop computers and local area network support services to 25 small agencies by developing the Small Agency Support Initiative (SASI). In FY 1998-99, Info-Tech included approximately \$1.2 million in the overhead cost pool to provide these services. Of this amount, \$630,000 was budgeted to be reimbursed: approximately \$86,000 from the agencies receiving the services, and approximately \$544,000 from the Information Technology Investment Fund, a separate fund established for information technology development projects. While the \$1.2 million in budgeted costs was assigned to the overhead cost pool, the related \$630,000 reimbursement was applied against the CPU cost pool. However, neither the costs nor the reimbursements should have been included in the Info-Tech mainframe rate structure because agencies that receive SASI services typically have little or no mainframe usage.
- The Technology for Educational Achievement in Wisconsin (TEACH) program provides support for investments in educational technology and telecommunications access for Wisconsin schools, libraries, and colleges. By statute, Info-Tech is required to assist the TEACH program with information technology purchasing decisions. For FY 1998-99, \$100,000 in budgeted costs were included in the mainframe rate structure.

Since these costs are included as part of the mainframe rates, they are billed to the agencies based upon mainframe usage. While these are important services to be provided to state agencies, because mainframe use is not a predictor of use of the

services agencies with high mainframe usage are subsidizing these costs. We believe DOA needs to develop a more equitable method of recovering non-mainframe computer costs.

Costs that Should Have Been Allocated to Other Cost Pools - We also identified three areas in which costs should have been assigned differently between the overhead cost pool and other cost pools, including the allocation of Info-Tech surpluses, loan payments, and reimbursed costs.

First, we found Info-Tech has had overall surpluses in recent years. Surpluses allow DOA to maintain positive cash balances in the event internal service charges are temporarily less than costs and make it possible to plan for specific large purchases. For the FY 1998-99 rates, Info-Tech used \$4.8 million in accumulated surplus to reduce rates. However, while the surplus was generated because of higher-than-expected usage in most rate categories, the entire surplus was allocated to the CPU cost pool. Although we believe it is reasonable for Info-Tech to use the surpluses from one year to reduce future rates, we do not believe that it is equitable to allocate the surplus exclusively to the CPU cost pool. The preferred method is to apply the surplus against the specific cost pools that created the surplus. Alternately, the surplus could be applied to the overhead cost pool so that all cost pools benefit.

Second, Info-Tech received a \$6.3 million loan from the Bureau of Telecommunication Management (BITM) in FY 1992-93, which funded the establishment of the environmental controls of the data center and the installation of certain fiber optics lines. For FY 1998-99, Info-Tech included \$632,100 in its budget for loan payments, all of which was allocated to the overhead cost pool. However, Info-Tech staff estimate \$200,000 of this payment relates to fiber optics lines, which are part of providing telecommunication services. The telecommunication cost pool is one component of the CPU cost pool and, therefore, \$200,000 should have been allocated to that pool rather than to overhead.

Finally, Info-Tech is directly reimbursed for the total costs related to providing server support for the State of Wisconsin Investment Board and for costs related to providing certain consulting and research services. The \$209,981 in costs of providing these services in FY 1998-99 was included in the overhead cost pool. However, the reimbursements were directly credited to the CPU cost pool. While it is reasonable for Info-Tech to include these items in its rate structure, the costs and the related reimbursement both should have been assigned to the overhead cost pool.

### **CPU Cost Pool**

The CPU cost pool also requires adjustments. The CPU cost pool should include all direct costs related to providing mainframe processing. For instance, the CPU cost pool should include costs for operating system software related to running jobs and processing transactions. For FY 1998-99, Info-Tech accumulated \$28.9 million in budgeted costs in the CPU cost pool. However, we identified \$1.9 million in assigned costs that were unrelated to the CPU cost pool. Further, we identified \$1.4 million in adjustments that are needed between the CPU cost pool and other cost pools.

Assigned Costs Unrelated to CPU Cost Pool - We identified two areas that should not have been included in the CPU cost pool. First, DOA's Bureau of Statewide Systems Development performs application development for systems to be used by multiple state agencies. For the past three years, the only system under development has been the Shared Human Resources Systems (SHRS). For FY 1998-99, \$2.5 million in budgeted costs for the Bureau of Statewide Systems Development was included in the CPU cost pool, even though not all future users of SHRS have mainframe CPU charges, and some mainframe users may not use SHRS when it is fully implemented.

In previously developed statewide systems, the cost of systems development was borne by users, who were either billed directly or billed through the entity that owns the system. For instance, for the State's central accounting system, a lease was used to fund the original implementation. The lease payments are paid by the State Controller's Office, which bills the entities using the accounting system. We believe SHRS development costs should be charged to the users, billed directly, or billed through the entity that owns the system, rather than included in CPU costs, because mainframe usage is not a predictor of SHRS usage.

Second, the CPU rate needs to be adjusted for the \$630,000 reimbursement received for providing local area network and desktop services as part of the SASI Initiative. As previously discussed, SASI costs were assigned to the overhead cost pool, while the reimbursement was assigned to the CPU cost pool. However, because the use of these services is unrelated to mainframe services, neither the costs nor the reimbursement should be included in the mainframe rates.

Other Necessary Adjustments to CPU Cost Pool - Further, we identified several areas in which adjustments between the CPU cost pool and other cost pools should be made. First, the CPU cost pool is being used to subsidize mainframe printing. The print rate has not been recalculated since FY 1996-97, when it was stabilized to discourage large agencies from seeking print services from outside contractors. For FY 1998-99, the expected \$1.4 million excess of budgeted costs over user charges for print services was included in the CPU cost pool.

Next, because overall overhead should have been reduced as previously described, all other cost pools that are allocated a portion of the overhead cost pools would also be reduced. Thus, the CPU cost pool's share of allocated overhead, as well as its share of other costs pools' allocations, would decrease. The net effect for the CPU cost pool would be a decrease of \$5.2 million.

Finally, the CPU cost pool needs to be adjusted to offset changes to the overhead pool previously discussed, including removing the \$4.8 million credit for the surplus; the \$200,000 BITM loan repayment related to installation of the fiber optics lines; and \$209,981 in reimbursements related to providing server support for the State of Wisconsin Investment Board and for costs related to providing certain consulting services.

## **Effect of Included Incorrect Costs in Cost Pools**

All rates, except those related to print, which had been subsidized in the past, would have been lower if DOA had included the proper costs in the overhead and CPU cost pools. Such separate mechanisms are needed to more directly link the services to the benefits received.

We are concerned that the problems identified in the rate structure for FY 1998-99 may have caused unallowable costs to be charged to the federal government. Each agency billed for mainframe services assigns the costs to the programs that benefit from the services. For example, the Wisconsin Department of Workforce Development, Info-Tech's largest customer, assigned approximately 64.3 percent of its Info-Tech charges to federal grants during FY 1998-99.

For FY 1998-99, Info-Tech billed customers \$43.4 million, using its current rate methodology. However, if the adjusted rates had been used, agencies would have been charged \$4.9 million less. Approximately \$3.0 million of the savings would have accrued to the Department of Workforce Development and resulted in a \$1.9 million reduction in costs charged to federal programs. However, a portion of the costs removed from the Info-Tech rate structure, if billed more equitably, may still have been assigned to the Department of Workforce Development.

We understand that DOA would need to recoup any costs eliminated from the rate structure. Different billing mechanisms would be needed for:

- \$1.5 million for the core training costs;
- \$1.2 million for the SASI costs;
- \$100,000 for TEACH costs; and
- \$2.5 million in the Bureau of Statewide Systems Development.

For instance, if DOA developed a separate rate structure for core training, the Wisconsin Department of Workforce Development would be assigned a portion of these costs because 15 of the 75 courses currently offered are directly related to mainframe services and because Department of Workforce Development staff have attended desktop and local area network courses.

**FINDING WI-99-44:** *We recommend the Wisconsin Department of Administration develop a rate structure for mainframe services based on cost pools that do not include costs for services unrelated to the mainframe.* Further, to ensure that costs are assigned to the correct cost pool, *we recommend the Wisconsin Department of Administration review the costs assigned to each cost pool to ensure only costs relevant to that pool are assigned.*

Questioned Costs: Multiple Grants: Rate Setting = Undetermined

DOA Response and Corrective Action Plan: DOA will review its current rate structure, the budgeted distribution of the costs across pools for FY 2000-01, and the issues raised regarding relevance of costs to various products and their pricing.

DOA believes the overall recommendation is reasonable. Info-Tech has formed an advisory committee representing the seven largest state agencies and Info-Tech staff. The committee has been examining the cost pools and rate structures for the last few months. This information will be used in forming and proposing the FY 2000-01 operating budget request and rates to the Secretary.

However, DOA would like to point out that the decisions of the Secretary in setting rates weigh more than pure cost considerations. For example, all mainframe users benefit from the State's core curriculum training program, which helps other users understand how to run systems in the most efficient and effective ways. While many people think that Info-Tech is the "mainframe shop," Info-Tech has moved into other types of services that reflect changes in technology. In addition, agencies are utilizing multiple platforms when running jobs and developing Web services. To the extent that the core curriculum program addresses training related to these areas, all agencies benefit from having knowledgeable staff. The funding of training in this manner represents a simplified and beneficial approach to encouraging training across all agency users, ensuring the most effective use of state systems.

The report narrative deals with areas in which costs should have been assigned differently between cost pools. First, it speaks to the "preferred method" of applying surplus dollars. We would not disagree with the sentiment in a pure sense, were methodology the only consideration. Even a preferred allocation of costs would not necessarily have resulted in a different rate announced to customers.

The report also addresses costs included in the CPU cost pool, including costs related to the Bureau of Statewide Systems Development. The development cost of an enterprise-wide system, in this case for the benefit of all state agencies and human resources management, represents a calculated investment risk. The investment risk is made because the goal is a return in operating efficiency benefiting the enterprise as a whole, and individual agencies in particular. There is clearly systems analysis and application programming responsibility under Info-Tech as directed by the Secretary, authorized under s. 16.971(1m), Wis. Stats. It is the Secretary's judgement how to accomplish this end and under what funding arrangement.

The report argues that the development of SHRS, paid through the many agencies that use Info-Tech, should not have been shared by the community of mainframe users. The policy judgement made by DOA in funding the

system work was and is that all mainframe users, a great preponderance of the agency community, in contributing resources to the better good of the enterprise, would directly benefit from this investment. It may be that some members of the community might not choose to use the SHRS system, or to engage it selectively, but that is the agencies' choice. If agency cost participation in SHRS or similar statewide systems were made solely dependent on uniform use and application of the system, there would be endless debate about whether or not to proceed in many enterprise-wide ventures. Federally funded positions recruited and hired by agencies using mainframe services are intended to benefit equally from this system development and, therefore, share accordingly in the cost.

DOA is flexible, too, and will consider changing views. In recent weeks, DOA has held several meetings with its user community, gathering advice and input regarding how agencies prefer to pay for the costs of Info-Tech. While these discussions are not binding on the final decisions of the Secretary in setting rates and policy, DOA appreciates the substance of the feedback, and future rate decisions will give such advice full measure and consideration.

#### **Rate Methodology Submitted to DHHS**

DOA's Division of Administrative Services, in conjunction with Info-Tech, is required to submit the Info-Tech rate methodology to DHHS for approval. The rate methodology currently on file, submitted May 3, 1993, is not up-to-date. For instance, the rate methodology does not include the optical storage, electronic report distribution, or print rate methodologies, but it does include two rate categories that are no longer used. In addition, the disk access storage device rates and the tape storage rates have changed since this submission, so that the information provided does not accurately reflect how rates are determined. Beginning in FY 1999-2000, Info-Tech's rate methodology uses a newly developed cost pool for software that is used by only one agency, which is being phased in over a four-year period. In addition, any significant changes in cost pools or methodology that result from our recommendations would need to be submitted for federal approval.

**FINDING WI-99-45:** *We recommend the Wisconsin Department of Administration's Division of Information Technology Services work with the Division of Administrative Services to submit its current and planned rate methodologies to the U.S. Department of Health and Human Services for approval.*

Questioned Costs: Multiple Grants: Rate Methodology = None

DOA Response and Corrective Action Plan: DOA concurs with the need to revise, update, and issue the rate methodology and will work to accomplish that within calendar year 2000. However, DOA does not view this submission as materially changed from the filed methodology in the sense that most revenue is derived from CPU and storage rates.

## Spreadsheets Used to Allocate Costs

Info-Tech staff develop billing rates using a series of computerized spreadsheets. These spreadsheets are complicated and have a number of allocations across cost pools. The reasons for these allocations and their effect on the overall rates are not well documented. Because the same Info-Tech staff have been working with the rates for many years, they are able to explain how the figures interrelate. However, without such assistance, it would be difficult to review or recalculate the rates. Staff turnover could make calculating new rates difficult. We believe the spreadsheets need simplification so the effect of reallocations are more apparent and the reasons are included as part of the documentation.

**FINDING WI-99-46:** *We recommend the Wisconsin Department of Administration's Division of Information Technology Services review its rate-determination process to provide well-explained and documented information.*

Questioned Costs: Multiple Grants: Documentation of Rate-Setting Methodology = None

DOA Response and Corrective Action Plan: Info-Tech staff will make the changes suggested to reformat the spreadsheet so that each section and its purpose is clear and will write standard documentation that includes sections to identify the assumptions, adjustments, and policy decisions for each year.

## Prior Audit Follow-up

We followed up on DOA's progress in implementing corrective action plans for recommendations WI-98-35 through WI-98-37 included in our FY 1998-99 single audit report. DOA has generally implemented acceptable corrective action to address our concerns. However, DOA did not resolve concerns related to program income for the HOME Investment Partnerships Program (catalog #14.239).

## Program Income for the Home Buyer Assistance Program

During FY 1998-99, DOA expended \$13.2 million under the HOME Investment Partnerships Program, which was created to expand the supply of affordable housing for low-income individuals. The Home Buyer Assistance (HBA) program, a component within the HOME Program, provides assistance for down payments and closing costs to low-income home buyers. DOA entered into a subgrant agreement with C-Cap, Inc., a nonprofit corporation, to administer the HBA program.

In our prior audit, we reported that DOA did not require C-Cap, Inc., to treat as program income \$49,200 of processing fees collected from banks for loans closed during FY 1997-98. Federal rules in 24 CFR 92.503(a), and as included in the C-Cap, Inc., subgrant agreement, require program income to be held and used by the State for HOME program purposes unless, as allowed by 24 CFR 92.504, the State agrees in writing to allow the subgrantee to retain the program income for additional

HOME projects. Because a portion of the fees paid by banks was used to pay for some of the same administrative costs for which DOA reimbursed C-Cap, Inc., under its grant agreement, we questioned the \$49,200 in bank processing fees and recommended (Finding WI-98-35) that DOA treat the fees as program income of the HOME program, unless using these funds for other HOME projects was agreed to in writing.

As included in its prior audit corrective action plan, DOA met with C-Cap, Inc., in an attempt to determine which administrative costs are covered by the administrative fee included in the subgrant agreement with the State and which costs are covered by the processing fees paid by the banks. DOA staff indicated they were told by C-Cap, Inc., staff that C-Cap, Inc., does not, in fact, collect the \$150 bank processing fee. Rather, C-Cap Group, which is an “umbrella” group that provides various services to C-Cap, Inc., collects the fees from the banks. Therefore, DOA told us that C-Cap, Inc., staff believe that no portion of the fees should be program income because they do not collect the fees.

Based on the number of loans closed, we estimate that banks have paid \$69,150 in processing fees in FY 1998-99. We continue to believe that since the collection of the fees is directly related to C-Cap, Inc.’s, administration of the HBA program, the bank fees should be treated as program income and subject to federal regulations, regardless of whether they are collected directly by C-Cap, Inc., or C-Cap Group. Therefore, we question the \$69,150 of bank processing fees for FY 1998-99 that should have been treated as program income. DOA staff stated that they are working with the U.S. Department of Housing and Urban Development to resolve this issue.

**FINDING WI-99-47: We recommend the Wisconsin Department of Administration work with the U.S. Department of Housing and Urban Development to resolve this program income issue.**

**Questioned Costs:** HOME Investment Partnerships Program (catalog #14.239, award M96 SG550100): Program Income = \$69,150

**DOA Response and Corrective Action Plan:** DOA has made a site visit to C-Cap, Inc., to gather additional information and is in the process of providing the grantee with questions and concerns in writing. DOA will share this information with staff at the regional office of the U.S. Department of Housing and Urban Development to ensure their support in resolving the issue.

### **Unallowable Costs Included in the Statewide Cost Allocation Plan**

OMB Circular A-87 allows state agencies to charge indirect costs to federal grant programs. The State Controller’s Office within DOA prepares and submits the statewide cost allocation plan to the DHHS Division of Cost Allocation for approval. Federal rules require state agencies to exclude from their indirect cost calculations central service costs that are billed directly to users. During our FY 1997-98 audit, we noted that because of apparent oversight, the State

Controller's Office included in its statewide cost allocation plan \$292,987 of DOA's Office of Computer Service's program revenue costs that had been billed directly to users (Finding WI-98-36).

DOA implemented its prior audit corrective action plan and reduced the amount of allocated costs included in the FY 1998-99 statewide cost allocation plan to compensate for the extra costs included in the FY 1997-98 plan. We tested the FY 1998-99 statewide cost allocation plan and found that only allowable costs were included in the plan.

### **Indirect and Overhead Costs**

OMB Circular A-87 allows state agencies to charge indirect costs to federal grant programs. As a state agency that administers federal grants, DOA proposed and negotiated with the federal government predetermined indirect cost rates of 6.4 percent of direct salaries and fringe benefits for the period July 1, 1995 to June 30, 1997, and 6.0 percent for the period July 1, 1997 to June 30, 1999.

During our two prior audits, we noted two concerns with DOA's method to charge indirect costs to grants and subgrants. First, DOA included in its indirect cost pool costs that were also allocated to other state agencies through the statewide cost allocation plan. Second, DOA had not sought federal approval for its methodology to allocate overhead costs to federal subgrants received from other state agencies and other governmental entities (Finding WI-98-37).

DOA has taken appropriate corrective action in this area. In preparing its indirect cost rate proposal for the period July 1, 1999 to June 30, 2001, DOA correctly excluded from its indirect cost pool costs that were also allocated to other state agencies through the statewide cost allocation plan. In addition, we discussed the status of indirect cost overcharges questioned in our prior years' reports with a representative of the DHHS Division of Cost Allocation. We were told that because DOA used a federally approved predetermined indirect cost rate, as provided by OMB Circular A-87, DOA would not be obligated to pay back overcharges resulting from errors in calculating the indirect cost rates.

DOA has also addressed concerns regarding subgrants and now charges subgrants the same federally approved indirect cost rate it uses for direct federal grants, rather than using a non-federally approved allocation methodology.

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**Wisconsin Department of Administration  
Summary of Findings and Questioned Costs  
FY 1998-99**

**U.S. Department of Housing and Urban Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-47	14.239	HOME Investment Partnerships Program	Program Income*	\$ 69,150

**Noncompliance Findings Affecting Multiple Grants**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-44		Multiple Grants	Rate Setting	Undetermined
WI-99-45		Multiple Grants	Rate Methodology	\$ 0
WI-99-46		Multiple Grants	Documentation of Rate-Setting Methodology	0

\*Repeat finding from audit report 99-12.

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix I of this report.

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The Wisconsin Department of Commerce has responsibilities in the areas of community and economic development, business advocacy, development financing, small and minority business assistance, industrial attraction and retention, international trade, and environmental and safety regulation. Commerce disbursed \$202.8 million during FY 1998-99; federal grants to the State financed \$35.8 million of that amount.

Commerce does not administer any federal grants considered to be high-risk type A grants. Therefore, we did not test federal requirements specific to grant programs. However, we did follow up on the recommendation from our prior single audit report (report 99-12) regarding subrecipient monitoring.

### **Prior Audit Follow-up**

We followed up on Finding WI-98-41 of our FY 1997-98 single audit report. Commerce has not fully addressed our concerns regarding subrecipient monitoring.

Commerce subgrants funds to local governments and other organizations under the Community Development Block Grants/State's Program (catalog #14.228). The Wisconsin Department of Administration developed *State Single Audit Guidelines* to assist the State in meeting its subrecipient monitoring obligations. These guidelines provide for the designation of state agencies to act as cognizant agencies to local units of government. For those entities for which it is the cognizant agency, Commerce is to perform desk reviews of subrecipient single audit reports, within 90 days of receipt, for compliance with reporting requirements and for report contents; to conduct quality-control reviews of the work of independent auditors to determine whether the auditors have followed the required auditing standards and guidelines for single audits; and to advise grantees if audits do not meet single audit requirements. Within six months of receipt of the audit report, Commerce is to resolve audit findings affecting programs administered by itself and to coordinate the resolution of internal control audit findings that affect the programs of more than one agency.

In prior audits, we have reported that because of staff turnover, leaves of absences, and difficulty in filling vacant auditor positions, Commerce has not been able to perform its single audit monitoring duties in a timely manner. In our FY 1997-98 report, we noted that a backlog of 21 calendar year 1996 reports, and all calendar year 1997 reports, remained to be reviewed.

During our current audit, we found that Commerce reviewed all 21 calendar year 1996 reports. However, the staff person responsible for subrecipient audit monitoring took another leave of absence. Commerce hired a six-month limited-term employe in November 1999, who reviewed all 31 calendar year 1997 reports received by the end of December 1999. However, one calendar year 1997 report is still outstanding. In

addition, as of January 31, 2000, Commerce had yet to review any of the 19 calendar year 1998 reports it had received, and an additional 14 calendar year 1998 reports were expected to be received.

We reviewed all available calendar year 1997 and 1998 reports. Although none of those reports identified any questioned costs, they did identify one instance of noncompliance with the Davis-Bacon Act. It is important that Commerce resolve this finding and review the various audit reports to ensure they were prepared in accordance with the required auditing standards. While Commerce has experienced difficulty in filling its two auditor positions, it continues to seek qualified candidates and, at the time of our fieldwork, anticipated filling the positions by March 2000.

**FINDING WI-99-48:** *We recommend the Wisconsin Department of Commerce place priority on completing desk reviews for calendar year 1998 audit reports for which it is cognizant agency, perform other tasks required by the State Single Audit Guidelines in a timely fashion, and stay current in its oversight effort in future years.*

Questioned Costs: Community Development Block Grants/State's Program (catalog #14.228): Subrecipient Monitoring = None

Commerce Response and Corrective Action Plan: Commerce has created a limited-term employe auditor position to assist in the review of single audit reports and revised the position description of the Office of Loan and Grant Administration's auditor-journey position to provide backup to the auditor-senior position in the performance of subrecipient audit monitoring.

Commerce has not realized the benefits of the staffing changes, however, as the limited-term employe auditor position took more than four months to fill because of a lack of applicants, and the auditor-journey resigned at approximately the same time the limited-term employe was hired. Further, the person responsible for audit reviews was on a leave of absence during the period under audit. Upon return, she was appointed to serve as the interim director of the Office of Loan and Grant Administration and later hired in that capacity, creating a vacancy in the auditor-senior position. Commerce expects to fill the two vacant permanent positions by early May 2000.

Despite the vacancies, Commerce continues to make progress in meeting its subrecipient monitoring obligations in accordance with OMB Circular A-133 and *State Single Audit Guidelines*. Commerce has:

- created a comprehensive desk review checklist for the review of subrecipient audit reports in accordance with Circular A-133 and the *State Single Audit Guidelines*;
- reviewed all 1997 and prior audit reports received;

- continued to work with one grantee and its auditor in efforts to secure a 1997 audit prepared in accordance with the proper standards; and
- reviewed 16 of 32 1998 subrecipient audit reports received.

Commerce expects that all 1998 audits will be reviewed by the end of May 2000, and the related tasks required by *State Single Audit Guidelines* will be completed concurrently. Once fully staffed, Commerce will stay current in its subrecipient audit monitoring responsibilities.

**Wisconsin Department of Commerce  
Summary of Findings and Questioned Costs  
FY 1998-99**

**U. S. Department of Housing and Urban Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-48	14.228	Community Development Block Grant/State's Program	Subrecipient Monitoring*	\$ 0

\* Repeat recommendation from Report 99-12

Inquires regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix I to this report.

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The Wisconsin Department of Military Affairs (DMA) provides a military force through the Wisconsin National Guard, which is available for use in state and national emergencies. Through the Division of Emergency Government, DMA also implements statewide emergency preparedness plans and administers federal disaster and emergency relief funds. During FY 1998-99, DMA disbursed \$58.6 million; federal grants to the State financed \$34.8 million of that amount.

DMA did not administer any federal financial assistance programs selected for review according to the risk-based approach required by OMB Circular A-133. Therefore, we limited our audit work to following up on findings from our FY 1997-98 single audit report (report 99-12).

### **Prior Audit Follow-up**

As part of our current audit, we followed up on the progress DMA has made in implementing corrective action to address findings WI-98-42 and WI-98-43 of our FY 1997-98 single audit report. While the issues related to matching requirements have been resolved for the National Guard Military Operations and Maintenance Projects (catalog #12.401) grant, we continue to have concerns related to DMA's time and effort reporting.

### **Time and Effort Reporting**

During FY 1998-99, DMA charged \$7.4 million in salary and fringe benefit costs directly to the National Guard Military Operations and Maintenance Projects grant for approximately 180 full-time equivalent positions. OMB Circular A-87 has specific requirements to support salary and fringe benefit costs charged to federal programs or used to meet state matching requirements. For employees working exclusively on a single federal program, DMA must ensure that semi-annual certifications are completed stating that the employees worked solely on the federal program. An employee working on multiple activities is required to complete monthly personnel activity reports, which are to account for the total activity of the employee, to be completed after the fact, and to be signed by the employee. If budget estimates are initially used to charge costs to federal grants, a quarterly comparison of budgeted to actual work effort should be performed and costs charged to the federal grants should be adjusted as necessary.

During the past two audits, we reported that DMA was not requiring employees whose salaries were charged to the National Guard Military Operations and Maintenance Projects grant to complete semi-annual certifications or monthly personnel activity reports (Finding WI-98-42 and Finding WI-97-53). To assist DMA in implementing

our recommendations, during the FY 1997-98 audit we provided staff with examples of forms used by other state agencies to fulfill their time and effort reporting responsibilities.

DMA has only partially addressed our prior audit concerns in this area. DMA received authority during the 1999-2001 biennial budget process to use a program revenue–service appropriation to account for the salary and related costs for the one employe we identified in our prior audit as working on multiple activities, rather than charge costs directly to federal grants. However, while DMA concurred with our prior audit recommendation, it has not implemented corrective action regarding semi-annual certifications and monthly personnel activity reports, and it continues to be in noncompliance with OMB Circular A-87 documentation standards for salaries and fringe benefits charged directly to the National Guard Military Operations and Maintenance Projects grant or used as state match for the grant.

DMA staff argue that semi-annual certifications are not necessary because the positions for those employes who work solely on grant-related activities would not exist if federal funding were not available. For other employes who do not work exclusively on grant-related activities, such as those performing both maintenance and custodial activities at the various facilities, staff believe that it would be difficult to differentiate work effort between grant and non-grant activities and that personnel activity reports would not necessarily reflect actual work effort. However, the work effort documentation requirements in OMB Circular A-87 are clear, and DMA should comply with them as a condition of receiving federal funding.

**FINDING WI-99-49:** *We recommend the Wisconsin Department of Military Affairs either require semi-annual certifications of work effort for employes who spend all of their work effort on grant-related activities, and monthly personnel activity reports from employes working on multiple activities, or work with the federal government to obtain approval for an alternative methodology.* DMA staff told us that they plan to meet with the U.S. Property and Fiscal Officer by June 30, 2000, to resolve this issue.

Questioned Costs: National Guard Military Operations and Maintenance Projects (catalog #12.401): Time and Effort Reporting = Undetermined

DMA Response and Corrective Action Plan: DMA has made several modifications to eliminate the need for time and effort reporting, largely because DMA believes it would be difficult and time-consuming for its employes to accurately report their work effort. However, some improvements have been made. For example, DMA implemented an output-based cost allocation plan for administrative staff and shifted a storekeeper position at Camp Williams from direct federal funding to program revenue funding.

In preliminary discussions with staff from the U.S. Property and Fiscal Office, DMA was referred to ASMB C-10, *Implementation Guide for Office of Management and Budget Circular A-87*, published by the U.S. Department of Health and Human Services and dated April 8, 1997. This document offers further guidance in interpreting and implementing the provisions of

Circular A-87 and applies to all federal agencies. DMA found the following guidance that it believes applies to the majority of its federally funded employes:

According to the guidance, if an employee works on only one federal award the certification requirement can be met through certain payroll codings and time and attendance certifications pursuant to payroll authorizations. For example, if (1) employees work in a dedicated function; (2) their potential assignment to multiple programs/activities is not within the authority, function, or purview of the supervisor responsible for certifying time and attendance; and (3) the employee is coded to a dedicated function not benefiting multiple functions or programs, the payroll certification shall be accepted in lieu of the semi-annual certification of time and effort.

DMA intends to request written authorization from the U.S. Property and Fiscal Office to apply this interpretation to the following of its federally funded employes:

- facilities engineering and management staff in the Facilities Management Office;
- environmental program staff in the Facilities Management Office;
- base engineering staff at air national guard bases (Truax, Mitchell, and Volk fields);
- base security staff at air national guard bases;
- fire/crash rescue staff at air national guard bases; and
- facilities repair and maintenance staff at Camp Williams, the Wisconsin Military Academy, and MATES at Fort McCoy, and aviation support facilities in Madison and West Bend.

There are two additional federally funded employes assigned to federally owned armories. At those facilities, operational costs are considered 100 percent state-funded, while repair and maintenance activities are 75 percent federally reimbursable. Currently, costs for these two employes are charged 62.5 percent state and 37.5 percent federal, based on the assumption that roughly half of their activities are reimbursable by the federal government. DMA will discuss these situations with the U. S. Property and Fiscal Office as to whether it believes a time certification process would be cost-effective in these limited circumstances.

DMA concurs with the recommendation that at least some formal agreement is needed with the U.S. Property and Fiscal Office as to the adequacy of DMA's time and effort allocations and certifications. DMA remains concerned that a complete certification process would be unproductive and of limited value.

**Matching Requirements**

During our FY 1997-98 audit, we reported that DMA did not have control policies and procedures in place to ensure that state matching requirements were met for non-construction expenditures related to National Guard Military Operations and Maintenance Projects (Finding WI-98-43). We noted one instance in which DMA had not met its 25 percent state matching requirements specified in the cooperative agreement between DMA and the National Guard Bureau and recommended DMA periodically ensure that it has met the matching requirements.

Although DMA did not complete a year-end review to determine whether match requirements were met, it appears DMA has taken more care when coding expenditures to ensure they are appropriately charged to state and federal accounts. We tested FY 1998-99 expenditures and found DMA met the matching requirements for non-construction expenditures made under the National Guard Military Operations and Maintenance Projects grant. While we do not repeat our recommendation, we suggest DMA periodically review expenditures to ensure state matching requirements are met.

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**Wisconsin Department of Military Affairs  
Summary of Findings and Questioned Costs  
FY 1998-99**

**U.S. Department of Defense**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-49	12.401	National Guard Military Operations and Maintenance Projects	Time and Effort Reporting*	Undetermined

\*Repeat finding from audit report 99-12.

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix I of this report.

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The Wisconsin Department of Veterans Affairs (DVA) administers programs for veterans that include mortgage loan programs and education and economic assistance grants. DVA also operates the Wisconsin Veterans Nursing Home in King, Wisconsin. During FY 1998-99, DVA disbursed \$192.5 million; federal grants to the State financed \$10.9 million of that amount.

As part of our standard audit procedures, we reviewed DVA's internal control policies and procedures over receipts, disbursements, and administration of federal grant programs. We tested compliance with requirements for the Veterans State Nursing Home grant (catalog #64.015), which is a type B grant program administered by DVA.

Overall, DVA's internal control structure appears adequate to ensure compliance with requirements for the grant program. However, we noted that DVA needs to take steps to collect final federal reimbursement for \$66,668 of expenditures incurred under a different grant program—Grants to States for Construction of State Home Facilities (catalog #64.005).

#### **Uncollected Construction Grant Funds**

In FY 1991-92, DVA received two federal grants from the U.S. Department of Veterans Affairs under the Grants to States for Construction of State Home Facilities (catalog #64.005). The first grant award (FAI 55-912) was \$9.2 million for construction of Ainsworth Hall, a 204-bed nursing care facility at the Wisconsin Veterans Home. The second grant award (FAI 55-014) was \$1.6 million for replacement of an air conditioning system at a different building at the Home. Under both grants, the federal government agreed to pay for up to 65 percent of total project costs.

DVA completed both projects during FY 1994-95. However, DVA has not collected its final requests for reimbursements totaling \$66,668 from the U.S. Department of Veterans Affairs, as shown in Table 5.

DVA accounted for these grants in the State's Capital Improvement Fund. Because DVA has not received full reimbursement of grant expenditures, other Capital Improvement Fund resources have temporarily subsidized the federal grants, resulting in lost interest to the State.

Table 5

**Uncollected Construction Grant Funds**

	<u>Ainsworth Hall</u>	<u>Air Conditioning System</u>	<u>Totals</u>
Approved Federal Awards	\$9,254,245	\$1,643,164	\$10,897,409
Amounts Reimbursed	<u>( 9,200,741)</u>	<u>(1,630,000)</u>	<u>10,830,741</u>
Amounts to Be Collected	\$ 53,504	\$ 13,164	\$ 66,668

There are several reasons for the delay in collection of the federal construction project funds. First, a final inspection by U.S. Department of Veterans Affairs staff is required before making final payment on federally funded construction projects. While DVA submitted final requests for reimbursement in December 1996, it did not arrange for final inspections of the projects until fall 1999. Second, there was turnover in the DVA budget office that administered the project, leading to the transfer of the administration of the project to another unit within DVA. Finally, while DVA staff have made oral requests of the Office of Geriatrics and Grants Management, State Home Construction Program in Washington, D.C., several times since December 1999, payment has not been received because of turnover in that office.

We believe DVA needs to formally follow up with the federal government regarding the status of its reimbursement request. If DVA is unable to obtain the federal reimbursement, \$66,668 in unreimbursed expenditures would need to be charged to state accounts.

**FINDING WI-99-50:** *We recommend the Wisconsin Department of Veterans Affairs take action to obtain \$66,668 in construction grant reimbursements from the U.S. Department of Veterans Affairs and close the two construction accounts.*

Questioned Costs: Grants to States for Construction of State Home Facilities (catalog #64.005) Uncollected Construction Grant Funds = None

DVA Response and Corrective Action Plan: Grant funds of \$66,668 were received on April 28, 2000 for the two projects, and they are being closed.

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**Wisconsin Department of Veterans Affairs**  
**Summary of Findings and Questioned Costs**  
FY 1998-99

**U.S. Department of Veterans Affairs**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-50	64.005	Grants to States for Construction of State Home Facilities	Uncollected Construction Grant Funds	\$ 0

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix I of this report.

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The Wisconsin Department of Corrections (DOC) is responsible for administering the State's correctional system. State and federal programs administered by DOC include those that affect the criminal justice system, prisons, and drug law enforcement. DOC disbursed \$768.0 million during FY 1998-99; federal grants to the State financed \$12.3 million of that amount.

As part of our standard audit procedures, we reviewed DOC's internal control policies and procedures over receipts, disbursements, and the administration of federal financial assistance programs. We tested DOC's compliance with grant requirements for the Violent Offender Incarceration and Truth in Sentencing Incentive grant (catalog #16.586), a type B major program.

Overall, we found DOC's internal control structure to be adequate and the agency to be in compliance with the grant requirements for the major program. However, we note concerns because DOC did not request federal reimbursement of grant expenditures in a timely manner.

### **Cash Management**

During FY 1998-99, DOC received almost \$2.1 million in federal reimbursements under the Violent Offender Incarceration and Truth in Sentencing Incentive grant. Effective cash management requires state agencies to request federal reimbursement as soon as practical after incurring allowable grant expenditures. Most state agencies use the Department of Administration's cash management system to automatically request reimbursement on a daily basis. Agencies that manually request federal reimbursement generally do so on a monthly basis, with some including requests for advances for a portion of the next month's expenditures.

However, DOC requests reimbursement for the Violent Offender Incarceration and Truth in Sentencing Incentive grant on a quarterly basis using the U.S. Department of Justice cash management system. Staff explained that they requested quarterly reimbursement for this grant because they believed that was the agreed-upon method with the U.S. Department of Justice. However, at our request, staff contacted the U.S. Department of Justice and were informed that reimbursement requests could be made more frequently, such as monthly. We estimate the State lost \$7,500 in potential interest earnings during FY 1998-99 because DOC requested reimbursement quarterly, rather than monthly.

In addition to the Violent Offender Incarceration and Truth in Sentencing Incentive grant, DOC currently requests quarterly, rather than monthly, reimbursement for several other grants. DOC staff agreed with our concerns in this area and have already taken

steps to request monthly reimbursements under the Violent Offender Incarceration and Truth in Sentencing Incentive grant. In addition, staff initiated a review to determine whether reimbursements for other grants could be made in a more timely manner.

**FINDING WI-99-51:** *We recommend the Wisconsin Department of Corrections request federal reimbursement in a manner to minimize the delay between when the State incurs grant expenditures and when it receives federal reimbursement.*

Questioned Costs: Multiple Grants: Cash Management = None

DOC Response and Corrective Action Plan: DOC contacted U.S. Department of Justice staff about reimbursement requests made through that agency’s cash management system. Based on information received during the initial contacts with the U.S. Department of Justice, DOC established the procedure of performing reimbursement requests quarterly, after the financial status reports were submitted.

Based on subsequent discussions with the auditors, DOC has revised its procedures to draw the funds at least monthly. DOC will also continue to monitor expenditures in the State’s accounting system. This will help ensure that the Wisconsin Department of Administration will allocate expenditures to appropriations funded by this grant in a timely manner.

DOC is in the process of implementing a procedure to bill other agencies on a monthly basis for those grants that allow monthly billings.

**Wisconsin Department of Corrections  
Summary of Findings and Questioned Costs  
FY 1998-99**

**Noncompliance Findings Affecting Multiple Grants**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-51		Multiple Grants	Cash Management	\$ 0

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix I of this report.

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The Wisconsin Department of Justice (DOJ) is responsible for providing legal representation and advice, criminal investigation, and other law enforcement services to the State of Wisconsin and to local units of government. DOJ disbursed \$65.7 million during FY 1998-99; federal grants to the State funded \$8.9 million of that amount.

As part of our standard audit procedures, we reviewed DOJ's internal control policies and procedures over receipts, disbursements, and administration of federal financial assistance programs. We tested DOJ's compliance with grant requirements for the State Medicaid Fraud Control Units grant (catalog #93.775), which is part of the Medicaid Cluster, a type A major program.

Overall, we found DOJ's internal controls to be adequate and the agency to be in compliance with requirements for the major program. However, we did identify a weakness with DOJ's time and effort reporting.

### **Time and Effort Reporting**

During FY 1998-99, DOJ charged \$479,366 in salary and fringe benefit costs directly to the State Medicaid Fraud Control Units grant for approximately ten full-time equivalent positions. OMB Circular A-87 has specific requirements to support salary and fringe benefit costs charged to federal programs or used to meet state matching requirements. For employees working exclusively on a single federal program, DOJ must ensure that semi-annual certifications are completed stating that the employees worked solely on the federal program. These certifications must be signed by the employees or their supervisors.

However, DOJ did not require semi-annual certifications for these employees because staff were unaware of the federal requirement. Therefore, DOJ was in noncompliance with federal documentation standards during FY 1998-99. We reviewed other available information, such as position descriptions that were signed by the employees and their supervisor, that indicates these employees were assigned to work exclusively on the State Medicaid Fraud Control Units grant. Therefore, we do not question any costs. After discussing OMB Circular A-87 documentation requirements with DOJ, Medicaid Fraud Control Unit staff completed certifications for the period July 1, 1999 through December 31, 1999. DOJ intends to require semi-annual work effort certifications in the future.

### **FINDING WI-99-52:**

Questioned Costs: State Medicaid Fraud Control Units (catalog #93.775): Time and Effort Reporting = None

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**Wisconsin Department of Justice**  
**Summary of Findings and Questioned Costs**  
FY 1998-99

**U.S. Department of Health and Human Services**

<u>Finding.</u> <u>Number</u>	<u>CFDA</u> <u>Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount</u> <u>Questioned</u>
WI-99-52	93.775	State Medicaid Fraud Control Units	Time and Effort Reporting	\$ 0

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix I of this report.

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The Wisconsin Higher Educational Aids Board (HEAB) is responsible for the management and oversight of the State's student financial aid system for Wisconsin residents attending institutions of higher education. HEAB disbursed over \$57.3 million during FY 1998-99 through various financial aid programs; federal grants to the State financed nearly \$777,500 of that amount.

In the past, HEAB provided student financial aid under the Health Education Assistance Loan (HEAL) Program. Although HEAB has not issued new loans under the HEAL Program since the mid-1980s, HEAB is responsible for collecting these outstanding loans, which had a reported outstanding balance of approximately \$3.8 million as of June 30, 1999. As part of our current audit, we followed up on our prior audit recommendation regarding loan collection and reporting.

### **Prior Audit Follow-up**

The State of Wisconsin issued revenue bonds in the early and mid-1980s to make funds available for HEAL Program loans to eligible medical and dental students. It was expected that loan payments received from the students would be sufficient to make scheduled revenue bond interest and principal payments. The U.S. Department of Health and Human Services (DHHS) guarantees the loans and reimburses HEAB for defaulted loans after due diligence collection procedures have been completed.

During the FY 1997-98 single audit, we reviewed 20 loans to ensure collection procedures were performed in accordance with federal regulations. Of these 20 loans, we found 6 defaulted loans that had been submitted to DHHS for reimbursement but still had outstanding balances, totaling approximately \$15,325, on HEAB's loan collection system.

One of these accounts was the result of an unexplained DHHS principal underpayment, in which the payment from DHHS was \$4,761 less than the requested reimbursement amount. HEAB did not pursue or inquire further about the underpayment. HEAB staff stated that the remaining five accounts consisted only of interest that had accrued between the date the guarantee requests were submitted to DHHS and the date reimbursements were received. Therefore, we recommended (Finding WI-98-44) that HEAB identify and attempt to collect outstanding HEAL Program loans in which the requested reimbursement amount was less than the amount received from DHHS, write off uncollectible balances, and verify that federal reports are not overstated for uncollectible accounts.

During our current audit, we found that HEAB has adequately resolved these concerns. HEAB staff have made several attempts to collect the remaining balances from DHHS. However, since several accounts were relatively old and supporting documentation was

no longer available, DHHS has disallowed these claims. We also found that HEAB has subsequently written off these balances and properly reported its outstanding loan balance on federal reports for FY 1998-99.

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## OTHER STATE AGENCIES

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The previous sections of this single audit report present, for specific state agencies, our findings related to internal control weaknesses and instances of noncompliance with federal rules and regulations. We have included our recommendations, identified questioned costs, incorporated the agencies' responses and corrective action plans, and reported the results of our follow-up to the findings presented in the State of Wisconsin single audit report (report 99-12) for the previous fiscal year.

Ten other agencies also administered various federal financial assistance programs. For these agencies, we did not identify any new internal control weaknesses or new instances of noncompliance with federal requirements. No instances of noncompliance and no questioned costs were reported as a result of our prior-year's audit work at these agencies. Therefore, no prior audit follow-up was necessary. The other Wisconsin state agencies and the amount of direct federal expenditures, as well as expenditures under subgrant agreements, for each agency are included in Table 6.

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Table 6

**Other State Agencies' Federal Expenditures**  
FY 1998-99

<u>Wisconsin State Agency</u>	<u>Direct Federal Expenditures</u>	<u>Expenditures Under Subgrant Agreements</u>	<u>Total</u>
Wisconsin Technical College System Board	\$27,739,596	\$551,502	\$28,291,098
Department of Agriculture, Trade and Consumer Protection	4,884,504	191,988	5,076,492
State Historical Society of Wisconsin	729,879	41,123	771,002
Child Abuse and Neglect Prevention Board	672,756	0	672,756
Wisconsin Arts Board	560,523	0	560,523
Board on Aging and Long-Term Care	0	278,740	278,740
Public Service Commission	159,355	0	159,355
Department of Revenue	49,665	0	49,665
Educational Communications Board	39,546	0	39,546
Department of Employment Relations	28,982	0	28,982

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# STATE OF WISCONSIN SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 1999

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OMB Circular A-133 requires the auditor to prepare a schedule of findings and questioned costs that includes the following three sections:

1. a summary of the auditor's results;
2. findings relating to the financial statements, which are required to be reported in accordance with *Government Auditing Standards*; and
3. findings and questioned costs for federal awards.

## SECTION I—Summary of Auditor's Results

As required by OMB Circular A-133, the Wisconsin Legislative Audit Bureau is providing the following summary information related to the State of Wisconsin's single audit for FY 1998-99:

- We issued an unqualified opinion on the State of Wisconsin's general purpose financial statements.
- We noted several reportable conditions in internal control over financial reporting that were included in our "Independent Auditor's Report on the State of Wisconsin's Compliance and on Internal Control Over Financial Reporting Based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards," dated December 17, 1999. The internal control weakness discussed in Finding WI-99-65 involving the Department of Employee Trust Funds, and the internal control weaknesses discussed in Finding WI-99-57 and Finding WI-99-58 involving the University of Wisconsin System's financial reporting system and processes are material weaknesses in internal control over financial reporting.
- We noted no instances of noncompliance that were material to the State of Wisconsin's general purpose financial statements.
- We noted several reportable conditions in internal control over major federal programs. The internal control weakness discussed in Finding WI-99-29, included in the University of Wisconsin System report narrative, is a material weakness in internal control over major federal financial assistance programs.

- We issued an unqualified opinion on the State of Wisconsin's compliance with requirements applicable to its major federal programs.
- We disclosed findings that are required to be reported under OMB Circular A-133, Section 510(a). These findings are described in the single audit agency report narratives and accompanying summaries of findings and questioned costs.
- The dollar threshold used to distinguish between type A and type B programs, as prescribed by OMB Circular A-133, Section 520(b), was \$15,300,000.
- The State of Wisconsin did not qualify as a low-risk auditee under OMB Circular A-133, Section 530.
- The following were major federal grant programs, determined in accordance with OMB Circular A-133, Section 520:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.551/.561	Food Stamp Cluster
10.557	Special Supplemental Nutrition for Women, Infants, and Children
10.570	Nutrition Program for the Elderly (Commodities)
15.605/.611	Fish and Wildlife Cluster
16.586	Violent Offender Incarceration and Truth in Sentencing Incentive Grants
17.207/.801/.804	Employment Services Cluster
20.106	Airport Improvement Program
20.205	Highway Planning and Construction
64.015	Veterans State Nursing Home Care
66.468	Capitalization Grants for Drinking Water State Revolving Fund
66.801	Hazardous Waste Management State Program
81.042	Weatherization Assistance for Low-Income Persons
N/A	Petroleum Violation Escrow Funds
84.010	Title 1 Grants to Local Educational Agencies
84.027/.173	Special Education Cluster
84.042/.044/.047	TRIO Cluster
84.126	Rehabilitation Services-Vocational Rehabilitation Grants to States
84.243	Tech-Prep Education
84.282	Charter Schools
93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance
93.569	Community Services Block Grant

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.575/.596	Child Care Cluster
93.600	Head Start
93.658	Foster Care—Title IV-E
93.775/.777/.778	Medicaid Cluster
96.001/.006	Disability Insurance/SSI Cluster
Various	Research and Development Cluster
Various	Student Financial Aid Cluster, limited to:
	UW-Milwaukee
	UW-Oshkosh
	UW-Parkside
	UW-Superior
	UW-Whitewater

## **SECTION II—Financial Statement Findings**

This section of the schedule includes all reportable conditions related to internal control over financial reporting that are required to be reported by generally accepted auditing standards and *Government Auditing Standards*, including those that do not affect federal awards. Repeat findings from audit report 99-12 are indicated with an asterisk (\*).

### **FINDING WI-99-53 Department of Health and Family Services Program Change Controls**

**Criteria:** To provide proper internal control, controls should be established to prevent programs from being altered and/or put into production without proper oversight and review.

**Condition:** Because of inadequate procedures for program change management, programmers could alter programs without proper request, oversight, and review.

**Questioned Costs:** None

**Context:** The Department of Health and Family Services maintains critical systems, such as the Community Aids Reporting System.

**Effect:** Programmers with extensive knowledge of the computer programs could make unauthorized changes to the programs and conceal those changes, resulting in undetected erroneous or fraudulent changes.

**Cause:** Controls have not been developed to ensure proper oversight before programs are moved to production.

**Recommendation:** We recommend the Department of Health and Family Services develop formal, written procedures for program changes that include a written change request from authorized users, a review by an independent individual, and a formal approval by the user after sufficient testing is complete.

Management's Response: The Bureau of Information Systems within the Department of Health and Family Services agrees with the recommendation and will put together, document, and follow a formal change request process for appropriate systems. This more formal change process will increase customer involvement.

**FINDING WI-99-54 Financial Reporting for Enterprise Funds at the Department of Health and Family Services**

Criteria: To provide proper internal control, procedures should ensure reported financial information is consistent, complete, accurate, and in accordance with generally accepted accounting principles.

Condition: During FY 1998-99, the Department of Health and Family Services transferred patient information and billing records to a new billing system. Management is responsible for ensuring that all necessary data are transferred and that data obtained from the new system are adequate for financial reporting purposes. The Department's procedures for transferring balances to the new billing system and adjusting available information to be in accordance with generally accepted accounting principles were not adequate to ensure complete and accurate financial information.

Questioned Costs: None

Context: The financial statements for the Mental Health Institutes and Centers for the Developmentally Disabled are integrated into the State's general purpose financial statements.

Effect: The risk of misstatement of accounts receivable reported in the State's general purpose financial statements is increased.

Cause: Procedures were not developed to ensure that complete patient billing records were accurately entered into the new billing system and the necessary information was available for financial reporting purposes.

Recommendation: We recommend the Department of Health and Family Services take steps to ensure the consistency, completeness, and accuracy of information obtained from the new system and presented in the financial statements.

Management's Response: The Billing and Collection Unit within the Department of Health and Family Services' Bureau of Fiscal Services continues to work on implementing the new billing system. The Billing and Collection Unit is now current in billing primary payers and continues to work on billing previous months to secondary payers. As the implementation continues, the goal is to ensure that data entered into the system, including receivable balances, are consistent, complete, and accurate. The

Department of Health and Family Services believes that the inconsistencies noted on carry-forward balances would not cause the receivable balances on the financial statements to be materially misstated.

**FINDING WI-99-55 Recording Transactions and Financial Reporting for the Support Collection Trust Fund at the Department of Workforce Development**

Criteria: To provide proper internal control, procedures should ensure transactions are recorded on a timely basis, at the correct amounts, to the correct accounts, and with sufficient supporting documentation. In addition, financial information should be reported in accordance with generally accepted accounting principles.

Condition: The Department of Workforce Development did not record some support collection and disbursement transactions correctly, in a timely manner, or to the correct accounts. Some transfers between support collection accounts were not properly supported, and staff in the Department could not explain why the transfers were made or how the amounts were determined.

The Department did not attempt to estimate the collectible portion of the support receivables as of June 30, 1999. In addition, because the Department was late in determining the state and federal share of collections for cases related to public assistance programs for the quarters ending March 31 and June 30, 1999, the Department needed to estimate the liability balances. Information was not reported correctly by the Department in its submission to the Department of Administration for inclusion in the State's FY 1998-99 financial statements.

Questioned Costs: None

Context: The Department of Workforce Development collected and disbursed over \$400 million in support collections during FY 1998-99. The financial statements of the Support Collection Trust Fund prepared by the Department are integrated into the State's financial statements.

Effect: The risk of material misstatement of financial statement accounts is increased. Because the Department did not estimate the collectible portion of the support receivables, it did not report any receivable balance.

Cause: The support collection and disbursement process is complex. The centralized support receipt and disbursement system was implemented on January 1, 1999, with the State collecting and disbursing all support. The accountant assigned to record FY 1998-99 support collection transactions and to correct balances in the support collection accounts from prior fiscal years left the Department's employ in May 1999. Not all transactions and transfers prepared by the accountant included sufficient documentation. The Department did not devote sufficient effort to estimate the collectible portion of the support receivable as of June 30, 1999. The Department was delayed in determining the share of collections related to public assistance programs.

Recommendation: We recommend the Department of Workforce Development record all support collection transactions on the State's accounting system in a timely manner for the correct amounts, in the correct accounts, and with proper supporting documentation. In addition, we recommend the Department of Workforce Development determine the proper amounts to report as assets and liabilities of the Support Collection Trust Fund in accordance with generally accepted accounting principles and state financial reporting requirements.

Management's Response: The Department of Workforce Development agrees with these recommendations and will continue improving the timely and accurate recording of support collections. The Department of Workforce Development will also complete the process currently underway to identify the proper amounts to report as assets and liabilities in accordance with generally accepted accounting principles. Significant resources continue to be dedicated to refining the Kids Information Data System and Support Collection Trust Fund interface since it was created in January 1999.

**FINDING WI-99-56 Reconciliations of Transactions and Balances in the Support Collection Trust Fund at the Department of Workforce Development**

Criteria: To provide proper internal control, procedures should ensure cash in the bank account is reconciled to the State's accounting system, financial information in different computer systems is reconciled, and accounts reflect the correct balance or are closed out as appropriate.

Condition: At the time of our audit of the State's financial statements, the Department of Workforce Development had not reconciled cash in the support collection bank account to the State's accounting system for the period of January 1, 1999 through June 30, 1999. The bank reconciliation completed in January 2000 determined that the cash balance of the Support Collection Trust Fund recorded in the State's accounting system and reported in the State's FY 1998-99 financial statements was understated by \$1.4 million because of several transactions recorded for incorrect amounts and numerous unrecorded transactions for non-sufficient funds checks and bank adjustments. In addition, it was discovered that a bank error reduced the support collection bank account's balance by \$400,000 in March 1999, which was not corrected until January 28, 2000. Finally, the cash balance in the State's accounting system has not been completely reconciled to the cash balance recorded in Kids Information Data System (KIDS) as of June 30, 1999.

The transactions and balances in the holding, collections for public assistance programs, medical support liability collections, medical support liability incentives, county incentives, and tax intercept accounts have not been properly reviewed, reconciled, or closed out. Errors from FY 1998-99 and prior fiscal years need to be corrected, and remaining balances need to be transferred to the appropriate accounts. The support collection accounts in the State's accounting system have not been reconciled to KIDS.

Questioned Costs: None

Context: The Department of Workforce Development collected and disbursed over \$400 million in support collections during FY 1998-99. A cash balance of \$20 million was reported in the State's FY 1998-99 financial statements.

Effect: The support collection bank account was understated by \$400,000 from March 1999 through January 2000, and cash in the State's FY 1998-99 financial statements was understated by \$1.4 million because a monthly bank reconciliation was not completed. Support collections that have not been transferred to the appropriate accounts may result in the incorrect or late return of support collection funds to the federal and state accounts. The risk of material misstatement of financial statement accounts is increased.

Cause: The support collection and disbursement process is complex. The centralized support collection and disbursement system was implemented on January 1, 1999. The accountant assigned to review support collection accounts during FY 1998-99 left the Department's employ in May 1999. Accounting staff were not able to complete the bank reconciliation between the new support collection bank account and the State's accounting system during our audit period. In addition, financial information in KIDS and the State's accounting system has not been completely reconciled.

Recommendation: We recommend the Department of Workforce Development:

- continue its monthly bank reconciliation between the support collection bank account and the State's accounting system and correct errors as necessary;
- reconcile support collection transactions and balances on the Kids Information Data System with the State's accounting system; and
- review, reconcile, and close out, as appropriate, all support collection accounts to ensure the accounts reflect the correct balance and that transactions during prior fiscal years were recorded correctly.

Management's Response: The Department of Workforce Development agrees with these recommendations. The Department of Workforce Development has reconciled the support collection bank account to the State's accounting system going back to January 1999. The reconciliation is now done monthly and is current through the most recent bank statement. The Department of Workforce Development is also in the process of reconciling support collections and transactions of KIDS with the State's accounting system and will make such adjustments as necessary to bring the accounts in balance. Significant resources continue to be dedicated to refining the KIDS and Support Collection Trust Fund interface since it was created in January 1999.

**FINDING WI-99-57 Reconciliation of UW System Records with the State's Official Records\***

Criteria: To provide proper internal control, an agency's records should reconcile to the official records for the State.

Condition: UW System's accounting records have not been fully reconciled to the State's official records since the State's current accounting system was implemented in FY 1993-94.

Questioned Costs: None

Context: The financial statements for UW System are integrated into the State's general purpose financial statements.

Effect: Differences in the balance sheet accounts exist between UW System's accounting records and the State's official accounting records.

Cause: The State implemented a new accounting system in FY 1993-94, and UW System has not devoted sufficient resources to reconciling its records with the State's central accounting system. In addition, the complexity of the reconciliation process and the high level of communication needed between UW System and the Department of Administration, which maintains the State's central accounting system, add to the difficulty of performing this reconciliation.

Recommendation: We recommend UW System Administration continue its efforts to reconcile its records with the State's official accounting records.

Management's Response: UW System Administration agrees with the recommendations and will continue its efforts to reconcile its records with the State's official accounting records.

#### **FINDING WI-99-58 Excessive Access to UW System Data\***

Criteria: To provide proper internal control, UW-Madison's Division of Information Technology (DoIT) and Business Services staff should limit access to financial and payroll production transactions and data to only those individuals who need them to perform their job duties.

Condition: Several DoIT employees, including computer operators, were given access to UW Processing Center's (UWPC) accounting and payroll production transactions and data. Following a reorganization within DoIT, access for several DoIT employees who no longer need access to accounting and payroll data was left unchanged.

Questioned Costs: None

Context: DoIT maintains critical financial systems, including UWPC accounting and payroll systems. Several DoIT employees have been given excessive access to update the production data of these systems.

Effect: DoIT employees with extensive knowledge of the UWPC systems could make unauthorized changes to data and conceal those changes.

Cause: DoIT staff have indicated that they plan to review and change the rules to establish appropriate access; however, limited progress has been made.

Recommendation: We recommend UW-Madison’s Division of Information Technology and Business Services staff review and revise current access rules to limit access to only those individuals who need it to perform their job duties.

Management’s Response: Business Services staff agree with the recommendation and will establish a process for staff to periodically review access. In the short term, UW staff will limit access for individuals specifically identified during the audit to the access necessary to complete job functions.

**FINDING WI-99-59 Improvement in Security at the Data Centers\***

Criteria: To provide proper internal control, security at the State’s two data centers—one administered by the Department of Administration, and one by the University of Wisconsin—should be established to ensure data and transactions processed at the data centers are not susceptible to unauthorized manipulation.

Condition: While some improvements have been made, continued effort is needed at the State’s two data centers to provide a more secure computing environment, including access to critical functions and data and changes to operations functions. For example, we have concerns with employees being granted excessive access to operating system software.

Questioned Costs: None

Context: The State’s two data centers provide centralized computer processing facilities in which critical accounting and payroll data are processed.

Effect: Weak security and operations controls at the data centers increase the risk that unauthorized or erroneous changes are made to accounting, payroll, and other data.

Cause: Due to large-scale changes at the data centers, security concerns were not adequately addressed.

Recommendation: We recommend the data centers review their security and improve controls.

Management Response: The data centers agree to review these areas and develop procedures to improve controls.

**FINDING WI-99-60 Programmer Access to the State’s Central Accounting System Data\***

Criteria: To provide proper internal control, programmer duties should be separated from production and data-control duties.

Condition: Programmers for the State’s central accounting system have “write” and “allocate” access to production data that allows them to change the data stored in the dataset.

Questioned Costs: None

Context: The State's central accounting system maintains the State's official accounting records. The system processes financial data for all state agencies and is the main source of information for financial schedules and statements, including the State's general purpose financial statements.

Effect: Programmers with "write" and "allocate" access and extensive knowledge of the computer programs in the system could make unauthorized changes to data and conceal those changes.

Cause: The Department of Administration requires computer programmers to perform production and data-control duties.

Recommendation: We recommend the Department of Administration reduce access and actively monitor all remaining "write" and "allocate" access.

Management's Response: The Department of Administration recognizes that this area represents a risk and will continue to seek ways to reduce this risk.

**FINDING WI-99-61 Access to the State's Central Accounting System Transactions\***

Criteria: To provide proper internal control, access to an accounting system should be limited based on employees' job duties and should provide for adequate separation of duties among employees.

Condition: We noted concerns with access to the State's central accounting system at the Department of Administration that have allowed employees the ability to enter and approve certain transactions on the state accounting system, including those that generate checks.

Questioned Costs: None

Context: The State's accounting system processes financial data for all state agencies and is the main source of information for financial schedules and statements, including the State's general purpose financial statements.

Effect: The ability to enter and approve transactions increases the risk that unauthorized transactions will be processed.

Cause: The Department believes the access is necessary to complete transactions in the case of an emergency.

Recommendation: We recommend the Department of Administration review access to the central accounting system and make appropriate changes to ensure proper separation of duties.

Management's Response: The Department of Administration has reviewed access and modified those transactions that generate checks. The employee who enters a payment document cannot apply approval. The Department believes this adequately addresses the auditor's concerns.

**FINDING WI-99-62 Excessive Access to Department of Administration Data and Transactions\***

Criteria: To provide proper internal control, programmer duties should be separate from functions that update financial systems, including updates to production transactions and data. In addition, other employees' access to production data should be limited to those employees responsible for production.

Condition: A number of employees, including programmers, at the Department of Administration are allowed to make changes to production data and financial transactions.

Questioned Costs: None

Context: The Department of Administration maintains the Financial Input System (FIS), which transfers information to the State's central accounting system. Several employees, including programmers, have been given access to directly update the production data and transactions of these systems rather than use the various input screens.

Effect: Programmers with extensive knowledge of the systems could make unauthorized changes to data and conceal those changes. Other employees could also make unauthorized changes to production data.

Cause: The Department of Administration uses programmers and other employees to fix problems with its systems or transactions and has granted them access to production data and transactions.

Recommendation: We recommend the Department of Administration limit programmer and other employee access to production data and transactions.

Management Response: The Department of Administration has agreed to eliminate the programmers' ability to access FIS transactions and to directly access FIS datasets. The Department of Administration has also agreed to explore implementation of functional equivalents to limit access for other employees.

**FINDING WI-99-63 Department of Administration's Capital Accounting Unit Control Environment\***

Criteria: To provide proper internal control, the control environment should reflect the overall attitude and awareness of an organization concerning the importance of control and its effect on establishing, enhancing, or mitigating the effectiveness of specific controls.

Condition: In prior audits, we found significant errors and inconsistencies in the financial information prepared by the Capital Accounting Section. Although some improvement has been made, we again noted similar concerns during the current audit.

Questioned Costs: None

Context: The Capital Accounting Section is responsible for preparing financial information related to the State's building program for inclusion in the State's general purpose financial statements.

Effect: There is an increased risk that the financial statements contain material misstatements.

Cause: There are complex accounting issues related to reporting the activity of the debt service and capital projects funds in accordance with generally accepted accounting principles.

Recommendation: We recommend the Department of Administration take additional steps to improve its determinations of and explanations to agency staff concerning the adjusting entries for the State's capital projects and general obligation bonds.

Management's Response: The Department of Administration will continue to work to improve the accuracy of adjusting entries and the quality of information being distributed to agencies.

**FINDING WI-99-64 Programmer Access to Department of Revenue Data and Programs\***

Criteria: To provide proper internal control, the programmers' ability to access or update production data and programs should be limited, or well-controlled if allowed.

Condition: Programmers have "write" access to production files, allowing them to make changes directly to data in these files. In addition, programmers have access to production programs, allowing them to move programs from test to production without proper oversight and review.

Questioned Costs: None

Context: The Department of Revenue maintains critical systems to collect and process approximately \$10 billion in taxes annually for the State of Wisconsin and issues tax refund checks.

Effect: Unlimited ability to access or update production files increases the risk that unauthorized additions, deletions, or changes to data will be processed, resulting in erroneous or fraudulent information or transactions. Programmers with extensive knowledge of the computer programs could make unauthorized changes to the programs and conceal those changes, resulting in undetected erroneous or fraudulent information.

Cause: The Department of Revenue has indicated that programmers' "write" access was granted to allow more efficient tax processing. Controls were not developed to ensure proper oversight before programs are moved to production.

Recommendation: We recommend the Department of Revenue eliminate programmer "write" access to production data and develop procedures to ensure programs are not moved to production without adequate oversight, or implement adequate compensating controls to detect changes.

Management's Response: The Department of Revenue agrees with the recommendation and has taken steps to address the areas of concern. Fully implementing the change will take time. However, the Department has drafted new policies and procedures and has developed an implementation team to determine how these changes will be accomplished.

**FINDING WI-99-65 Programmer Access to Department of Employee Trust Funds Data\***

Criteria: To provide proper internal control, the programmers' ability to access or update production files should be limited, or well-controlled if allowed.

Condition: Programmers have "write" access to most production files, allowing them to change information in these files directly.

Questioned Costs: None

Context: The Department of Employee Trust Funds is the administrator of several public employee benefit programs, including the Wisconsin Retirement System.

Effect: Unlimited ability to access or update production files increases the risk that unauthorized transactions will be processed.

Cause: The Department has indicated that some programmer access is necessary because of a limited number of production support staff.

Recommendation: We recommend the Department of Employee Trust Funds remove programmers' "write" access to production files or implement adequate compensating controls, such as procedures for logging and reviewing programmer access to production files.

Management's Response: The Department removed all but four programmers' access to production files and is considering the removal of an additional programmer's access. In addition, the Department is in the process of developing and implementing compensating controls to monitor the remaining programmers' access.

### **FINDING WI-99-66 Programmer Access to Critical Production Programs\***

Criteria: To provide proper internal control, controls should be established to prevent programs from being altered and/or put into production without proper oversight and review.

Condition: We noted concerns related to excessive access to production programs at several agencies. Programmers could move programs from test to production without proper oversight and review at the University of Wisconsin, Department of Administration, Department of Natural Resources, and Department of Transportation.

Questioned Costs: None

Context: These agencies maintain critical systems, including financial data for UW System accounting and payroll systems, employee benefit systems, central accounting and payroll systems, and other systems critical to agency operations.

Effect: Programmers with extensive knowledge of the computer programs could make unauthorized changes to the programs and conceal those changes, resulting in undetected erroneous or fraudulent information.

Cause: Controls were not developed to ensure proper oversight before programs are moved to production.

Recommendation: We recommend the University of Wisconsin, Department of Administration, Department of Natural Resources, and Department of Transportation remove programmers' "write" access to production programs or implement adequate compensating controls.

Management Response: The agencies acknowledge programmers' access to production programs represents a risk and agree to review the situation. The Department of Administration believes there may be exceptional cases that need to be addressed on a special case-by-case basis.

### **FINDING WI-99-67 Disaster Recovery and Business Resumption Plan\***

Criteria: To minimize disruption that may occur in an emergency, Wisconsin state agencies should have effective disaster recovery and business resumption plans in place.

Condition: Although most state agencies have made significant progress, the majority do not have full operating disaster recovery and business resumption plans.

Questioned Costs: None

Context: The State has made progress in testing the recovery of its centralized computing systems at an off-site backup location, but it needs to continue efforts for the various agencies to plan for resources needed to resume activity in the event of a disaster.

Effect: Without effective disaster recovery and business resumption plans in place, an emergency could disrupt the State’s ability to provide critical services.

Cause: The State has not devoted sufficient resources to the development of its disaster recovery and business resumption plans.

Recommendation: We recommend the agencies move forward to complete their disaster recovery and business resumption plans.

Management’s Response: The various agencies agree to continue their disaster and business resumption planning efforts.

### SECTION III—Federal Award Findings and Questioned Costs

OMB Circular A-133 requires that audit findings be presented in sufficient detail for the auditee to prepare a corrective action plan and take corrective action, and for federal agencies and pass-through entities to arrive at a management decision. The specific information that OMB Circular A-133 requires in audit findings can be found in the agency narratives included in the single audit report. The agency narratives also include the agencies’ responses and corrective action plans, as well as summaries of findings and questioned costs. The agency narratives discuss the following findings in greater detail. Repeat findings from audit report 99-12 are marked with an asterisk (\*).

#### U.S. DEPARTMENT OF AGRICULTURE

##### Wisconsin Department of Health and Family Services

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-1	10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Reconciliation of WIC Food Instruments	\$ 0
WI-99-2	10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Service Organization Report on Internal Controls	0

**Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-9	10.561	State Administrative Matching Grants for Food Stamp Program	Accounting For and Reporting State Matching Expenditures	\$ 68,767
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>				<u>\$ 68,767</u>

**U.S. DEPARTMENT OF DEFENSE****Wisconsin Department of Military Affairs**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-49	12.401	National Guard Military Operations and Maintenance Projects	Time and Effort Reporting*	Undetermined
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>				<u>Undetermined</u>

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT****Wisconsin Department of Administration**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-47	14.239	HOME Investment Partnerships Program	Program Income*	\$ 69,150

**Wisconsin Department of Commerce**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-48	14.228	Community Development Block Grants/State's Program	Subrecipient Monitoring*	\$ 0
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				<u>\$ 69,150</u>

**U.S. DEPARTMENT OF LABOR****Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-18	17.225	Unemployment Insurance	Proceeds from Sale of Fixed Assets	\$ 12,000
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>				<u>\$ 12,000</u>

**U.S. DEPARTMENT OF TRANSPORTATION****Wisconsin Department of Transportation**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-40	20.205	Highway Planning and Construction	Contract Change Order Pre-approvals	\$ 0
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>				\$ 0

**U.S. DEPARTMENT OF VETERAN'S AFFAIRS****Wisconsin Department of Veterans Affairs**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-50	64.005	Grants to States for Construction of State Home Facilities	Uncollected Construction Grant Funds	\$ 0
<b>TOTAL U.S. DEPARTMENT OF VETERANS' AFFAIRS</b>				\$ 0

**U.S. DEPARTMENT OF EDUCATION****Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-11	84.126	Rehabilitation Services-Vocational Rehabilitation Grants to States	Non-federal Match	\$ 0
WI-99-15	84.126	Rehabilitation Services-Vocational Rehabilitation Grants to States	Allowable Costs for Client Services	1,286
WI-99-16	84.126	Rehabilitation Services-Vocational Rehabilitation Grants to States	Cash Management	0

**University of Wisconsin-Madison**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-24	84.038	Perkins Loan Program	Loan Assignments*	\$ 0

**University of Wisconsin-Milwaukee**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-25	84.038	Perkins Loan Program	Loan Assignments	\$ 0

**University of Wisconsin-Oshkosh**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-26		Various Student Financial Aid Programs	Refunds and Overpayments	\$ 2,090 Plus an Undetermined Amount
WI-99-28		Various Student Financial Aid Programs	Federal Reporting*	0

**University of Wisconsin-Parkside**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-35	84.007	Supplemental Educational Opportunity Grant	Overdraw of Federal Award	\$ 7,050
WI-99-30	84.033	Federal Work-Study Program	Compensation and Documentation	1,758
WI-99-31	84.033	Federal Work-Study Program	Community Service Jobs	0
WI-99-32	84.038	Perkins Loan Program	Loan Assignments	0
WI-99-33	84.038	Perkins Loan Program	Collection Agencies	0
WI-99-29		Various Student Financial Aid Programs	Student Eligibility and Awards	51,124 Plus an Undetermined Amount
WI-99-34		Various Student Financial Aid Programs	Federal Reporting	0
WI-99-36		Various Student Financial Aid Programs	Late Refund	Undetermined

**University of Wisconsin-River Falls**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-38	84.038	Perkins Loan Program	Loan Assignments*	\$ 0
WI-99-39	84.038	Perkins Loan Program	Collection Agencies*	0

**TOTAL U.S. DEPARTMENT OF EDUCATION**

\$ 63,308  
Plus an  
Undetermined  
Amount

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Wisconsin Department of Health and Family Services**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-3	93.777	State Survey and Certification of Health Care Providers and Suppliers	Reconciliation of Quarterly Report to FCM System*	\$ 0
WI-99-3	93.778	Medical Assistance Program	Reconciliation of Quarterly Report to FCM System*	0

**Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-12	93.558	Temporary Assistance for Needy Families	Joint Income Maintenance Cost Allocations	\$ 76,092
WI-99-20	93.558	Temporary Assistance for Needy Families	Incentive Payments	0
WI-99-6	93.563	Child Support Enforcement	Late Return of Federal Share of Collections for Public Assistance Programs	300,148
WI-99-7	93.563	Child Support Enforcement	Quarterly Report of Collections	Undetermined
WI-99-8	93.563	Child Support Enforcement	Quarterly Report of Expenditures	0
WI-99-21	93.563	Child Support Enforcement	Access to KIDS Information*	0
WI-99-10	93.600	Head Start	Non-federal Match	0
WI-99-9	93.778	Medical Assistance Program	Accounting For and Reporting State Matching Expenditures	98,586

**Wisconsin Department of Justice**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-52	93.775	State Medicaid Fraud Control Units	Time and Effort Reporting	\$ 0

**TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
 \$ 474,826  
 Plus an  
 Undetermined  
 Amount

## NONCOMPLIANCE FINDINGS AFFECTING MULTIPLE GRANTS

### Wisconsin Department of Health and Family Services

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-4		Multiple Grants	Subrecipient Monitoring*	\$ 0
WI-99-5		Multiple Grants	Quality-Control Reviews*	0

### Wisconsin Department of Workforce Development

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-12		Multiple Grants	Joint Income Maintenance Cost Allocations	Undetermined
WI-99-13		Multiple Grants	Salary and Fringe Benefits	Undetermined
WI-99-14		Multiple Grants	Excess Cash Balances in Cost Pools	\$ 0
WI-99-17		Multiple Grants	Property Records	0
WI-99-19		Multiple Grants	Subrecipient Monitoring	0
WI-99-22		Multiple Grants	Public Assistance Cost Allocation Plan*	0

### University of Wisconsin-Madison

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-23		Multiple Grants	Cost-share Monitoring*	\$ 0

### University of Wisconsin-Oshkosh

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-27		Multiple Grants	Physical Inventory	\$ 0

### University of Wisconsin-Platteville

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-37		Multiple Grants	Property Management*	\$ 0

**Wisconsin Department of Public Instruction**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-41		Multiple Grants	Property Management	\$ 0
WI-99-42		Multiple Grants	Suspension and Debarment Certifications	0

**Wisconsin Department of Natural Resources**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-43		Multiple Grants	Cash Management*	\$ 0

**Wisconsin Department of Administration**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-44		Multiple Grants	Rate Setting	Undetermined
WI-99-45		Multiple Grants	Rate Methodology	\$ 0
WI-99-46		Multiple Grants	Documentation of Rate-Setting Methodology	

**Wisconsin Department of Corrections**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-99-51		Multiple Grants	Cash Management	\$ 0

**TOTAL NONCOMPLIANCE FINDINGS AFFECTING MULTIPLE GRANTS** Undetermined

**TOTAL QUESTIONED COSTS FOR THE STATE OF WISCONSIN** \$ 688,051  
 Plus an Undetermined Amount

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# STATE OF WISCONSIN SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The Summary Schedule of Prior Audit Findings summarizes the status of the audit findings reported in the State of Wisconsin Schedule of Findings and Questioned Costs for the year ended June 30, 1998 (report 99-12). If the prior audit concern was fully addressed, the Summary Schedule of Prior Audit Findings indicates that the corrective action described in the prior audit report was taken or that corrective action is no longer needed. Otherwise, the Summary Schedule of Prior Audit Findings references the page number of the FY 1998-99 single audit report at which a repeat recommendation, description of the planned corrective action, or reason for not implementing the recommendation is presented.

If the audit finding was repeated from prior years, the Summary Schedule of Prior Audit Findings includes the finding reference number for the first year and all subsequent years that the finding was reported. Before FY 1996-97, the University of Wisconsin System was audited separately and discussed in separate reports. Findings previously included in these reports begin with "UW," followed by the last two digits of the fiscal year and the audit finding number included in the prior year's report. Findings included in the State of Wisconsin single audit report begin with "WI," followed by the last two digits of the fiscal year and the audit finding number included in the prior year's report. Prior audit report numbers, their corresponding fiscal year(s), and their finding reference numbers appear as follows:

State of Wisconsin Audit Reports			University of Wisconsin Audit Reports		
<u>Single Audit Report</u>	<u>Fiscal Year</u>	<u>Finding Reference Number</u>	<u>Single Audit Report</u>	<u>Fiscal Year</u>	<u>Finding Reference Number</u>
99-12	FY 1997-98	WI-98-**	-	-	-
98-12	FY 1996-97	WI-97-**	-	-	-
97-11	FY 1995-96	WI-96-**	97-16	FY 1995-96	UW-96-**
96-9	FY 1994-95	WI-95-**	96-12	FY 1994-95 & FY 1993-94	UW-95-**
95-15	FY 1993-94	WI-94-**	-	-	-
-	-	-	94-20	FY 1992-93 & FY 1991-92	UW-93-**

## U.S. DEPARTMENT OF AGRICULTURE

### Wisconsin Department of Workforce Development

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-11	10.561	State Administrative Matching Grants for Food Stamp Program	Coding Expenditures to Cost Pools	Corrective Action Taken

## U.S. DEPARTMENT OF COMMERCE

### Wisconsin Department of Administration

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-37 WI-97-42	11.419	Coastal Zone Management Administrative Awards	Unallowable Costs in Indirect Cost Pool	Corrective Action Taken

## U.S. DEPARTMENT OF DEFENSE

### Wisconsin Department of Military Affairs

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-42 WI-97-53	12.401	National Guard Military Operations and Maintenance Projects	Time and Effort Reporting	Partially Corrected, See page 125
WI-98-43 WI-97-56 WI-96-36	12.401	National Guard Military Operations and Maintenance Projects	Matching Requirements	Corrective Action Taken

## U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### Wisconsin Department of Administration

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-35	14.239	HOME Investment Partnerships Program	Program Income	Not Corrected, See page 116
WI-98-37 WI-97-42	14.239	HOME Investment Partnerships Program	Unallowable Costs in Indirect Cost Pool	Corrective Action Taken

### Wisconsin Department of Commerce

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-41 WI-97-50	14.228	Community Development Block Grants/State's Program	Subrecipient Monitoring	Not Corrected, See page 121

**U.S. DEPARTMENT OF JUSTICE**

**Wisconsin Department of Administration**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-37 WI-97-42	16.579	Byrne Formula Grant Program	Unallowable Costs in Indirect Cost Pool	Corrective Action Taken

**U.S. DEPARTMENT OF LABOR**

**Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-12	17.246	Employment and Training Assistance-Dislocated Workers	Federal Reporting	Corrective Action Taken
WI-98-13	17.246	Employment and Training Assistance-Dislocated Workers	Advances to Subrecipients	Corrective Action Taken
WI-98-12	17.250	Job Training Partnership Act	Federal Reporting	Corrective Action Taken
WI-98-13	17.250	Job Training Partnership Act	Advances to Subrecipients	Corrective Action Taken

## U.S. DEPARTMENT OF TRANSPORTATION

### Wisconsin Department of Transportation

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-33 WI-97-37 WI-96-5 WI-95-8	20.106	Airport Improvement Program	Cash Management Improvement Act	Corrective Action Taken
WI-98-31	20.205	Highway Planning and Construction	Contractor Recoveries	Corrective Action Taken
WI-98-32 WI-97-35	20.600	State and Community Highway Safety	Debarment and Suspension	Corrective Action Taken
WI-98-34 WI-97-38 WI-96-7 WI-95-11 WI-94-8	20.600	State and Community Highway Safety	Capital Equipment Inventory	Materially Corrected, See page 99
WI-98-34 WI-97-38 WI-96-7 WI-95-11 WI-94-8	20.601	Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	Capital Equipment Inventory	Materially Corrected, See page 99

## NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

### University of Wisconsin-Madison

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-18		Marshall Space Flight Center	Allowable Costs	Corrective Action Taken

## NATIONAL SCIENCE FOUNDATION

### University of Wisconsin-Madison

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-18	47.078	Polar Program	Allowable Costs	Corrective Action Taken

## U.S. ENVIRONMENTAL PROTECTION AGENCY

### Wisconsin Department of Natural Resources

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-39 WI-97-47	66.001	Air Pollution Control Program	Reconciliation of CARS and WiSMART	Corrective Action Taken
WI-98-39	66.432	State Public Water System Supervision	Reconciliation of CARS and WiSMART	Corrective Action Taken

## U.S. DEPARTMENT OF ENERGY

### Wisconsin Department of Administration

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-37 WI-97-42	81.041	State Energy Conservation	Unallowable Costs in Indirect Cost Pool	Corrective Action Taken
WI-98-37 WI-97-42	81.042	Weatherization Assistance for Low-Income Persons	Unallowable Costs in Indirect Cost Pool	Corrective Action Taken

## U.S. DEPARTMENT OF EDUCATION

### University of Wisconsin-Madison

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-22	84.038	Perkins Loan Program	Loan Assignments	Not Corrected, See page 71
WI-98-23	84.038	Perkins Loan Program	Collection Agencies	Corrective Action Taken

### University of Wisconsin-Oshkosh

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-24 WI-97-21 UW-96-15		Various Student Financial Aid Programs	Federal Reporting	Not Corrected, See page 78

### University of Wisconsin-Platteville

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-25 WI-97-25		Various Student Financial Aid Programs	Refunds and Overpayments	Materially Corrected, See page 87

**University of Wisconsin-River Falls**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-27	84.038	Perkins Loan Program	Loan Collection System	Corrective Action Taken
WI-98-28	84.038	Perkins Loan Program	Loan Assignments	Not Corrected, See page 88
WI-98-29	84.038	Perkins Loan Program	Collection Agencies	Not Corrected, See page 89
WI-98-30	84.038	Perkins Loan Program	Late Fee Assessments	Corrective Action Taken

**Wisconsin Technical College System Board**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-97-51	84.002	Adult Education—State Grant Program	Maintenance of Effort Reporting	Waiting for Federal Resolution, See page 119 of Report 99-12

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES****Wisconsin Department of Health and Family Services**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-4	93.777	State Survey and Certification of Health Care Providers and Suppliers	Reconciliation of Quarterly Report to FCM System	Not Corrected, See page 21
WI-98-2	93.778	Medical Assistance Program	ADP Risk Analysis and System Security Review	Materially Corrected, See page 24
WI-98-3	93.778	Medical Assistance Program	Claim Overpayment	Corrective Action Taken
WI-98-4	93.778	Medical Assistance Program	Reconciliation of Quarterly Report to FCM System	Not Corrected, See page 21

## Wisconsin Department of Workforce Development

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-10	93.558	Temporary Assistance for Needy Families	Duplicate Reimbursements	Corrective Action Taken
WI-98-11	93.558	Temporary Assistance for Needy Families	Coding Expenditures to Cost Pools	Corrective Action Taken
WI-98-11	93.563	Child Support Enforcement	Coding Expenditures to Cost Pools	Corrective Action Taken
WI-98-14	93.563	Child Support Enforcement	Access to KIDS Database	Partially Corrected, See page 58
WI-98-15	93.563	Child Support Enforcement	Access to KIDS Database Tables	Partially Corrected, See page 58
WI-98-16	93.563	Child Support Enforcement	Access to KIDS User Input Screens	Partially Corrected, See page 58
WI-98-11	93.566	Refugee and Entrant Assistance—State Administered Programs	Coding Expenditures to Cost Pools	Corrective Action Taken
WI-98-9	93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Cash Management	Corrective Action Taken
WI-98-11	93.596	Child Care Mandatory and Matching Funds of the Child Care Development Fund	Coding Expenditures to Cost Pools	Corrective Action Taken

## University of Wisconsin-Madison

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-18		Department of Health and Human Services Grant	Allowable Costs	Corrective Action Taken

### Wisconsin Department of Administration

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-37 WI-97-42	93.568	Low-Income Home Energy Assistance	Unallowable Costs in Indirect Cost Pool	Corrective Action Taken
WI-98-37 WI-97-43	93.568	Low-Income Home Energy Assistance subgrant	Unallowable Overhead Costs Charged to Subgrants	Corrective Action Taken

### Wisconsin Higher Educational Aids Board

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-44	93.108	Health Education Assistance Loan Program	Loan Collection and Reporting	Corrective Action Taken

### WISCONSIN DEPARTMENT OF COMMERCE

#### Wisconsin Department of Administration

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-37 WI-97-43	14.228	Community Development Block Grants/State's Program subgrant	Unallowable Overhead Costs Charged to Subgrants	Corrective Action Taken

### COUNCIL OF GREAT LAKES GOVERNORS

#### Wisconsin Department of Administration

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-37 WI-97-43	81.079	Regional Biomass Energy Programs Subgrant	Unallowable Overhead Costs Charged to Subgrants	Corrective Action Taken

## NONCOMPLIANCE FINDINGS AFFECTING MULTIPLE GRANTS

### Wisconsin Department of Health and Family Services

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-1	Multiple Grants	Cash Management	Corrective Action Taken
WI-98-5 WI-97-3	Multiple Grants	Property Management	Corrective Action Taken
WI-98-6 WI-97-4	Multiple Grants	Subrecipient Monitoring	Not Corrected, See page 22
WI-98-7 WI-97-5	Multiple Grants	Quality-Control Reviews	Not Corrected, See page 23

### Wisconsin Department of Workforce Development

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-8	Multiple Grants	Cash Management	Corrective Action Planned for FY 1999-2000, See page 55
WI-98-17 WI-97-6	Multiple Grants	Public Assistance Cost Allocation Plan	Not Corrected, See page 61

### University of Wisconsin-Madison

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-19	Multiple Grants	Cost-share Monitoring	Not Corrected, See page 69
WI-98-20	Multiple Grants	Suspension and Debarment Certifications	Corrective Action Taken
WI-98-21 WI-97-17 UW-96-1	Multiple Grants	Airline Ticket Procurement	Materially Corrected, See page 73
WI-97-11	Multiple Grants	Indirect Cost Rate	Corrective Action Planned for FY 1999-00, See page 71

### University of Wisconsin-Platteville

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-26 WI-97-27 UW-96-19 UW-95-46 UW-93-51	Multiple Grants	Property Management	Partially Corrected, See page 86

### University of Wisconsin-Extension

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-97-33 UW-96-24 UW-95-79 UW-93-94	Multiple Grants	Physical Inventory	Materially Corrected, See page 92

### Wisconsin Department of Administration

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-37 WI-97-42	Multiple Grants	Unallowable Costs in Indirect Cost Pool	Corrective Action Taken
WI-98-36	Multiple Grants	Unallowable Costs Included in the Statewide Cost Allocation Plan	Corrective Action Taken

### Wisconsin Department of Natural Resources

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-38	Multiple Grants	Cash Management	Partially Corrected, See page 105
WI-98-39 WI-97-47	Multiple Grants	Reconciliation of CARS and WiSMART	Corrective Action Taken
WI-98-40 WI-97-49 WI-96-23 WI-95-21	Multiple Grants	Property Management	Corrective Action Taken

## FINANCIAL STATEMENT FINDINGS

### Wisconsin Department of Health and Family Services

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-56 WI-97-66	Access to the Community Aids Reporting System	Corrective Action Taken

### University of Wisconsin-System Administration

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-45 WI-97-62	Data Center Security Issues	Partially Corrected, See page 149
WI-98-46	Programmer Access to Critical Production Programs	Not Corrected, See page 154
WI-98-51 WI-97-60	Consistency, Completeness, and Accuracy of Data Obtained from UW Campuses	Corrective Action Taken
WI-98-52 WI-97-61	Reconciliation of UW System Records with the State's Official Records	Not Corrected, See page 147
WI-98-53	Access to UW System Data	Not Corrected, See page 148

### Wisconsin Department of Transportation

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-46	Programmer Access to Critical Production Programs	Not Corrected, See page 154

## Wisconsin Department of Natural Resources

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-46	Programmer Access to Critical Production Programs	Not Corrected, See page 154

## Wisconsin Department of Administration

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-45	Data Center Security	Partially Corrected, See Page 149
WI-98-46	Programmer Access to Critical Production Program	Not Corrected, See Page 154
WI-98-47 WI-97-63	Programmer Access to Data and Transactions Located on the State's Central Accounting System	Not Corrected, See page 149
WI-98-48	Access to the State's Central Accounting System Transactions	Not Corrected, See Page 150
WI-98-49	Access to Data and Transactions Located on the Department of Administration's Systems	Not Corrected, See page 151
WI-98-50 WI-97-65	Capital Accounting Unit Control Environment	Partially Corrected, See page 151

## Wisconsin Department of Revenue

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-46	Programmer Access to Critical Production Programs	Not Corrected, See page 152
WI-98-55	Programmer Access to Data	Not Corrected, See page 152

**Wisconsin Department of Employee Trust Funds**

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-54 WI-97-58	Programmer Access to Data	Partially Corrected, See page 153

**Most State Agencies**

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-98-57 WI-97-69	Disaster Recovery and Business Resumption Plan	Partially Corrected, See page 154
WI-98-58	Year 2000 Concerns	Corrective Action No Longer Needed

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## **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 1999**

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The Schedule of Expenditures of Federal Awards presents a summary of the State of Wisconsin's expenditures financed by the federal government. For the fiscal year ended June 30, 1999, the State of Wisconsin expended over \$5.7 billion in federal financial assistance, consisting of \$4.9 billion in cash assistance, as presented in the schedule, and \$790 million in noncash assistance and outstanding loan balances, as described in Note 2 to the schedule.

As summarized on page 179, 23 state agencies, including the University of Wisconsin System, expended federal awards during FY 1998-99. These agencies administered 30 federal programs, which are listed in Note 2 to the schedule, that were selected for review according to the risk-based approach required by OMB Circular A-133.

Federal programs have been classified for purposes of the schedule into three types: 1) individual federal programs and other clusters, which are presented on pages 180 through 198; 2) the research and development (R&D) cluster, presented on pages 199 through 214; and 3) the student financial aid (SFA) cluster, presented on pages 215 through 216.



**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

STATE AGENCY OR CAMPUS	INDIVIDUAL PROGRAMS AND OTHER CLUSTERS	RESEARCH AND DEVELOPMENT CLUSTER	STUDENT FINANCIAL AID CLUSTER	TOTAL
<b>SUMMARY BY STATE AGENCY OR CAMPUS FOR YEAR ENDED JUNE 30, 1999</b>				
Department of Health and Family Services	\$ 2,110,157,519	\$ 0	\$ 0	\$ 2,110,157,519
Department of Workforce Development	1,038,228,188	0	0	1,038,228,188
Department of Transportation	459,049,665	0	0	459,049,665
Department of Public Instruction	356,518,084	0	0	356,518,084
Department of Natural Resources	93,039,199	0	0	93,039,199
Department of Administration	79,832,359	0	0	79,832,359
Department of Commerce	35,766,298	0	0	35,766,298
Department of Military Affairs	34,863,671	0	0	34,863,671
Wisconsin Technical College System Board	27,741,594	0	0	27,741,594
Department of Veterans Affairs	10,875,092	0	0	10,875,092
Department of Corrections	6,196,056	0	0	6,196,056
Department of Justice	5,583,186	0	0	5,583,186
Department of Agriculture, Trade and Consumer Protection	4,884,504	0	0	4,884,504
Higher Educational Aids Board	777,451	0	0	777,451
State Historical Society of Wisconsin	729,879	0	0	729,879
Child Abuse and Neglect Prevention Board	672,756	0	0	672,756
Wisconsin Arts Board	560,523	0	0	560,523
Public Service Commission	159,355	0	0	159,355
Department of Revehue	49,665	0	0	49,665
Educational Communications Board	39,546	0	0	39,546
Department of Employment Relations	28,982	0	0	28,982
Board on Aging and Long-Term Care	0	0	0	0
Total State Agencies	<u>4,265,753,572</u>	<u>0</u>	<u>0</u>	<u>4,265,753,572</u>
UW-Madison	25,430,877	259,001,564	106,673,264	391,105,705
UW-Milwaukee	4,098,709	9,084,378	55,784,924	68,968,011
UW-Eau Claire	1,224,690	302,840	23,245,149	24,772,679
UW-Green Bay	1,111,544	238,187	11,528,575	12,878,306
UW-La Crosse	1,445,563	1,300,458	22,825,215	25,571,236
UW-Oshkosh	3,528,123	321,639	22,248,205	26,097,967
UW-Parkside	899,822	128,587	7,867,100	8,895,509
UW-Platteville	333,965	0	12,528,982	12,862,947
UW-River Falls	609,284	59,418	14,502,001	15,170,703
UW-Stevens Point	1,315,498	212,739	21,987,631	23,515,868
UW-Stout	2,397,481	806,051	23,791,739	26,995,271
UW-Superior	203,814	65,501	7,845,337	8,114,652
UW-Whitewater	1,070,752	106,013	26,414,526	27,591,291
UW-Colleges	1,062,447	45,280	9,246,392	10,354,119
UW-Extension	10,786,439	0	19,883	10,806,322
UW System Administration	827,257	0	7,206	834,463
Wisconsin Humanities Council	535,195	0	0	535,195
Total UW System	<u>56,881,460</u>	<u>271,672,655</u>	<u>366,516,129</u>	<u>695,070,244</u>
<b>TOTAL STATE OF WISCONSIN</b>	<b>\$ <u>4,322,635,032</u></b>	<b>\$ <u>271,672,655</u></b>	<b>\$ <u>366,516,129</u></b>	<b>\$ <u>4,960,823,816</u></b>

The accompanying notes are an integral part of this schedule.

**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT:					
Subgrants:					
N/A	02.ANE-0002-A-00-0036	East Central European Scholars Program (from Georgetown University)	UW-La Crosse	\$ 443,333	\$ 0
N/A	02.UWCM-RX2050-836-96-O	Cass Educational and Training Program (from Georgetown University)	UW Colleges	14,394	0
N/A	02.UWCM-RX2050-836-98-P	Cass Educational and Training Program (from Georgetown University)	UW Colleges	192,656	0
TOTAL U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT				<u>650,383</u>	<u>0</u>
INTER-AMERICAN FOUNDATION:					
Other Federal Financial Assistance:					
N/A	04.F6-034-A1; F6-034-A2	Various Grants for Inter-American Foundation	UW-Madison	8,544	0
U.S. OFFICE OF NATIONAL DRUG CONTROL POLICY:					
Other Federal Financial Assistance:					
N/A	07.11-20-0001	High Intensity Drug Trafficking Area	DOJ	230,831	0
PEACE CORPS:					
Other Federal Financial Assistance:					
N/A	08.164-9x	Peace Corps Publicity and Recruitment Program	UW-Madison	11,058	0
N/A	08.164-98-3081/3095	Provisions for a Peace Corps Publicity/Recruitment Program	UW-Milwaukee	7,822	0
TOTAL PEACE CORPS				<u>18,880</u>	<u>0</u>
U.S. DEPARTMENT OF AGRICULTURE:					
10.025		Plant and Animal Disease, Pest Control, and Animal Care	DATCP	197,812	0
10.069		Conservation Reserve Program	DNR	4,406	0
10.156		Federal-State Marketing Improvement Program	DATCP	61,052	0
10.163		Market Protection and Promotion	DATCP	27,178	0
10.200		Grants for Agricultural Research, Special Research Grants	UW-Madison	146	0
10.200		Grants for Agricultural Research, Special Research Grants (from UW-Extension)	UW-Stout	(5,872)	0
Total Federal Program 10.200				<u>(5,726)</u>	<u>0</u>
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Madison	22,642	0
10.206		Grants for Agricultural Research-Competitive Research Grants (from UW-Extension)	UW-Platteville	(9)	0
Total Federal Program 10.206				<u>22,633</u>	<u>0</u>
10.210		Food and Agricultural Sciences National Needs Graduate Fellowship Grants	UW-Madison	147,698	0
10.217		Higher Education Challenge Grants	UW-Platteville	43,650	0
10.217		Higher Education Challenge Grants (from UW-River Falls)	UW-Platteville	315	0
10.217		Higher Education Challenge Grants	UW-River Falls	36,105	0
Total Federal Program 10.217				<u>80,070</u>	<u>0</u>
10.218		Buildings and Facilities Programs	UW-Stevens Point	157,445	0
10.220		Higher Educational Multicultural Scholars Program	UW-River Falls	9,000	0
10.220		Higher Educational Multicultural Scholars Program	UW-Stout	4,500	0
Total Federal Program 10.220				<u>13,500</u>	<u>0</u>
10.250		Agricultural and Rural Economic Research	UW-Extension	78,866	50,500
10.435		State Mediation Grants	DATCP	102,213	0
10.475		Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	DATCP	3,061,779	0
10.500		Cooperative Extension Service	UW-Madison	1,917,371	0
10.500		Cooperative Extension Service (from UW-Extension)	UW-Stevens Point	14,137	0
10.500		Cooperative Extension Service	UW-Extension	8,428,156	161,426
Total Federal Program 10.500				<u>10,359,664</u>	<u>161,426</u>
10.550		Food Distribution (Note 8)	DPI	0	0
Food Stamp Cluster:					
10.551		Food Stamps (Notes 2, 5, 6)	DWD	0	0
10.561		State Administrative Matching Grants for Food Stamp Program (Notes 2, 6)	DWD	34,134,577	16,497,071
Total Food Stamp Cluster				<u>34,134,577</u>	<u>16,497,071</u>
Child Nutrition Cluster:					
10.553		School Breakfast Program	DPI	7,721,642	7,721,642
10.555		National School Lunch Program	DPI	66,089,463	66,089,463
10.556		Special Milk Program for Children	DPI	1,500,207	1,500,207
10.559		Summer Food Service Program for Children	DPI	1,986,565	1,901,287
Total Child Nutrition Cluster				<u>77,297,877</u>	<u>77,212,599</u>
10.557		Special Supplemental Nutrition Program for Women, Infants, and Children (Notes 2, 7)	DHFS	54,674,120	11,612,574

The accompanying notes are an integral part of this schedule.

**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 1999**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
10.558		Child and Adult Care Food Program	DPI	25,628,111	25,443,369
10.558		Child and Adult Care Food Program	UW-Oshkosh	147,923	0
		Total Federal Program 10.558		25,776,034	25,443,369
10.560		State Administrative Expenses for Child Nutrition	DPI	1,618,577	0
10.564		Nutrition Education and Training Program	DPI	80,641	13,328
		Emergency Food Assistance Cluster:			
10.568		Emergency Food Assistance Program (Administrative Costs) (Note 9)	DHFS	977,872	904,861
10.569		Emergency Food Assistance Program (Food Commodities) (Note 9)	DHFS	0	0
		Total Emergency Food Assistance Cluster		977,872	904,861
10.570		Nutrition Program for the Elderly (Commodities) (Note 2)	DHFS	2,861,753	2,861,753
10.572		WIC Farmers' Market Nutrition Program	DHFS	363,756	0
10.652		Forestry Research	DNR	32,740	0
10.664		Cooperative Forestry Assistance	DNR	1,159,926	99,214
10.664		Cooperative Forestry Assistance	DATCP	644,163	0
10.664		Cooperative Forestry Assistance	UW-Extension	9,023	0
		Total Federal Program 10.664		1,813,112	99,214
10.665		Schools and Roads-Grants to States	DNR	2,445,007	2,445,007
10.771		Rural Cooperative Development Grants	UW-Madison	58,256	30,696
10.901		Resource Conservation and Development	DNR	5,745	0
10.904		Watershed Protection and Flood Prevention	UW-Extension	4,548	0
10.912		Environmental Quality Incentives Program	UW-Extension	87,475	0
10.960		Technical Agricultural Assistance	UW-Madison	168,324	0
10.962		International Training-Foreign Participant	UW-Extension	25,732	0
		Other Federal Financial Assistance:			
N/A	10.FS40-7-0019; FS50-98-1010	Conduct Eagle/Osprey Surveys	DNR	1,260	0
N/A	10.56A2-6-0044; FS5098-1031	Monitor Chequamegon Wolf Packs	DNR	792	0
N/A	10.5356A601083	Nicole/Chequamegon National Forests	DNR	81,000	0
N/A	10.43-3AEU-x- 80020	Agricultural Information Collection, Summarization, and Analysis and Dissemination	DATCP	88,545	0
N/A	10.45-2EG6-6- 9199	Animal Health Newsletter	DATCP	677	0
N/A	10.40-3148-8-5779	Cochran Fellowship Conference	DATCP	3,260	0
N/A	10.12-25-A-3576	Cooperative Pesticide Recordkeeping Program	DATCP	12,892	0
N/A	10.12-25-A-2133	Market News Service	DATCP	13,500	0
N/A	10.12-25-A-3306	Shell Egg Surveillance Program	DATCP	19,366	0
N/A	10.58-0790-4-092	Agricultural Research Service Activities	UW-Madison	100	0
N/A	10.AID-CSD-3204	Basic Ordering Agreement in Connection with Foreign Assistance Programs	UW-Madison	5,675	0
N/A	10.RBS-98-34	Case Studies of Equity Management Issues in Midwest Dairy Cooperatives with Aging Membership	UW-Madison	12,708	8,576
N/A	10.74-5F48-7-132	Fox-Wolf/Green Bay Manure Education Project	UW-Madison	36,288	0
N/A	10.695F486106	Give Water a Hand-NRCS Earth Team Initiative	UW-Madison	341	0
N/A	10.69-56FS-7-02	Native American Outreach Programs	UW-Madison	1,348	0
N/A	10.CA-6140-3- 802X	CNR Diversity Coordinator	UW-Stevens Point	2,235	0
N/A	10.97-6CS-13305- 1000-66	People and Ecosystems	UW-Stevens Point	2,320	0
N/A	10.695F4800239	Training of NRCS Field Office Staff in the Use of Geographic Information Systems	UW-Stevens Point	14,408	0
N/A	10.74-5F48-7-132	Encouraging Adoption of Agricultural Best Management Practices Through Drinking Water Testing and Education Programs (from UW-Extension)	UW-Stevens Point	15,940	0
N/A	10.AGR dtd 11/3/97	Milwaukee Anti-Hunger, Nutrition and Empowerment Project	UW-Extension	(353)	0
		Subtotal Direct Programs		217,047,038	137,340,974
		Subgrants:			
10.200	10.404-40-23	Grants for Agricultural Research, Special Research Grants (from Iowa State University)	UW-Madison	5,000	0
10.200	10.61-4089G	Grants for Agricultural Research, Special Research Grants (from Michigan State University)	UW-Extension	4,939	0
10.217		Higher Education Challenge Grants (from Texas Tech University)	UW-Stout	1,620	0
10.225		Community Food Projects (from Menominee Indian Tribe of Wisconsin)	UW-Extension	2,715	0
10.443		Small Farmer Outreach Training and Technical Assistance Program (from Lac Courte Oreilles Ojibwa Community College)	UW-River Falls	21,381	0
10.500		Cooperative Extension Service (from University of Nebraska)	UW-Platteville	1,757	0
10.962		International Training-Foreign Participant (from Georgetown University)	UW-River Falls	11,315	0
10.962		International Training-Foreign Participant (from Partners for International Education)	UW-River Falls	573	0
N/A	10.P514834	UV-B Monitoring (from Colorado State University)	DNR	5,497	0
N/A	10.AGR dtd 1/22/99	Upper Midwest Regional Proposal for Cooperative Development (from Cooperative Development Services)	UW-Madison	15,458	0

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**STATE OF WISCONSIN  
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FOR THE YEAR ENDED JUNE 30, 1999**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
N/A	10.76305	Assembly of Data, Collection and Shipping of Residue Samples for the IR-4 Program (from Michigan State University)	UW-Madison	6,300	0
N/A	10.M26030	National Network for Family Resiliency Program (from University of Florida)	UW-Madison	9,898	0
		Subtotal Subgrants		86,453	0
				217,133,491	137,340,974
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>					
<b>U.S. DEPARTMENT OF COMMERCE:</b>					
11.113		ITA Special Projects	UW-Platteville	11,499	0
11.303		Economic Development-Technical Assistance	UW-Stout	96,191	0
11.405		Anadromous Fish Conservation Act Program	DNR	41,464	0
11.407		Interjurisdictional Fisheries Act of 1986	DNR	12,289	0
11.419		Coastal Zone Management Administration Awards	DOA	987,479	637,971
11.550		Public Telecommunications Facilities-Planning and Construction	ECB	39,546	0
11.550		Public Telecommunications Facilities-Planning and Construction	UW-Extension	36,405	0
Total Federal Program 11.550				75,951	0
11.611		Manufacturing Extension Partnership	UW-Oshkosh	(14,652)	0
11.611		Manufacturing Extension Partnership	UW-Stout	496,177	0
11.611		Manufacturing Extension Partnership (from UW-Stout)	UW-Extension	(3,663)	0
Total Federal Program 11.611				477,862	0
<b>Other Federal Financial Assistance:</b>					
N/A	11.AGR dtd 4/6/99	Intergovernmental Personnel Assignment Agreement	UW-Madison	17,518	0
N/A	11.40AANC90; 50DDNE40043	National Oceanic and Atmospheric Administration Grants	UW-Madison	33,530	0
N/A	11.ST6-49	Northwest Wisconsin Manufacturing Outreach Center Environmental Services Integration Project (from UW-Stout)	UW-Madison	1,011	0
				1,754,794	637,971
<b>Subgrants:</b>					
11.459	11.RU04738	Climate and Air Quality Research (from University of Illinois)	UW-Extension	5,000	0
11.611	11.AGR dtd 5/6/96; 7/30/99	Manufacturing Extension Partnership (from Wisconsin Center for Manufacturing and Productivity, Inc.)	UW-Madison	56,286	0
11.611		Manufacturing Extension Partnership (from Wisconsin Center for Manufacturing and Productivity, Inc.)	UW-Extension	2,090	0
N/A	11.AGR dtd 10/19/98	South Pole Winterover (from University of Kansas)	UW-Madison	24,998	0
				88,374	0
				1,843,168	637,971
<b>TOTAL U.S. DEPARTMENT OF COMMERCE</b>					
<b>U.S. DEPARTMENT OF DEFENSE:</b>					
12.300		Basic and Applied Scientific Research	UW-Madison	5,000	0
12.401		National Guard Military Operations and Maintenance Projects	DMA	15,040,445	0
12.401		National Guard Military Operations and Maintenance Projects	DVA	96,159	0
Total Federal Program 12.401				15,136,604	0
12.404		National Guard Civilian Youth Opportunities Programs	DMA	1,630,394	0
12.405		National Guard Drug Interdiction and Counter Drug Activities	DMA	14,581	0
<b>Other Federal Financial Assistance:</b>					
N/A	12.N3569795 MDPMIPR	Troops to Teachers	DVA	86,806	0
N/A	12.	Various Grants from Army	UW-Madison	14,741	0
N/A	12.	Various Grants from Navy	UW-Madison	1,793	0
N/A	12.USM- 0225010102-D10	Operation Pathfinder: National Precollege Teachers' Partnership for Sustainable Ocean	UW-Madison	11,501	0
				16,901,420	0
<b>Subgrants:</b>					
N/A	12.LTR dtd 2/18/98; 10/20/98	Various Subgrants (from Academy of Applied Sciences)	UW-Madison	9,342	0
N/A	12.CK 16321	Fellowship Supply Allowance-Mathematics (from American Society for Engineering Education)	UW-Madison	2,210	0
N/A	12.136944; 113771	Various Subgrants (from Battelle Memorial Institute)	UW-Madison	264	0
N/A	12.13254	Botulinum Neurotoxin Type A (from Hawaii Biotechnology Group, Inc.)	UW-Madison	46	0
N/A	12.HJF705912 HJF706919	Various Subgrants (from Henry M. Jackson Foundation)	UW-Madison	181	0
N/A	12.418-27-4837; CK 1553	Various Subgrants (from SCEEE Services Corporation)	UW-Madison	24,117	0

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**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
N/A	12.N00014-91-1-1042	Operation Pathfinder: National Precollege Teacher's Partnership for Sustainable Ocean (from University of Southern Mississippi)	UW-Milwaukee	44,434	0
N/A	12.DAAH04-93-G-0285	Western Wisconsin Upper Michigan Symposium (from Academy of Applied Science)	UW-La Crosse	7,340	0
		Subtotal Subgrants		<u>87,934</u>	<u>0</u>
		<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>		<u>16,989,354</u>	<u>0</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>					
14.108		Rehabilitation Mortgage Insurance	UW-Extension	(2,587)	0
14.171		Manufactured Home Construction and Safety Standards	Commerce	51,231	0
14.228		Community Development Block Grants/State's Program (Note 10)	Commerce	34,700,835	33,726,146
14.231		Emergency Shelter Grants Program	DOA	1,974,317	1,882,498
14.235		Supportive Housing Program	DOA	837,052	805,079
14.239		HOME Investment Partnerships Program (Note 11)	DOA	13,199,335	12,671,261
14.241		Housing Opportunities for Persons with AIDS	DOA	506,293	490,414
14.511		Community Outreach Partnership Center Program	UW-Milwaukee	92,571	0
14.512		Community Development Work-Study Program	UW-Milwaukee	59,228	0
14.512		Community Development Work-Study Program	UW-Green Bay	7,250	0
		Total Federal Program 14.512		<u>66,478</u>	<u>0</u>
14.900		Lead-Based Paint Hazard Control in Privately-Owned Housing	DOA	1,192,533	1,101,796
<b>Other Federal Financial Assistance:</b>					
N/A	14.H(502)6002	Interest Subsidy on Construction of Sandburg Residence	UW-Milwaukee	102,728	0
N/A	14.H(502)6013	Interest Subsidy on Construction of Student Union Addition	UW-Milwaukee	229,489	0
N/A	14.COPC-WI-97-021	Establishing a Community-University Outreach Partnership in Racine and Kenosha Counties	UW-Parkside	144,800	0
N/A	14.CH WIS 142(S)	Interest Subsidy on Construction of Student Union	UW-Parkside	83,414	0
N/A	14.WI 135(S)H [502]6016	Housing Debt Service (from UW System Admin)	UW-Stevens Point	28,632	0
N/A	14.H(502)3507	Federal Debt Service Subsidy	UW-Stout	15,290	0
N/A	14.WI39S PG33	Small Business Development Center Distance Education Project	UW-Extension	(2,587)	0
		Subtotal Direct Programs		<u>53,219,824</u>	<u>50,677,194</u>
<b>Subgrants:</b>					
14.218	14.CO17056	Community Development Block Grants/Entitlement Grants (from City of Milwaukee)	UW-Milwaukee	46,962	0
14.218		Community Development Block Grants/Entitlement Grants (from Housing Authority of City of Milwaukee)	UW-Extension	(18)	0
14.228	14.94LSGIN 002	Community Development Block Grants/State's Program (from Youth Resources of Southwestern Indiana)	UW-Extension	11,385	11,385
		Subtotal Subgrants		<u>58,329</u>	<u>11,385</u>
		<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		<u>53,278,153</u>	<u>50,688,579</u>
<b>U.S. DEPARTMENT OF THE INTERIOR:</b>					
<b>Fish and Wildlife Cluster:</b>					
15.605		Sport Fish Restoration (Notes 2, 6)	DNR	6,983,186	582,565
15.611		Wildlife Restoration (Notes 2, 6)	DNR	5,693,642	140,717
		Total Fish and Wildlife Cluster		<u>12,676,828</u>	<u>723,282</u>
15.615		Cooperative Endangered Species Conservation Fund	DNR	95,086	0
15.616		Clean Vessel Act	DNR	23,775	0
15.617		Wildlife Conservation and Appreciation	DNR	294,010	27,688
15.618		Administrative Grants for Federal Aid in Sport Fish and Wildlife Restoration	UW-Stevens Point	62,173	0
15.805		Assistance to State Water Resources Research Institutes	DNR	4,018	0
15.808		U.S. Geological Survey-Research and Data Acquisition	UW-Milwaukee	176	0
15.808		U.S. Geological Survey-Research and Data Acquisition	UW-La Crosse	1,954	0
15.808		U.S. Geological Survey-Research and Data Acquisition	UW-Extension	197	0
		Total Federal Program 15.808		<u>2,327</u>	<u>0</u>
15.810		National Cooperative Geologic Mapping Program	UW-Extension	74,331	0
15.904		Historic Preservation Fund Grants-In-Aid	SHS	581,466	160,810
15.916		Outdoor Recreation-Acquisition, Development and Planning	DWD	17,461	0
15.978		Upper Mississippi River System Long Term Resource Monitoring Program	DNR	2,925	0
<b>Other Federal Financial Assistance:</b>					
N/A	15.1448-3971014	Black Tern Distribution and Nesting	DNR	3,550	0
N/A	15.3253060238A	Clark County Wetlands	DNR	(100)	0
N/A	15.1448-	Cliff Cudweed	DNR	927	0
N/A	3242097M347 15.AGF1F	Forest Management-Menominee Indian	DNR	15,499	0
N/A	5050020; 15.MBIA 15.AGF50-06-001; 15.BIA	Forest Management Service-Indian Lands	DNR	50,000	0

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**STATE OF WISCONSIN**  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
N/A	15.1443CA628197	Ice Age Reserve	DNR	830,000	0
	006				
N/A	15.1448-398980	Lake Trout Restoration	DNR	3,000	0
N/A	15.1448-3971069	Life Stages of Perch in Lake Michigan	DNR	1,495	0
N/A	15.1448-3971107	Mobile Grassland Restoration Exhibit	DNR	796	0
N/A	15.1448-9821097	NAWCA-GHRA Phase II	DNR	604,688	0
N/A	15.1448-9821098	NAWCA-Polhohle Phase II	DNR	20,132	0
N/A	15.1448-996902	NAWCA-South East Coastal	DNR	771,666	0
N/A	15.1448-996902-II	NAWCA-South East Coastal II	DNR	46,878	0
N/A	15.1445CA099600	NBS-Common Loons Radio	DNR	7,115	0
	11				
N/A	15.1445CA03961	NBS-Habitat Association-Frogs/Toads	DNR	9,863	0
	022				
N/A	15.3951006	Plan for Grassland Birds	DNR	2,237	0
	GRBRD				
N/A	15.1448-3981104	St. Croix Zebra Mussel	DNR	13,234	0
N/A	15.7P0W513	USGS-Lake Geneva Sediment Coring	DNR	2,420	0
N/A	15.984QAG-2022	USGS-Sediment Load Mississippi River	DNR	41,250	0
N/A	15.1422-M-030-A-5-	Wisconsin Education Project: Wisconsin Survey and Settlement	SHS	14,128	0
	0001				
N/A	15.PAA99700	Bureau of Land Management Youth Riparian Education Initiative	UW-Madison	6	0
N/A	15.14489110098J0	Increasing Extension's Capacity to Provide Natural Resources and Environmental Management	UW-Madison	86	0
	07				
N/A	15.AGR dtd	Intergovernmental Personnel Assignment Agreement	UW-Madison	34,097	0
	9/18/98				
N/A	15.1448-30181-97-	Inventory of Fish and Wildlife Service Archaeological Collections at UW-Madison	UW-Madison	37	0
	M294				
N/A	15.1443CA600048	Midwest Region GIS Field Technical Support Center	UW-Madison	53,082	0
	045				
N/A	15.14-48-03-92-	Environmental Management Technology Center	UW-La Crosse	67,669	0
	911				
N/A	15.40318751	Grants from National Park Service	UW-La Crosse	886	0
N/A	15.CA-6140-3-	CNR Diversity Coordinator	UW-Stevens Point	5,045	0
	802X;14-48-003-93-				
	1024				
N/A	15.1448-32530-98-	Development of a Pre-Settlement Vegetation Model at Necedah National Wildlife Refuge	UW-Stevens Point	790	0
	M076				
N/A	15.1448-03-96-938	Internship U.S. Fish and Wildlife Service Necedah National Wildlife Refuge	UW-Stevens Point	(42)	0
N/A	15.1448-03-97-964	Pathways Natural Resources Careers for Indian Youth	UW-Stevens Point	14,943	0
N/A	15.1443CA628198	Ice Age National Scenic Trail	UW-Extension	8,809	0
	007				
		Subtotal Direct Programs		16,458,586	911,780
		Subgrants:			
N/A	15.96-084	Give Water a Hand II (from National Fish and Wildlife Foundation)	UW-Madison	17,316	0
N/A	15.AGR dtd	U.S. Geological Survey Water Education Resource Review (from National Science Teachers Association)	UW-Madison	4,418	0
	11/10/98				
		Subtotal Subgrants		21,734	0
		<b>TOTAL U.S. DEPARTMENT OF THE INTERIOR</b>		<b>16,480,320</b>	<b>911,780</b>
		<b>U.S. DEPARTMENT OF JUSTICE:</b>			
16.000		State Forfeiture Sharing	DOT	0	0
16.000		State Forfeiture Sharing	DOJ	204,410	0
		Total Federal Program 16.000		204,410	0
16.523		Juvenile Accountability Incentive Block Grants	DOA	8,392	0
16.540		Juvenile Justice and Delinquency Prevention-Allocation to States	DOA	1,949,224	1,852,992
16.543		Missing Children's Assistance	DOJ	98,484	11,203
16.548		Title V-Delinquency Prevention Program	DOA	247,856	247,856
16.549		Part E-State Challenge Activities	DOA	156,294	156,294
16.550		State Justice Statistics Program for Statistical Analysis Centers	DOA	478,526	447,178
16.554		National Criminal History Improvement Program	DOA	1,514,959	1,514,959
16.560		Justice Research, Development, and Evaluation Project Grants	DOJ	21,730	0
16.560		Justice Research, Development, and Evaluation Project Grants	DOC	28,013	0
		Total Federal Program 16.560		49,743	0
16.574		Byrne Evaluation Partnership Discretionary	DOA	63,054	63,054
16.575		Crime Victim Assistance	DOJ	3,502,336	3,086,198
16.575		Crime Victim Assistance	DOC	392,428	0
		Total Federal Program 16.575		3,894,764	3,086,198
16.576		Crime Victim Compensation	DOJ	631,178	0
16.579		Byrne Formula Grant Program	DOA	8,897,865	8,627,780
16.580		Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	DOJ	1,548	0
16.586		Violent Offender Incarceration and Truth in Sentencing Incentive Grants (Note 2)	DOC	2,056,637	0

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**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
16.588		Violence Against Women Formula Grants	DOA	2,036,419	1,882,045
16.589		Rural Domestic Violence and Child Victimization Enforcement Grant Program	DOA	281,710	280,693
16.592		Local Law Enforcement Block Grants Program	DOA	383,274	379,719
16.593		Residential Substance Abuse Treatment for State Prisoners	DOA	358,338	358,338
16.598		State Identification Systems Grant Program	DOA	191,806	191,806
16.606		State Criminal Alien Assistance Program	DOC	3,619,427	0
16.727		Enforcing Underage Drinking Laws Program	DOT	29,447	0
Other Federal Financial Assistance:					
N/A	16.98-87; 99-88	Domestic Cannabis Eradication/Suppression Program	DOJ	262,439	127,878
N/A	16.96UMWX1286	Cops Universal Hiring Award	UW-Madison	52,332	0
N/A	16.97PRWX0422	Cops Problem-Solving Partnership	UW-Madison	12,391	0
N/A	16.96CM-WX-0465	Community Oriented Policing Services-More	UW-Parkside	21,692	0
N/A	16.96UM-WX-0400	Community Oriented Policing Services-Universal Hiring Program	UW-Parkside	75,924	0
N/A	16.96-IJ-CX-0093	Meeting the Needs of Racine Citizens: Evaluation of a Community Policing Program	UW-Parkside	16,611	0
Subtotal Direct Programs				27,594,744	19,227,993
Subgrants:					
16.540		Juvenile Justice and Delinquency Prevention-Allocation to States (from Winnebago County)	UW-Oshkosh	23,763	0
N/A	16.J124C-0574	Oxford Prison Educational Program (from Federal Correction Institute-Oxford)	UW Colleges	84,480	0
Subtotal Subgrants				108,243	0
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>				<b>27,702,987</b>	<b>19,227,993</b>
U.S. DEPARTMENT OF LABOR:					
17.002		Labor Force Statistics	DWD	1,450,752	0
17.005		Compensation and Working Conditions Data	DWD	68,236	0
17.203		Labor Certification for Alien Workers	DWD	282,848	0
Employment Services Cluster:					
17.207		Employment Service (Note 2)	DWD	13,291,170	547,077
17.207		Employment Service (Note 2)	UW-Milwaukee	25,000	0
17.801		Disabled Veterans' Outreach Program (Note 2)	DWD	1,731,603	0
17.804		Local Veterans' Employment Representative Program (Note 2)	DWD	1,886,721	0
Total Employment Services Cluster				16,934,494	547,077
17.225		Unemployment Insurance (Note 12)	DWD	546,011,002	0
17.235		Senior Community Service Employment Program	DHFS	2,286,521	2,134,674
17.245		Trade Adjustment Assistance-Workers	DWD	6,553,574	0
17.247		Migrant and Seasonal Farmworkers	DWD	1,307,651	1,237,095
JTPA Cluster:					
17.250		Job Training Partnership Act	DWD	16,809,786	16,197,938
17.246		Employment and Training Assistance-Dislocated Workers	DWD	10,455,274	9,284,012
Total JTPA Cluster				27,265,060	25,481,950
17.253		Welfare-to-Work Grant to States and Localities	DWD	1,010,242	681,792
17.504		Consultation Agreements	DHFS	2,395,665	0
17.504		Consultation Agreements	DWD	69,290	0
17.504		Consultation Agreements	Commerce	601,954	0
Total Federal Program 17.504				3,066,909	0
17.600		Mine Health and Safety Grants	Commerce	131,009	0
17.802		Veterans' Employment Program	DVA	426,311	0
Other Federal Financial Assistance:					
N/A	17.E9454655	Basic Assistance Grant	DWD	159,533	0
Subtotal Direct Programs				606,954,142	30,082,588
Subgrants:					
17.250	17.98-80-NC	Job Training Partnership Act (from North Central Community Action Program)	DPI	7,592	0
17.250		Job Training Partnership Act (from Fox Valley Workforce Development Board)	UW-Oshkosh	79,975	0
17.250		Job Training Partnership Act (from Northern Lake Winnebago Private Industry Council)	UW-Oshkosh	52,570	0
17.250		Job Training Partnership Act (from Winne-Fond Lake Private Industry Council)	UW-Oshkosh	100,955	0
17.250		Job Training Partnership Act (from South Central Wisconsin Private Industry Council)	UW-Whitewater	46,937	0
N/A	17.AGR dtd 2/28/99	High Road Regional Partnerships Project (from George Meany Center for Labor Studies)	UW-Madison	24,005	0
N/A	17.96/97-YFC-44	Youth Fair Chance Assessment (from Racine County Human Services Department)	UW-Parkside	89	0
N/A	17.98-97-14	Youth Small Business Development Pilot (from Southeastern Wisconsin Private Industry Council)	UW-Parkside	2,000	0
Subtotal Subgrants				314,123	0
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>				<b>607,268,265</b>	<b>30,082,588</b>

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**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
U.S. DEPARTMENT OF STATE:					
Subgrants:					
N/A	19.CK 167364	National Fellowship Program in the Study of the Soviet Union and Its Successor States (from Social Science Research Council)	UW-Madison	54	0
N/A	19.CK 172973	Title VIII Fellowship Program National Fellowship Program (from Social Science Research Council)	UW-Madison	10,911	0
TOTAL U.S. DEPARTMENT OF STATE				<u>10,965</u>	<u>0</u>
U.S. DEPARTMENT OF TRANSPORTATION:					
20.005		Boating Safety Financial Assistance	DNR	448,754	0
20.106		Airport Improvement Program (Note 2)	DOT	30,111,597	7,178,074
20.205		Highway Planning and Construction (Notes 2, 13, 22)	DOT	407,701,425	5,121,090
20.205		Highway Planning and Construction (Note 2)	DOR	49,665	0
20.205		Highway Planning and Construction (Note 2)	UW-Milwaukee	4,923	0
Total Federal Program 20.205				<u>407,756,013</u>	<u>5,121,090</u>
20.218		National Motor Carrier Safety	DOT	1,523,246	0
20.219		Recreational Trails Program	DNR	48,209	13,252
20.308		Local Rail Freight Assistance (Note 22)	DOT	0	0
Federal Transit Cluster:					
20.500		Federal Transit-Capital Investment Grants	DOT	5,663,213	5,660,957
20.507		Federal Transit-Formula Grants	DOT	1,930,552	1,815,264
Total Federal Transit Cluster				<u>7,593,765</u>	<u>7,476,221</u>
20.505		Federal Transit-Metropolitan Planning Grants	DOT	886,698	0
20.509		Formula Grants for Other Than Urbanized Areas	DOT	6,250,820	6,150,893
20.513		Capital Assistance Program for Elderly Persons and Persons with Disabilities	DOT	941,115	857,003
Highway Safety Cluster:					
20.600		State and Community Highway Safety	DOT	2,543,411	603,480
20.601		Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	DOT	1,468,141	770,495
Total Highway Safety Cluster				<u>4,011,552</u>	<u>1,373,975</u>
20.700		Pipeline Safety	PSC	159,355	0
20.703		Interagency Hazardous Materials Public Sector Training and Planning Grants	DMA	123,276	62,017
Other Federal Financial Assistance:					
N/A	20.DTFH61-97-P-00701	Transportation and Air Quality Initiative	DNR	10,948	0
N/A	20.DDEGFP-98-X-00725	Dwight David Eisenhower Fellowship	UW-Madison	20,675	0
Subtotal Direct Programs				<u>459,886,023</u>	<u>28,232,525</u>
Subgrants:					
20.215	20.B-C108	Highway Training and Education (from Florida Department of Transportation)	UW-Milwaukee	9,506	0
N/A	20.AGR dtd 1/24/94	Air Pollution Control-Technical Training (from Southeastern Wisconsin Regional Planning Commission)	UW-Extension	79,373	0
Subtotal Subgrants				<u>88,879</u>	<u>0</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>459,974,902</u>	<u>28,232,525</u>
U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION:					
30.002		Employment Discrimination-State and Local Fair Employment Practices Agency Contracts	DWD	1,049,184	0
FEDERAL MEDIATION AND CONCILIATION SERVICE:					
34.002		Labor Management Cooperation	DER	28,982	0
U.S. GENERAL SERVICES ADMINISTRATION:					
39.003		Donation of Federal Surplus Personal Property (Note 14)	DOA	0	0
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:					
Other Federal Financial Assistance:					
N/A	43.AGR dtd 7/7/98	Inter-Institutional Agreement: Scopes for Schools (from UW-Milwaukee)	UW-Madison	(648)	0
N/A	43.NAS1-96004	Mug Fees	UW-Madison	89,654	0
N/A	43.NAG5-8250	Proposal to Construct an EOS Direct Broadcast Reception Facility at UW-Madison	UW-Madison	2	0
N/A	43.NGT5-40039	Wisconsin Space Grant Program	UW-Milwaukee	212,583	0
N/A	43.AGR dtd 4/8/97	Wisconsin Space Grant Consortium (from UW-Milwaukee)	UW-Whitewater	27	0
Subtotal Direct Programs				<u>301,618</u>	<u>0</u>
Subgrants:					
N/A	43.38-5152-95-96-WI	Collaborative Ukrainian Experiment, Education Project (from Louisiana State University Agricultural Center)	UW-Madison	(111,436)	0

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**STATE OF WISCONSIN  
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FOR THE YEAR ENDED JUNE 30, 1999**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
N/A	43.AGR dtd	NASA Sharp Plus Research Apprenticeship Program (from Quality Education for	UW-Madison	34,834	0
	5/14/99; CK 9068	Minorities Network)			
N/A	43.	Various Subgrants (from Space Telescope Science Institute)	UW-Madison	8,432	0
		Subtotal Subgrants		(68,170)	0
				233,448	0
<b>TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>					
<b>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES:</b>					
45.012		Promotion of the Arts-Museums	UW-Madison	5,101	0
45.025		Promotion of the Arts-Partnership Agreements	Arts Board	560,523	150,016
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	DVA	3,233	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Madison	421	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Eau Claire	2,000	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Parkside	3,210	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW Colleges	8,239	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW System Admin	1,931	0
45.129		Promotion of the Humanities-Federal/State Partnership (Note 2)	Wis Humanities Council	535,195	142,162
Total Federal Program 45.129				554,229	142,162
45.149		Promotion of the Humanities-Division of Preservation and Access	SHS	111,413	0
45.163		Promotion of the Humanities-Seminars and Institutes	UW-Milwaukee	25,034	0
45.163		Promotion of the Humanities-Seminars and Institutes	UW-Oshkosh	44,329	0
Total Federal Program 45.163				69,363	0
45.164		Promotion of the Humanities-Public Programs	UW-Extension	1,221	0
45.301		Institute of Museum and Library Services-General Operating Support	DVA	30,194	0
45.301		Institute of Museum and Library Services-General Operating Support	SHS	7,374	0
Total Federal Program 45.301				37,568	0
45.310		State Library Program	DPI	2,632,173	177,628
<b>Other Federal Financial Assistance:</b>					
N/A	45.LL-80131-98	Africana Image and Sound Database	UW-Madison	90,224	0
N/A	45.98-4400-5072	Great Cities, Small Treasures: Ancient World of the Indus Valley	UW-Madison	87,000	0
N/A	45.IG-60898-96	IMS General Operating Support Grant	UW-Madison	68,219	0
N/A	45.IC-70264-97	Research to Improve the Conservation of Biological Communities Threatened by Reinvasions	UW-Madison	9,588	0
N/A	45.Gra04892	Next Step Grant	UW-Oshkosh	42	0
Subtotal Direct Programs				4,226,664	469,806
<b>Subgrants:</b>					
45.025		Promotion of the Arts-Partnership Agreements (from Mid-America Arts Alliance)	UW-Green Bay	2,750	0
45.025		Promotion of the Arts-Partnership Agreements (from Heartland Arts)	UW-Whitewater	12,700	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Minnesota Department of Natural Resources)	UW-La Crosse	996	0
45.149	45.29250-5598	Promotion of the Humanities-Division of Preservation and Access (from Cornell University)	UW-Madison	92,763	0
N/A	45.AGR dtd	Preservation Project (from Committee on Institutional Cooperation)	UW-Madison	73,507	0
	10/25/96; 11/11/98				
N/A	45.EH-21936-095	Equipment for Multi-Media Teaching Center (from Michigan State University)	UW-Eau Claire	(286)	0
N/A	45.CK 36696	UW-Marshfield/Wood County Fine Arts (from Arts Midwest)	UW Colleges	300	0
Subtotal Subgrants				182,730	0
				4,409,394	469,806
<b>TOTAL NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</b>					
<b>NATIONAL SCIENCE FOUNDATION:</b>					
47.049		Mathematical and Physical Sciences	UW-Madison	27,574	0
47.049		Mathematical and Physical Sciences (from UW-River Falls)	UW-Eau Claire	71	0
Total Federal Program 47.049				27,645	0
47.050		Geosciences	UW-Eau Claire	6,617	0
47.070		Computer and Information Science and Engineering	UW-Madison	188,500	0
47.070		Computer and Information Science and Engineering	UW-Eau Claire	3,602	0
Total Federal Program 47.070				192,102	0
47.074		Biological Sciences	UW-Milwaukee	32,019	0
47.076		Education and Human Resources	UW-Madison	896,880	65,415
47.076		Education and Human Resources	UW-Milwaukee	446,907	0
47.076		Education and Human Resources	UW-Eau Claire	31,067	0

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**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
47.076		Education and Human Resources	UW-La Crosse	115,779	0
47.076		Education and Human Resources	UW-Oshkosh	18,506	0
47.076		Education and Human Resources	UW-Parkside	49,539	0
47.076		Education and Human Resources	UW-River Falls	54,061	0
47.076		Education and Human Resources	UW-Stevens Point	109,978	0
47.076		Education and Human Resources	UW-Superior	106	0
47.076		Education and Human Resources	UW-Extension	201,341	0
Total Federal Program 47.076				<u>1,924,164</u>	<u>65,415</u>
<b>Other Federal Financial Assistance:</b>					
N/A	47.EEC-8721545	Diversity and Cultural Change: Manufacturing Engineering Education for the Future	UW-Madison	53,413	0
N/A	47.DGE-9616188	Graduate Research Fellowship Support Grant-Cost of Education	UW-Madison	226,035	0
N/A	47.DEB-9726691;	Intergovernmental Personnel Assignment Agreement	UW-Madison	92,254	0
	DMS-9705232;				
	SBE-9523939				
N/A	47.EEC-9633800	Integrating Teaching and Research: Engineering Education Scholars Program	UW-Madison	91,599	0
N/A	47.DMS-9256439	Mathematical Sciences: Traineeships in Mathematics and Computation in Engineering	UW-Madison	75,317	0
N/A	47.STI-9313419	Renovation of the Robert M. Bock Laboratories at UW-Madison	UW-Madison	180,000	0
N/A	47.	Various Grants from National Science Foundation	UW-Madison	(3,666)	0
Subtotal Direct Programs				<u>2,897,499</u>	<u>65,415</u>
<b>Subgrants:</b>					
47.075		Social, Behavioral, and Economic Sciences (from National Research Council)	UW-Green Bay	1,682	0
47.076		Education and Human Resources (from Wisconsin Academy of Science, Arts and Letters)	UW-Eau Claire	31,024	0
47.076		Education and Human Resources (from Arizona State University)	UW-River Falls	42,283	0
47.076		Education and Human Resources (from University of Minnesota)	UW-River Falls	47,690	0
N/A	47.12830	Advanced Biotechnology Education Partnership Program (from Madison Area Technical College)	UW-Madison	(3,898)	0
N/A	47.30374	Biotechnology Technicians for the Future (from Madison Area Technical College)	UW-Madison	29,711	0
N/A	47.1890189	Fabricate Polarizer Assembly with Theta Drive and Optional Alpha Drive (from University of Nebraska-Lincoln)	UW-Madison	18,497	0
N/A	47.110148	Data Management for NPACI (from University of New Mexico)	UW-Madison	7,166	0
Subtotal Subgrants				<u>174,155</u>	<u>0</u>
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>				<u>3,071,654</u>	<u>65,415</u>
<b>U.S. SMALL BUSINESS ADMINISTRATION:</b>					
59.005		Business Development Assistance to Small Business	UW-Oshkosh	636	0
59.005		Business Development Assistance to Small Business	UW-Stevens Point	11	0
Total Federal Program 59.005				<u>647</u>	<u>0</u>
59.037		Small Business Development Center	UW-Madison	79,928	0
59.037		Small Business Development Center (from UW-Extension)	UW-Milwaukee	133,838	0
59.037		Small Business Development Center (from UW-Extension)	UW-Eau Claire	(19,152)	0
59.037		Small Business Development Center (from UW-Extension)	UW-Green Bay	87,212	0
59.037		Small Business Development Center (from UW-Extension)	UW-La Crosse	(631)	0
59.037		Small Business Development Center (from UW-Extension)	UW-Oshkosh	(7,186)	0
59.037		Small Business Development Center (from UW-Extension)	UW-Parkside	59,621	0
59.037		Small Business Development Center (from UW-Extension)	UW-Platteville	8,674	0
59.037		Small Business Development Center (from UW-Extension)	UW-Stevens Point	(10,280)	0
59.037		Small Business Development Center (from UW-Extension)	UW-Superior	(1,553)	0
59.037		Small Business Development Center (from UW-Extension)	UW-Whitewater	39,182	0
59.037		Small Business Development Center	UW-Extension	1,127,970	0
Total Federal Program 59.037				<u>1,497,623</u>	<u>0</u>
<b>TOTAL U.S. SMALL BUSINESS ADMINISTRATION</b>				<u>1,498,270</u>	<u>0</u>
<b>U.S. DEPARTMENT OF VETERANS AFFAIRS:</b>					
64.005		Grants to States for Construction of State Home Facilities	DVA	0	0
64.014		Veterans State Domiciliary Care	DVA	491,083	0
64.015		Veterans State Nursing Home Care (Note 2)	DVA	8,614,107	0
64.024		VA Homeless Providers Grant and Per Diem Program	DVA	113,807	0
64.101		Burial Expenses Allowance for Veterans	DVA	39,967	0
64.124		All-Volunteer Force Educational Assistance	DWD	168,638	0
64.203		State Cemetery Grants	DVA	950,647	0
<b>Other Federal Financial Assistance:</b>					
N/A	64.V101(223B) P-3966	Reimbursement Contract	HEAB	244,797	0
N/A	64.V607P-2234; 607-C71059; V69DP-2500	Anesthesiologist Services for the William S. Middleton Memorial Veterans Hospital	UW-Madison	130,373	0
N/A	64.IPA dtd 1/20/98	Intergovernmental Personnel Assignment Agreement	UW-Madison	324,307	0
N/A	64.V607P-2283; V69DP-2515	Specialized Radiologist Services	UW-Madison	453,255	0

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**STATE OF WISCONSIN**  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
N/A	64.CK 3085	Administrative Cost Allowance	UW-Milwaukee	8,403	0
N/A	13149248				
N/A	64.V330-3525	VA Education/Training	UW-Stout	7,485	0
				11,546,869	0
<b>TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS</b>					
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY:</b>					
66.001		Air Pollution Control Program Support	DNR	2,155,708	0
66.032		State Indoor Radon Grants	DHFS	219,721	183,203
66.419		Water Pollution Control-State and Interstate Program Support	DNR	50,896	0
66.432		State Public Water System Supervision	DNR	3,591,975	0
66.433		State Underground Water Source Protection	DNR	63,525	0
66.454		Water Quality Management Planning	DNR	367,740	27,222
66.458		Capitalization Grants for State Revolving Funds (Note 15)	DNR	26,929,585	25,473,306
66.460		Nonpoint Source Implementation Grants	DNR	2,825,664	219,202
66.461		Wetlands Protection-Development Grants	DNR	260,205	0
66.463		National Pollutant Discharge Elimination System Related State Program Grants	DNR	549,655	49,882
66.467		Wastewater Operator Training Grant Program (Technical Assistance)	DNR	35,000	0
66.468		Capitalization Grants for Drinking Water State Revolving Fund (Notes 2, 15)	DNR	24,805,284	24,133,222
66.469		Great Lakes Program	DNR	722,295	0
66.500		Environmental Protection-Consolidated Research	DHFS	74,594	47,389
66.500		Environmental Protection-Consolidated Research	DNR	406,190	118,000
Total Federal Program 66.500				480,784	165,389
66.501		Air Pollution Control Research	DOA	25,865	24,298
66.600		Environmental Protection Consolidated Grants-Program Support	DNR	2,768,027	0
66.605		Performance Partnership Grants	DATCP	7,301	0
66.606		Surveys, Studies, Investigations and Special Purpose Grants	DOA	30,320	0
66.606		Surveys, Studies, Investigations and Special Purpose Grants	DNR	756,465	0
Total Federal Program 66.606				786,785	0
66.608		One Stop Reporting	DNR	94,062	0
66.700		Consolidated Pesticide Enforcement Cooperative Agreements	DATCP	516,641	0
66.701		Toxic Substances Compliance Monitoring Cooperative Agreements	DHFS	112,300	0
66.701		Toxic Substances Compliance Monitoring Cooperative Agreements	DNR	59,110	0
Total Federal Program 66.701				171,410	0
66.707		TSCA Title IV State Lead Grants-Certification of Lead-Based Paint Professionals	DHFS	332,751	29,531
66.708		Pollution Prevention Grants Program	DNR	72,215	44,018
66.708		Pollution Prevention Grants Program	UW-Extension	7,082	0
Total Federal Program 66.708				79,297	44,018
66.801		Hazardous Waste Management State Program Support (Note 2)	DNR	2,052,247	0
66.802		Superfund State Site-Specific Cooperative Agreements	DNR	2,198,575	0
66.804		State Underground Storage Tanks Program	Commerce	238,752	0
66.805		Leaking Underground Storage Tank Trust Fund Program	DNR	1,557,230	0
66.808		Solid Waste Management Assistance	Commerce	12,517	0
66.808		Solid Waste Management Assistance	UW-Extension	17,419	0
Total Federal Program 66.808				29,936	0
66.809		Superfund State Core Program Cooperative Agreements	DNR	790,242	0
<b>Other Federal Financial Assistance:</b>					
N/A	66.G8-W20015	Pesticide Data Program	DATCP	44,645	0
N/A	66.CX 826881	Farm and Home Source Water Protection	UW-Madison	106,688	0
N/A	66.U-915030	Fellowship Expense Allocation	UW-Madison	7,021	0
N/A	66.U-914810	Predoctoral Fellowship Allowance	UW-Madison	2,602	0
N/A	66.X822558; C	Underground Tank Technology Update Newsletter	UW-Madison	79,805	0
N/A	X826455				
N/A	66.	Various Grants for Graduate Fellowship	UW-Madison	105,442	0
N/A	66.CK 3088-23483018	Production of a Video Demonstrating Frond Water Principles	UW-Stevens Point	5,000	0
Subtotal Direct Programs				75,058,361	50,349,273
<b>Subgrants:</b>					
66.500	66.96-144	Environmental Protection-Consolidated Research (from University of Illinois)	UW-Extension	102,333	0
66.701	66.970623Z1	Toxic Substances Compliance Monitoring Cooperative Agreements (from Michigan Technological University)	UW-Extension	29,261	0
66.710		Environmental Justice Community/University Partnership Grants Program (from Citizens for a Better Environment)	UW-Extension	398	0
N/A	66.GL-RAPIDS	Rapids (from Great Lakes Commission)	DNR	102,037	0
N/A	66.970623Z1	Compliance Assistance Center for the Chemical Industry (from Michigan Technological University)	UW-Madison	2,164	0
N/A	66.AGR dtd 1/29/99	Assessment of Source Water Content in K-12 Environmental Education (from National Environmental Education and Training)	UW-Madison	1,814	0

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<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
N/A	66.AGR dtd 4/21/97	Environmental Risk Assessments for Corn and Potato Pest Management (from National Foundation for IPM Education)	UW-Madison	19,621	0
N/A	66.98-01114V	Comprehensive Pesticide Education (from University of California-Davis)	UW-Madison	94,400	0
N/A	66.96-144	ETI-Virtual National Resource Center for Printing (from University of Illinois-Urbana-Champaign)	UW-Madison	23,746	0
N/A	66.NT902897-01	National Environmental Educator Training (from North American Association for Environmental Education)	UW-Stevens Point	214,218	20,000
N/A	66.EGR353W; EGR3551	American Indian Air Quality Training Programs (from Northern Arizona University)	UW-Stevens Point	16,018	0
Subtotal Subgrants				606,010	20,000
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY				75,664,371	50,369,273
U.S. NUCLEAR REGULATORY COMMISSION:					
Other Federal Financial Assistance:					
N/A	77.RC-30-83-647	Environmental Sampling (Note 18)	DHFS	(38,312)	0
U.S. DEPARTMENT OF ENERGY:					
National Energy Information Center					
81.039		National Energy Information Center	DOA	7,704	0
81.041		State Energy Program	DOA	1,134,135	379,122
81.042		Weatherization Assistance for Low-Income Persons (Note 2)	DOA	4,538,575	4,034,453
81.052		Energy Conservation for Institutional Buildings	DOA	213,925	60,718
81.086		Conservation Research and Development	DOA	46,390	42,316
81.087		Renewable Energy Research and Development	DOA	30,169	29,440
81.105		National Industrial Competitiveness through Energy, Environment, and Economics	DOA	73,722	66,084
Other Federal Financial Assistance:					
N/A	81.	Alternative Fuel Database	DOA	12,335	12,335
N/A	81.	Heavy Duty State/Municipal Vehicle Alternative Fuel Demonstration	DOA	70,948	0
N/A	81.	Petroleum Violation Escrow Funds (Note 2)	DOA	1,855,301	1,105,411
Subtotal Direct Programs				7,983,204	5,729,879
Subgrants:					
81.079	81.CGLG-97-001	Regional Biomass Energy Programs (from Council of Great Lakes Governors)	DOA	57,987	19,583
N/A	81.963412402	Services Support of Research Assistant at Desy for the Hera/Zeus Project (from Argonne National Laboratory)	UW-Madison	33,050	0
N/A	81.354491-AQ5	Maintenance and Support of Operational Arm AERI Systems-Task 1 (from Battelle Memorial Institute Pacific Northwest Laboratory)	UW-Madison	26,159	0
N/A	81.844151	Botulinum Toxin B (from Brookhaven National Laboratory)	UW-Madison	2,455	0
N/A	81.514778	Manufacture, Trial and Final Assembly of the CMS Endcap Yoke of the CMS Magnet (from Fermi National Accelerator Laboratory)	UW-Madison	610,000	0
N/A	81.505563	Molded Plastic Endcap Assemblies for the CDF IMU Changer Upgrade (from Fermi National Accelerator Laboratory)	UW-Madison	25,270	0
N/A	81.512680	Professional Services (from Fermi National Accelerator Laboratory)	UW-Madison	45,799	0
N/A	81.512454	US CMS Trigger Subsystem FY 1998: Receiver Card and Electron ID Card Design and Fabrication (from Fermi National Accelerator Laboratory)	UW-Madison	51,969	0
N/A	81.	Various Subgrants (from Fermi National Accelerator Laboratory)	UW-Madison	52,969	0
N/A	81.LTR dtd 8/6/97; 8/5/98	Computational Science Graduate Fellowship Program (from Krell Institute)	UW-Madison	42,820	0
N/A	81.19X-ST589V	Program Support for HVDC Cost Reduction (from Lockheed Martin Energy Systems, Inc.)	UW-Madison	40,142	0
N/A	81.LTR dtd 11/2/92	Magnetic Fusion Science Predoctoral Fellowships (from Oak Ridge Institute for Science and Education)	UW-Madison	32,518	0
N/A	81.7Y29559	Fabrication of Outer Cone with Cooling Tubes (from Purdue University)	UW-Madison	35,947	0
Subtotal Subgrants				1,057,085	19,583
TOTAL U.S. DEPARTMENT OF ENERGY				9,040,289	5,749,462
U.S. INFORMATION AGENCY:					
Educational Exchange-University Lecturers (Professors) and Research Scholars					
82.002			UW-Eau Claire	(297)	0
82.032		Cultural Exchange (Visual Arts)	UW-Milwaukee	80,271	0
Other Federal Financial Assistance:					
N/A	82.IA-ASDH-G8190316	Develop Courses and Collaborative Projects with the Far Eastern State University Law Institute	UW-Madison	6,773	0
N/A	82.IA-AEJM-G4190430	Partnership Between UW-Milwaukee and Mohammed Rabat in Morocco	UW-Milwaukee	9,491	0
N/A	82.IA-AECS-G4190469	Scholarships for Central American Students for Education in U.S.	UW-Eau Claire	1,483	0
N/A	82.IA-AEHJ-G5190362	American Corporation in its Social and Cultural Context: A Seminar in the People's Republic of China	UW-Parkside	(1,467)	0
Subtotal Direct Programs				96,254	0

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**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
Subgrants:					
N/A	82.AGR dtd 6/11/98	Project OLLIN (from NAFSA Association of International Educators)	UW-Madison	4,256	0
N/A	82.AGR dtd 8/19/97; 1/27/98	Community College Program for Youth (from Youth for Understanding International Exchange)	UW Colleges	6,862	0
N/A	82.CK 212531	Community College Program for Youth (from Youth for Understanding International Exchange)	UW Colleges	39,625	0
Subtotal Subgrants				50,743	0
TOTAL U.S. INFORMATION AGENCY				146,997	0
FEDERAL EMERGENCY MANAGEMENT AGENCY:					
83.011		Hazardous Materials Training Program for Implementation of the Superfund Amendment and Reauthorization Act of 1986	DMA	101,110	0
83.105		Community Assistance Program-State Support Services Element	DMA	117,987	117,987
83.505		State Disaster Preparedness Grants	DMA	42,737	0
83.534		Emergency Management-State and Local Assistance	DMA	2,232,766	1,295,596
83.535		Mitigation Assistance	DMA	57,773	0
83.539		Crisis Counseling	DMA	36,572	36,572
83.543		Individual and Family Grants	DMA	3,985,824	0
83.544		Public Assistance Grants	DMA	6,845,971	6,518,762
83.547		First Responder Counter-Terrorism Training Assistance	WTCSB	9,255	0
83.547		First Responder Counter-Terrorism Training Assistance	DMA	34,284	0
Total Federal Program 83.547				43,539	0
83.548		Hazard Mitigation Grant	DMA	4,589,450	4,488,433
83.550		National Dam Safety Program	DNR	5,938	0
83.551		Project Impact-Building Disaster Resistant Communities	DMA	9,011	0
Other Federal Financial Assistance:					
N/A	83.199x-11X-9034-9053-2-4120D	Comprehensive Environmental Response, Compensation and Liability Act of 1980	DMA	1,490	0
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY				18,070,168	12,457,350
U.S. DEPARTMENT OF EDUCATION:					
84.002		Adult Education-State Grant Program	WTCSB	5,979,575	5,463,431
84.010		Title I Grants to Local Educational Agencies (Note 2)	DPI	130,050,294	128,443,442
84.011		Migrant Education-Basic State Grant Program	DPI	610,281	415,272
84.013		Title I Program for Neglected and Delinquent Children	DPI	945,611	936,878
84.015		National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	UW-Madison	1,707,634	0
84.015		National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	UW-Milwaukee	314,357	400
Total Federal Program 84.015				2,021,991	400
84.016		Undergraduate International Studies and Foreign Language Programs	UW-Madison	50,510	0
84.017		International Research and Studies	UW-Madison	65,908	0
84.024		Early Education for Children with Disabilities	UW-Madison	46,325	0
Special Education Cluster:					
84.027		Special Education-Grants to States (Note 2)	DPI	62,944,854	55,675,551
84.173		Special Education-Preschool Grants (Note 2)	DPI	8,594,812	8,185,949
Total Special Education Cluster				71,539,666	63,861,500
84.029		Special Education-Personnel Development and Parent Training	DPI	157,233	30,753
84.029		Special Education-Personnel Development and Parent Training	UW-Madison	642,431	0
84.029		Special Education-Personnel Development and Parent Training	UW-Milwaukee	120,670	0
Total Federal Program 84.029				920,334	30,753
84.034		Public Library Services	DPI	548,829	363,787
84.035		Interlibrary Cooperation and Resource Sharing	DPI	9,105	0
84.036		Library Education and Training	UW-Milwaukee	18,254	0
TRIO Cluster:					
84.042		TRIO-Student Support Services (Note 2)	UW-Madison	184,734	0
84.042		TRIO-Student Support Services (Note 2)	UW-Milwaukee	222,380	0
84.042		TRIO-Student Support Services (Note 2)	UW-Eau Claire	256,366	0
84.042		TRIO-Student Support Services (Note 2)	UW-Green Bay	258,880	0
84.042		TRIO-Student Support Services (Note 2)	UW-La Crosse	231,976	0
84.042		TRIO-Student Support Services (Note 2)	UW-Oshkosh	243,772	0
84.042		TRIO-Student Support Services (Note 2)	UW-Parkside	196,438	0
84.042		TRIO-Student Support Services (Note 2)	UW-Platteville	235,133	0
84.042		TRIO-Student Support Services (Note 2)	UW-River Falls	192,620	0
84.042		TRIO-Student Support Services (Note 2)	UW-Stevens Point	199,514	0
84.042		TRIO-Student Support Services (Note 2)	UW-Stout	201,810	0
84.042		TRIO-Student Support Services (Note 2)	UW-Superior	202,337	0
84.042		TRIO-Student Support Services (Note 2)	UW-Whitewater	211,212	0
84.042		TRIO-Student Support Services (Note 2)	UW Colleges	392,916	0

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**STATE OF WISCONSIN**  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
84.044		TRIO-Talent Search (Note 2)	DPI	101,123	0
84.044		TRIO-Talent Search (Note 2)	UW-Milwaukee	254,898	0
84.044		TRIO-Talent Search (Note 2)	UW-Stout	239,325	0
84.044		TRIO-Talent Search (Note 2)	UW-Whitewater	202,831	0
84.047		TRIO-Upward Bound (Note 2)	UW-Madison	221,022	0
84.047		TRIO-Upward Bound (Note 2)	UW-Milwaukee	274,985	0
84.047		TRIO-Upward Bound (Note 2)	UW-Eau Claire	280,629	0
84.047		TRIO-Upward Bound (Note 2)	UW-Green Bay	512,991	0
84.047		TRIO-Upward Bound (Note 2)	UW-La Crosse	348,151	0
84.047		TRIO-Upward Bound (Note 2)	UW-Stevens Point	310,759	0
84.047		TRIO-Upward Bound (Note 2)	UW-Whitewater	240,713	0
84.047		TRIO-Upward Bound (Note 2)	UW Colleges	259,843	0
		Total TRIO Cluster		6,477,358	0
84.048		Vocational Education-Basic Grants to States	WTCSB	19,576,409	17,863,220
84.066		TRIO-Educational Opportunity Centers	UW-Eau Claire	186,658	0
84.066		TRIO-Educational Opportunity Centers (from UW-Eau Claire)	UW Colleges	8,632	0
		Total Federal Program 84.066		195,290	0
84.069		Leveraging Educational Assistance Partnership	HEAB	532,654	0
84.078		Special Education-Postsecondary Education Programs for Persons with Disabilities	UW-Milwaukee	99,572	0
84.078		Special Education-Postsecondary Education Programs for Persons with Disabilities	UW-Stout	(344)	0
		Total Federal Program 84.078		99,228	0
84.086		Special Education-Program for Severely Disabled Children	UW-Milwaukee	52,288	0
84.086		Special Education-Program for Severely Disabled Children (from UW-Madison)	UW-Milwaukee	79,438	0
84.086		Special Education-Program for Severely Disabled Children (from UW-Milwaukee)	UW-Stevens Point	(3,207)	0
		Total Federal Program 84.086		128,519	0
84.094		Harris Fellowships	UW-Madison	10,320	0
84.094		Harris Fellowships	UW-Milwaukee	6,357	0
84.094		Harris Fellowships	UW-Oshkosh	982	0
		Total Federal Program 84.094		17,659	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Green Bay	36,357	0
84.116		Fund for the Improvement of Postsecondary Education	UW-La Crosse	(8,276)	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Stevens Point	70,440	0
84.116		Fund for the Improvement of Postsecondary Education	UW System Admin	348	0
		Total Federal Program 84.116		98,869	0
84.126		Rehabilitation Services-Vocational Rehabilitation Grants to States (Note 2)	DWD	49,132,470	6,894,905
84.128		Rehabilitation Services-Service Projects	UW-La Crosse	110,944	0
84.129		Rehabilitation Long-Term Training	UW-Madison	192,763	0
84.129		Rehabilitation Long-Term Training	UW-Stout	267,920	10,745
		Total Federal Program 84.129		460,683	10,745
84.153		Business and International Education	UW-Whitewater	61,248	0
84.154		Public Library Construction and Technology Enhancement	DPI	114,305	114,305
84.158		Secondary Education and Transitional Services for Youth with Disabilities	DPI	410,328	248,572
84.161		Rehabilitation Services-Client Assistance Program	DHFS	219,140	0
84.162		Immigrant Education	DPI	335,988	331,827
84.168		Eisenhower Professional Development-Federal Activities	UW-La Crosse	3,177	0
84.169		Independent Living-State Grants	DWD	429,264	429,264
84.170		Javits Fellowships	UW-Madison	152,359	0
84.170		Javits Fellowships	UW-Milwaukee	5,000	0
		Total Federal Program 84.170		157,359	0
84.181		Special Education-Grants for Infants and Families with Disabilities	DHFS	6,014,829	5,669,522
84.184		Safe and Drug-Free Schools and Communities-National Programs	UW-Whitewater	51,687	0
84.185		Byrd Honors Scholarships	DPI	758,820	758,820
84.186		Safe and Drug-Free Schools and Communities-State Grants	DHFS	2,161,065	2,077,133
84.186		Safe and Drug-Free Schools and Communities-State Grants	DPI	7,573,010	6,999,544
		Total Federal Program 84.186		9,734,075	9,076,677
84.187		Supported Employment Services for Individuals with Severe Disabilities	DWD	666,710	0
84.194		Bilingual Education Support Services	DPI	101,999	0
84.196		Education for Homeless Children and Youth	DPI	453,867	382,735
84.198		Workplace Literacy Partnerships	WTCSB	97,635	56,313
84.200		Graduate Assistance in Areas of National Need	UW-Madison	166,372	0
84.200		Graduate Assistance in Areas of National Need	UW-Milwaukee	138,648	0
		Total Federal Program 84.200		305,020	0
84.213		Even Start-State Educational Agencies	DPI	1,629,085	1,586,415
84.215		Fund for the Improvement of Education	DPI	71,811	0
84.216		Capital Expenses	DPI	176,299	176,299

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**STATE OF WISCONSIN**  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
84.217		McNair Post-Baccalaureate Achievement	UW-Madison	212,860	0
84.217		McNair Post-Baccalaureate Achievement	UW-Milwaukee	249,560	0
84.217		McNair Post-Baccalaureate Achievement	UW-Whitewater	197,323	0
		Total Federal Program 84.217		<u>659,743</u>	<u>0</u>
84.224		Assistive Technology	DHFS	702,321	422,781
84.224		Assistive Technology	DWD	101,087	0
		Total Federal Program 84.224		<u>803,408</u>	<u>422,781</u>
84.234		Projects with Industry	UW-Stout	238,088	0
84.243		Tech-Prep Education (Note 2)	WTCSB	2,076,722	2,004,620
84.252		Urban Community Service	UW-Milwaukee	103,203	0
84.264		Rehabilitation Training-Continuing Education	UW-Stout	738,696	76,422
84.265		Rehabilitation Training-State Vocational Rehabilitation Unit In-Service Training	DWD	132,597	0
84.272		National Early Intervention Scholarship and Partnership	DPI	407,145	132,332
84.276		Goals 2000-State and Local Education Systemic Improvement Grants	DPI	12,827,026	11,759,783
84.278		School-to-Work Opportunities Act of 1994	DWD	3,768,588	3,331,147
84.281		Eisenhower Professional Development State Grants	DPI	4,977,543	4,509,665
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Madison	(51,441)	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Milwaukee	12,060	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Eau Claire	(41,832)	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-La Crosse	13,444	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Oshkosh	1,887	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Parkside	7,041	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Platteville	5,905	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-River Falls	(24,130)	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Stevens Point	954	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Stout	4,295	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Superior	2,698	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Colleges	50,583	0
84.281		Eisenhower Professional Development State Grants	UW System Admin	824,978	116,803
		Total Federal Program 84.281		<u>5,783,985</u>	<u>4,626,468</u>
84.282		Charter Schools (Note 2)	DPI	2,073,901	1,966,686
84.293		Foreign Language Assistance	DPI	48,698	31,715
84.298		Innovative Education Program Strategies	DPI	6,052,008	5,040,633
84.318		Technology Literacy Challenge Fund Grants	DPI	4,910,225	4,602,041
84.325		Special Education-Personnel Preparation to Improve Services and Results for Children with Disabilities	UW-Madison	69,769	8,372
84.331		Grants to States for Incarcerated Youth Offenders	DOC	99,551	0
84.325		Special Education-Personnel Preparation to Improve Services and Results for Children with Disabilities	UW-Milwaukee	46,443	0
84.332		Comprehensive School Reform Demonstration	DPI	757,158	713,564
Other Federal Financial Assistance:					
N/A	84.ED-98-CO-0087	Teachnet	UW-Madison	235,668	3,175
N/A	84.G008510023	Library Career Training Program	UW-Milwaukee	14,652	0
N/A	84.OE-437-003896	Unidentified Grants	UW-Milwaukee	9,112	0
		Subtotal Direct Programs		<u>353,285,798</u>	<u>277,834,821</u>
Subgrants:					
84.022		International: Overseas-Doctoral Dissertation (from Milwaukee Public Schools)	UW-Milwaukee	10,299	0
84.023		Special Education-Innovation and Development (from Milwaukee Public Schools)	UW-Milwaukee	18,000	0
84.025	84.RI-36082X	Services for Children with Deaf-Blindness (from University of Dayton Research Institute)	DPI	25,131	0
84.051		National Vocational Education Research (from Milwaukee Public Schools)	UW-Milwaukee	24,378	0
84.078	84.4629; 7759	Special Education-Postsecondary Education Programs for Persons with Disabilities (from St. Paul Technical College)	UW-Milwaukee	67,398	0
84.116		Fund for the Improvement of Postsecondary Education (from University of Southern California)	UW-Whitewater	1,890	0
84.133		National Institute on Disability and Rehabilitation Research (from University of Illinois-Chicago)	DHFS	49,535	0
84.158	84.522378-8502DJF	Secondary Education and Transitional Services for Youth with Disabilities (from San Diego State University Foundation)	UW-Madison	133	0
84.213		Even Start-State Educational Agencies (from Platteville Public School District)	UW-Platteville	4,517	0
84.215	84.R215U60011-98	Fund for the Improvement of Education (from Council of Chief State School Officers)	DPI	35,042	34,210
84.257		National Institute for Literacy (from Kent State University)	WTCSB	1,998	0
84.276		Goals 2000-State and Local Education Systemic Improvement Grants (from Milwaukee Public Schools)	UW-Milwaukee	8,454	0
84.276		Goals 2000-State and Local Education Systemic Improvement Grants (from Platteville Public School District)	UW-Platteville	11,239	0
84.276		Goals 2000-State and Local Education Systemic Improvement Grants (from Whitewater School District)	UW-Whitewater	12,179	0
84.281	84.932	Eisenhower Professional Development State Grants (from Marquette University)	UW-Milwaukee	7,931	0
84.281		Eisenhower Professional Development State Grants (from Milwaukee Public Schools)	UW-Milwaukee	48,560	0
84.287	84.AGR dtd 10/18/98	Twenty-First Century Community Learning Centers (from Kenosha Unified School District)	UW-Parkside	75,509	0

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**STATE OF WISCONSIN  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
84.307	84.AGR dtd 10/6/97	National Institute on Early Childhood Development and Education (from Corporation for Public Broadcasting)	UW-Extension	9,802	0
84.928		National Writing Project (from University of California)	UW-Oshkosh	15,230	0
84.928		National Writing Project (from University of California)	UW-Stevens Point	8,311	0
N/A	84.99-9901-22	Parents in Partnership: Collaborative Strategies for the 21st Century (from Cooperative Educational Service Agency #1)	UW-Madison	8,261	0
N/A	84.CK 269467	Staff Development for High Implementor Teachers of Mathematics in Context: A Connected Curriculum (from District of Columbia Public Schools)	UW-Madison	7,343	0
N/A	84.AGR dtd 10/27/99	Language Sample Analysis II (from Madison Metropolitan School District)	UW-Madison	5,630	0
N/A	84.AGR dtd 3/23/00	Mississippi First Step Project (from Mississippi State Department of Health)	UW-Madison	9,170	0
N/A	84.CK 210414	OERI Visiting Scholars Fellowship (from National Research Council)	UW-Madison	70,682	0
N/A	84.171843	Point of Transition Outreach Project (from San Diego State University Foundation)	UW-Madison	128	0
N/A	84.SA1785JB	National Center for Research in Vocational Education Teacher Education Initiative: 1998 Dissemination and Training (from University of California-Berkeley)	UW-Madison	42,237	0
N/A	84.AGR dtd 1/13/97	Post Secondary Interpreting Network Seminar (from Waubesa Community College)	UW-Milwaukee	93	0
N/A	84.MOU dtd 10/10/98	Partnership for Learning (from Seymour Community School District)	UW-Green Bay	21,339	0
N/A	84.98-44	Workforce Development Center Employment and Training Coordinator (from Racine County Human Services Department)	UW-Parkside	54,685	0
N/A	84.Y191181	Whole Schooling: Study of Schools Containing Inclusive Education School Reform in Wisconsin and Michigan (from Wayne State University)	UW-Stevens Point	47,125	0
N/A	84.LTR dtd 6/8/98	Technology Innovation Challenge (from Nicolet Distance Ed Network)	UW-Stevens Point	10,500	0
N/A	84.13-06-91	Personal Care DVR (from State of Iowa)	UW-Whitewater	975	0
		Subtotal Subgrants		713,704	34,210
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>				<b>353,999,502</b>	<b>277,869,031</b>
<b>U.S. CONSUMER PRODUCT SAFETY COMMISSION:</b>					
Other Federal Financial Assistance:					
N/A	87.SO14744xx	State and Local Cooperative Contracts Program	DATCP	874	0
<b>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION:</b>					
89.003		National Historical Publications and Records Grants	SHS	15,498	0
Subgrants:					
N/A	89.AGR dtd 7/19/95	Model Editions Partnership-Ratification of the Constitution (from University of South Carolina)	UW-Madison	1,301	0
<b>TOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</b>				<b>16,799</b>	<b>0</b>
<b>U.S. INSTITUTE OF PEACE:</b>					
Other Federal Financial Assistance:					
N/A	91.USIP-027-98S	Beyond State Crisis: Quest for the Efficacious State in Africa and Eurasia	UW-Madison	12,117	0
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>					
93.041		Special Programs for the Aging-Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation	DHFS	112,381	0
93.042		Special Programs for the Aging-Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals	DHFS	97,013	96,613
93.043		Special Programs for the Aging-Title III, Part F-Disease Prevention and Health Promotion Services	DHFS	341,738	324,431
93.044		Aging Cluster: Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	DHFS	6,531,998	6,742,210
93.045		Special Programs for the Aging-Title III, Part C-Nutrition Services	DHFS	10,276,029	9,747,746
		Total Aging Cluster		16,808,027	16,489,956
93.046		Special Programs for the Aging-Title III, Part D-In-Home Services for Frail Older Individuals	DHFS	211,337	211,337
93.048		Special Programs for the Aging-Title IV-Training, Research and Discretionary Projects and Programs	DHFS	9,342	0
93.104		Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	DHFS	4,031,387	3,776,815
93.110		Maternal and Child Health Federal Consolidated Programs	DHFS	122,771	69,958
93.110		Maternal and Child Health Federal Consolidated Programs	UW-Madison	1,121,446	0
		Total Federal Program 93.110		1,244,217	69,958
93.113		Biological Response to Environmental Health Hazards	UW-Milwaukee	146,478	0
93.116		Project Grants and Cooperative Agreements for Tuberculosis Control Programs	DHFS	282,390	16,625
93.119		Grants for Technical Assistance Activities Related to the Block Grant for Community Mental Health Services-Technical Assistance Centers for Evaluation	DHFS	69,252	0
93.125		Mental Health Planning and Demonstration Projects	DHFS	18,818	20,710
93.127		Emergency Medical Services for Children	DHFS	133,122	46,885
93.128		Grants for Technical Assistance Activities Related to the Block Grant for Community Mental Health Services-Mental Health Statistics Improvement Program	DHFS	(7,527)	0

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**STATE OF WISCONSIN**  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
93.130		Primary Care Services-Resource Coordination and Development Primary Care Offices	DHFS	91,194	0
93.136		Injury Prevention and Control Research and State and Community Based Programs	DHFS	325	0
93.139		Financial Assistance for Disadvantaged Health Professions Students	UW-Madison	16,846	0
93.150		Projects for Assistance in Transition from Homelessness	DHFS	311,379	268,852
93.161		Health Program for Toxic Substances and Disease Registry	DHFS	911,824	245,212
93.165		Grants for State Loan Repayment	Commerce	30,000	0
93.173		Research Related to Deafness and Communication Disorders	UW-Madison	70,459	0
93.176		Teacher/Scientist Partnerships: Impacting Drug Abuse	UW-Madison	218,774	0
93.178		Nursing Education Opportunities for Individuals from Disadvantaged Backgrounds	UW-Milwaukee	9,710	0
93.186		National Research Services Awards	UW-Madison	41,063	0
93.191		Allied Health Project Grants	UW-La Crosse	32,599	0
93.194		Community Prevention Coalitions (Partnership) Demonstration Grant	UW-Extension	121,578	0
93.197		Childhood Lead Poisoning Prevention Projects-State and Community-Based Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	DHFS	1,020,063	916,186
93.214		Extramural Research Facilities Construction	UW-Madison	2,500,000	0
93.218		Substance Abuse Treatment Conference Grants	DHFS	32,454	0
93.225		National Research Service Awards-Health Services Research Training	UW-Madison	24,264	0
93.230		Consolidated Knowledge Development and Application Program	DHFS	471,460	469,577
93.230		Consolidated Knowledge Development and Application Program	UW-Madison	104,271	9,750
		Total Federal Program 93.230		575,731	479,327
93.234		Traumatic Brain Injury	DHFS	58,725	17,545
93.235		Abstinence Education	DHFS	534,881	0
93.239		Policy Research and Evaluation Grants	DWD	160,661	0
93.262		Occupational Safety and Health Research Grants	DHFS	28,502	0
93.263		Occupational Safety and Health-Training Grants	UW-Stevens Point	18,131	0
93.263		Occupational Safety and Health-Training Grants	UW-Stout	56,476	0
93.268		Immunization Grants	DHFS	3,429,121	1,643,885
93.282		Mental Health National Research Service Awards for Research Training	UW-Madison	730,169	0
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance	DHFS	862,104	215,213
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance	DPI	2,024	0
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance	UW-La Crosse	3,000	0
		Total Federal Program 93.283		867,128	215,213
93.299		Advanced Nurse Education	UW-Eau Claire	15,064	0
93.358		Professional Nurse Traineeships	UW-Madison	56,874	0
93.358		Professional Nurse Traineeships	UW-Milwaukee	68,761	0
93.358		Professional Nurse Traineeships	UW-Eau Claire	75,282	0
93.358		Professional Nurse Traineeships	UW-Oshkosh	54,288	0
		Total Federal Program 93.358		255,205	0
93.359		Nursing-Special Projects	UW-Milwaukee	32,850	0
93.361		Nursing Research	UW-Madison	65,924	0
93.389		Research Infrastructure	UW-Madison	(16,237)	0
93.398		Cancer Research Manpower	UW-Madison	1,592,983	0
93.399		Cancer Control	DHFS	37,955	36,500
93.556		Family Preservation and Support Services	DHFS	3,151,260	3,077,613
93.558		Temporary Assistance for Needy Families (Note 2)	DWD	116,738,733	68,704,216
93.561		Job Opportunities and Basic Skills Training (Note 6)	DWD	(4,328,441)	(4,328,441)
93.562		Assistance Payments-Research	DWD	19,637	19,637
93.563		Child Support Enforcement (Notes 2, 6)	DWD	77,233,475	48,952,413
93.566		Refugee and Entrant Assistance-State Administered Programs	DWD	2,369,320	1,672,730
93.568		Low-Income Home Energy Assistance (Notes 2, 16)	DOA	34,815,769	10,765,933
93.569		Community Services Block Grant (Notes 2, 16)	DHFS	5,867,491	5,684,055
		Child Care Cluster:			
93.575		Child Care and Development Block Grant (Notes 2, 16)	DWD	851,639	822,292
93.596		Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Note 2)	DWD	116,401,782	49,705,906
		Total Child Care Cluster		117,253,421	50,528,198
93.576		Refugee and Entrant Assistance-Discretionary Grants	DHFS	43,988	0
93.576		Refugee and Entrant Assistance-Discretionary Grants	DWD	2,734,204	2,655,640
		Total Federal Program 93.576		2,778,192	2,655,640
93.585		Empowerment Zones Program	DHFS	1,261,413	1,261,413
93.595		Welfare Reform Research, Evaluations and National Studies	DWD	231,434	0
93.597		Grants to States for Access and Visitation Programs	DHFS	141,395	0
93.600		Head Start (Note 2)	DWD	263,758	263,466
93.600		Head Start (Note 2)	UW-Oshkosh	2,692,359	0
		Total Federal Program 93.600		2,956,117	263,466
93.630		Developmental Disabilities Basic Support and Advocacy Grants	DHFS	1,238,038	0
93.632		Developmental Disabilities University Affiliated Programs	UW-Madison	299,663	14,831
93.643		Children's Justice Grants to States	DOJ	151,386	0
93.645		Child Welfare Services-State Grants	DHFS	5,384,059	1,803,959
93.647		Social Services Research and Demonstration	DWD	11,156	0

The accompanying notes are an integral part of this schedule.

**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
93.648		Child Welfare Services Training Grants	UW-Green Bay	184,585	0
93.656		Temporary Child Care and Crisis Nurseries	DHFS	189,908	0
93.658		Foster Care-Title IV-E (Note 2)	DHFS	88,003,595	39,721,891
93.659		Adoption Assistance	DHFS	16,391,357	0
93.667		Social Services Block Grant (Notes 16, 17)	DHFS	70,636,529	65,804,491
93.669		Child Abuse and Neglect State Grants	DHFS	260,077	0
93.671		Family Violence Prevention and Services/Grants for Battered Women's Shelters-Grants to States and Indian Tribes	DHFS	1,354,653	1,277,551
93.672		Community-Based Prevention Program	CANPB	672,756	611,832
93.674		Independent Living	DHFS	1,320,577	1,049,465
93.773		Medicare-Hospital Insurance Medicaid Cluster:	DVA	22,778	0
93.778		Medical Assistance Program (Note 2)	DHFS	1,724,950,197	215,465,898
93.778		Medical Assistance Program (Note 2)	DWD	33,802,596	27,243,169
93.775		State Medicaid Fraud Control Units (Note 2)	DOJ	478,844	0
93.777		State Survey and Certification of Health Care Providers and Suppliers (Note 2)	DHFS	8,218,421	0
		Total Medicaid Cluster		1,767,450,058	242,709,067
93.779		Health Care Financing Research, Demonstrations and Evaluations	DHFS	220,536	187,291
93.821		Cell Biology and Biophysics Research	UW-Madison	1,564,656	0
93.838		Lung Diseases Research	UW-Madison	108,489	0
93.839		Blood Diseases and Resources Research	UW-Madison	5,615	0
93.846		Arthritis, Musculoskeletal and Skin Disease Research	UW-Madison	1,907	0
93.848		Digestive Diseases and Nutrition Research	UW-Madison	4,208	0
93.853		Clinical Research Related to Neurological Disorders	UW-Madison	29,199	0
93.854		Biological Basis Research in the Neurosciences	UW-Madison	2,257	0
93.856		Microbiology and Infectious Diseases Research	UW-Madison	139,238	0
93.859		Pharmacology, Physiology, and Biological Chemistry Research	UW-Madison	976,698	0
93.862		Genetics and Developmental Biology Research	UW-Madison	512,224	0
93.864		Population Research	UW-Madison	253,459	0
93.865		Center for Research for Mothers and Children	UW-Madison	265,764	0
93.866		Aging Research	UW-Madison	285,822	0
93.867		Vision Research	UW-Madison	121,087	0
93.880		Minority Access to Research Careers	UW-Madison	101,227	0
93.886		Grants for Physician Assistant Training Program	UW-Madison	249,484	0
93.894		Resource and Manpower Development in the Environmental Health Sciences	UW-Madison	251,743	0
93.895		Grants for Faculty Development in Family Medicine	UW-Madison	909	0
93.896		Grants for Predoctoral Training in Family Medicine	UW-Madison	124,245	0
93.906		Rural Health Medical Education Demonstration Projects	UW-Madison	40,975	0
93.913		Grants to States for Operation of Offices of Rural Health	UW-Madison	91,013	17,750
93.917		HIV Care Formula Grants	DHFS	2,881,255	1,152,571
93.919		Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	DHFS	2,563,817	1,603,607
93.922		National Center for Research Resources	UW-Milwaukee	25,058	0
93.938		Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	DPI	1,048,416	406,487
93.940		HIV Prevention Activities-Health Department Based	DHFS	2,628,172	1,798,438
93.942		Research, Treatment and Education Programs on Lyme Disease in the United States	DHFS	160,546	157,350
93.944		Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	DHFS	409,937	0
93.958		Block Grants for Community Mental Health Services (Note 16)	DHFS	5,602,787	5,357,718
93.959		Block Grants for Prevention and Treatment of Substance Abuse (Note 16)	DHFS	23,781,818	22,542,727
93.960		Special Minority Initiatives	UW-Madison	8,005	0
93.970		Health Professions Recruitment Program for Indians	UW-Eau Claire	268,595	0
93.977		Preventive Health Services-Sexually Transmitted Diseases Control Grants	DHFS	900,276	236,430
93.984		Grants for Establishment of Departments of Family Medicine	UW-Madison	113,226	0
93.987		Health Programs for Refugees	DHFS	116	0
93.988		Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	DHFS	451,014	53,119
93.991		Preventive Health and Health Services Block Grant (Note 16)	DHFS	3,681,447	1,793,863
93.994		Maternal and Child Health Services Block Grant to the States (Note 16)	DHFS	11,550,074	7,834,508
Other Federal Financial Assistance:					
N/A	93.N01-CN-15373	American Stop Smoking Intervention Study	DHFS	1,124,143	440,555
N/A	93.2709847057	AODA Treatment Needs Assessment	DHFS	3,197	0
N/A	93.98D364255	Chronic Disease Minority	DHFS	140	0
N/A	93.05-9x-05-VI-5002	Clinical Lab Improvement Act	DHFS	360,419	0
N/A	93.200-95-7252	DHFS Vital Statistics (Note 18)	DHFS	240,304	0
N/A	93.233-9x-4152	Field Test Diagnostic X-ray Inspections (Note 18)	DHFS	(16,888)	0
N/A	93.223-9x-4449	Mammography Quality Standards Act	DHFS	170,979	0
N/A	93.96D30205001D	Maternal Child Health/Assist Tobacco Control Program	DHFS	2,897	0
N/A	93.270-95-0011	State Demand and Need Assessment Studies	DHFS	145,906	19,568
N/A	93.283-95-0046	Uniform AODA Data Collection System	DHFS	66,867	13,665
N/A	93.	Federal Data Sharing	DWD	14,665	0
N/A	93.223-95-4073	Food Inspections	DATCP	69,150	0
N/A	93.223-95-4016	Medicated Feed Inspections	DATCP	4,819	0
N/A	93.223-9x-4008	Tissue Residue Inspections	DATCP	8,637	0

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**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
N/A	93.9767992	Botulinum Neurotoxin Type A, B, E and F Baratii Botulinum-Like Neurotoxin Type F	UW-Madison	793	0
N/A	93.N02-CO-81114	Cancer Information Service	UW-Madison	1,118,884	122,736
N/A	93.2 H46 MC00123-11	Nationwide Blood Lead and Erythrocyte Protoporphyrin Proficiency Testing Program	UW-Madison	67,747	0
N/A	93.N02-CO-40539	Region 11 Cancer Information Service	UW-Madison	(383)	0
N/A	93.904458	Support 1998 Wisconsin Primary Care Research Forum	UW-Madison	3,000	0
N/A	93.290-98-0015	Update the Ahopr-Supported Smoking Cessation Clinical Practice Guideline	UW-Madison	98,460	0
N/A	93.AGR dtd 2/23/99	Integration Analysis	UW-Extension	12,378	0
Subtotal Direct Programs				2,416,355,595	610,864,393
Subgrants:					
93.107		Area Health Education Centers-Model Programs (from Eastern Wisconsin Area Health Education Center, Inc.)	UW-Milwaukee	13,347	0
93.107		Area Health Education Centers-Model Programs (from Marquette University)	UW-Milwaukee	8,002	0
93.107		Area Health Education Centers-Model Programs (from Milwaukee Area Health Education Center)	UW-Milwaukee	5,023	0
93.144		Demonstration Grants for the Prevention of Alcohol and Drug Abuse Among High-Risk Populations (from Milwaukee Board of School Directors)	UW-Extension	3,003	0
93.144		Demonstration Grants for the Prevention of Alcohol and Drug Abuse Among High-Risk Populations (from Oconto County Department of Human Services)	UW-Extension	688	0
93.161		Health Program for Toxic Substances and Disease Registry (from Marquette University)	UW-Extension	56,613	0
93.242	93.1 KD1 T111456	Mental Health Research Grants (from Neuroscience Associates)	UW-Madison	(1,052)	0
93.283	93.PHB101-9	Centers for Disease Control and Prevention-Investigations and Technical Assistance (from Indiana State Department of Health)	UW-Extension	83,414	0
93.289		President's Council on Physical Fitness and Sports (from National Collegiate Athletic Association)	UW-Oshkosh	56,733	0
93.556		Family Preservation and Support Services (from Oconto County Partnership)	UW-Extension	9,253	0
93.556		Family Preservation and Support Services (from Racine County Department of Human Services)	UW-Extension	37,557	0
93.556		Family Preservation and Support Services (from Rock County Department of Human Services)	UW-Extension	279	0
93.556		Family Preservation and Support Services (from Washburn County Department of Human Services)	UW-Extension	3,676	0
93.570		Community Services Block Grant-Discretionary Awards (from National Collegiate Athletic Association)	UW-Eau Claire	76,580	0
93.570		Community Services Block Grant-Discretionary Awards (from National Collegiate Athletic Association)	UW-La Crosse	73,222	0
93.588		Community Schools Youth Services and Supervision Program (from ESHAC)	UW-Milwaukee	1,494	0
93.658		Foster Care-Title IV-E (Note 2) (from Oconto County Department of Human Services)	UW-Extension	25,137	0
93.658		Foster Care-Title IV-E (Note 2) (from Rock County Department of Human Services)	UW-Extension	29,744	0
93.674	93.40-97381-200	Independent Living (from Milwaukee County Department of Human Services)	UW-Milwaukee	704	0
93.824	93.AGR dtd 1/18/95	Area Health Education Centers (from Medical College of Wisconsin, Inc.)	UW-Madison	154,760	0
93.824	93.AGR dtd 7/11/98	Area Health Education Centers (from Southwest Wisconsin Area Health Education Center)	UW-Madison	5,500	0
93.824	93.AGR dtd 10/1/98	Area Health Education Centers (from Medical College of Wisconsin, Inc.)	UW-Oshkosh	16,073	0
93.824	93.AGR dtd 10/1/98	Area Health Education Centers (from Eastern Wisconsin Area Health Education Center)	UW-Parkside	99,128	0
93.969	93.5 D31Ha70009-06	Grants for Geriatric Education Centers (from Marquette University)	UW-Milwaukee	4,019	0
93.991	93.AGR dtd 6/23/98	Preventive Health and Health Services Block Grant (from Indiana State Department of Health)	UW-Extension	56,456	0
N/A	93.AGR dtd 12/10/96	Health Care Professionals Training and Technical Assistance-Medical Specialists (from American Academy of Addiction Psychiatry)	UW-Madison	14,622	0
N/A	93.WC01	Head Start Quality Improvement Center (from Cooperative Educational Service Agency #5)	UW-Madison	27,157	0
N/A	93.AGR dtd 12/17/97	Evaluation of the Anishinabek Family Value Pregnancy Prevention Project (from First American Prevention Center)	UW-Madison	2,934	0
N/A	93.CK E1131629	1998 Fourth Annual NRSA Trainees Meeting (from Georgetown University)	UW-Madison	885	0
N/A	93.AGR dtd 2/14/97	Wisconsin Area Health Education Center System (from Medical College of Wisconsin, Inc.)	UW-Madison	(12,685)	0
N/A	93.AGR dtd 1/11/99	Northwoods Healthnet (from Northern Wisconsin Area Health Education Center, Inc.)	UW-Madison	2,614	0
N/A	93.9858302	Multi-Media Video Task Analysis Ergonomics Analysis and Design Consortium (from Pittsburgh Research Center)	UW-Madison	4,732	0
N/A	93.AGR dtd 5/9/97	Waisman Center Katie Beckett Regional Program (from Sally Mather Associates)	UW-Madison	47,485	0
N/A	93.AGR dtd 1/11/99	Family Medicine Faculty Database Design and Maintenance Planning (from Society of Teachers of Family Medicine)	UW-Madison	20,743	0
N/A	93	Various Subgrants (from Southwest Wisconsin Area Health Education Center, Inc.)	UW-Madison	44,390	0
N/A	93.369656	Transition Website (from University of Florida)	UW-Madison	7,565	0
N/A	93.2-5-24589-5611	Public Health Information Initiative: Web-Based Access to Information Resources (from University of Illinois-Chicago)	UW-Madison	25,005	0
N/A	93	Various Subgrants (from Wisconsin Council on Developmental Disabilities)	UW-Madison	25,162	12,100
N/A	93.LTR dtd 5/13/98	Future Doctors of our Community (from Eastern Wisconsin Area Health Education Center)	UW-Parkside	3,902	0
N/A	93.AGR dtd 4/15/98	Residential Doctors of Color II Program (from Eastern Wisconsin Area Health Education Center)	UW-Parkside	7,686	0

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**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 1999**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
N/A	93.PA0000053	Il Role 99 (from State of Illinois)	UW-Stout	43,464	0
N/A	93.AGR dtd 9/1/96	Home Health Agency (from Midwest Medical Homecare)	UW-Whitewater	(8,604)	0
		Subtotal Subgrants		<u>1,076,410</u>	<u>12,100</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				<u>2,417,432,005</u>	<u>610,876,493</u>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:</b>					
94.003		State Commissions	DOA	128,070	0
94.004		Learn and Serve America-School and Community Based Programs	DPI	494,368	406,474
94.004		Learn and Serve America-School and Community Based Programs	DOA	26,776	26,776
		Total Federal Program 94.004		<u>521,144</u>	<u>433,250</u>
94.005		Learn and Serve America-Higher Education (from UW-River Falls)	UW-Milwaukee	4,888	0
94.005		Learn and Serve America-Higher Education	UW-Eau Claire	51,219	0
94.005		Learn and Serve America-Higher Education (from UW-River Falls)	UW-Green Bay	(1,502)	0
94.005		Learn and Serve America-Higher Education	UW-River Falls	186,308	0
94.005		Learn and Serve America-Higher Education (from UW-River Falls)	UW-Stout	(7,640)	0
94.005		Learn and Serve America-Higher Education (from UW-River Falls)	UW-Superior	226	0
94.005		Learn and Serve America-Higher Education (from UW-River Falls)	UW-Whitewater	452	0
94.005		Learn and Serve America-Higher Education (from UW-River Falls)	UW Colleges	3,917	0
		Total Federal Program 94.005		<u>237,868</u>	<u>0</u>
94.006		AmeriCorps	DOA	1,456,603	1,456,603
94.007		Planning and Program Development Grants	DOA	4,237	4,237
94.007		Planning and Program Development Grants	UW-Oshkosh	(62)	0
		Total Federal Program 94.007		<u>4,175</u>	<u>4,237</u>
94.009		Training and Technical Assistance	DOA	38,802	0
94.011		Foster Grandparent/Senior Companion Cluster: Foster Grandparent Program	DHFS	1,111,146	987,142
		Total Foster Grandparent/Senior Companion Cluster		<u>1,111,146</u>	<u>987,142</u>
		Subtotal Direct Programs		<u>3,497,808</u>	<u>2,881,232</u>
<b>Subgrants:</b>					
94.004	94.87056.11-97	Learn and Serve America-School and Community Based Programs (from North Central Community Action Program)	DPI	117	0
94.004	94.LSSIA015	Learn and Serve America-School and Community Based Programs (from State of Iowa Department of Education)	DPI	6,240	0
94.004	94.22291	Learn and Serve America-School and Community Based Programs (from State of Minnesota Department of Education)	DPI	417	0
94.004		Learn and Serve America-School and Community Based Programs (from Cooperative Educational Service Agency #2)	UW-Platteville	11,285	0
94.007		Planning and Program Development Grants (from National Youth Leadership Council)	UW-River Falls	32,078	0
		Subtotal Subgrants		<u>50,137</u>	<u>0</u>
<b>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>				<u>3,547,945</u>	<u>2,881,232</u>
<b>U.S. SOCIAL SECURITY ADMINISTRATION:</b>					
<b>Disability Insurance/SSI Cluster:</b>					
96.001		Social Security-Disability Insurance (Note 2)	DHFS	19,879,398	0
96.001		Social Security-Disability Insurance (Notes 2, 18)	DWD	394,131	189,780
96.006		Supplemental Security Income (Notes 2, 18)	DWD	641,180	0
		Total Disability Insurance/SSI Cluster		<u>20,914,709</u>	<u>189,780</u>
96.007		Social Security-Research and Demonstration	DHFS	280,672	0
<b>Other Federal Financial Assistance:</b>					
N/A	96.0600-98-32704; 95-18362	Social Security Administration Death Records (Note 18)	DHFS	55,996	0
N/A	96.0600-98-32750; 95-17707	Social Security Enumeration (Note 18)	DHFS	59,921	0
<b>TOTAL U.S. SOCIAL SECURITY ADMINISTRATION</b>				<u>21,311,298</u>	<u>189,780</u>
<b>U.S. ARMS CONTROL AND DISARMAMENT AGENCY:</b>					
<b>Other Federal Financial Assistance:</b>					
N/A	99.AC97DG6003	Hubert H. Humphrey Fellowship: International Cooperation on Export Controls: Nonproliferation	UW-Madison	2,935	0
<b>TOTAL INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>				<u>\$ 4,322,635,032</u>	<u>\$ 1,228,050,252</u>

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**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
<b>U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT:</b>					
N/A	02. RD	R&D	UW-Madison	\$ 3,676,369	\$ 1,691,151
R&D Subgrants:					
N/A	02.4050-98-S-002;	Basis Technical Assistance Contract-Technical Support for the Inter-Summit Property	UW-Madison	94,309	0
N/A	02.AGR dtd 9/28/95	T1 (from Development Alternatives, Inc.) Hydrogen Peroxide-Producing Lactobacilli: Effect on Nonoxynol-9 on Prevalence (from Eastern Virginia Medical School)	UW-Madison	(215)	0
N/A	02.C16-020	Characterization and Management of Tomato and Pepper Geminiviruses (from Hebrew University of Jerusalem)	UW-Madison	12,839	0
N/A	02.AGR dtd 6/19/97	Women's Legal Rights to Property in Ethiopia, South Africa, Peru and Bangladesh (from International Food Policy Research Institute)	UW-Madison	18,520	0
N/A	02.9711100.UWM	Vulnerability, Insecurity and the Dynamics of Persistent Poverty in South Africa (from International Food Policy Research Institute)	UW-Madison	217	0
N/A	02.93-633-8700	Guinea Bissau Trade and Investment Promotion Support Project (from Labat-Anderson, Inc.)	UW-Madison	1,496	0
N/A	02.AGR dtd 5/15/89	Molecular Approaches to Control of Bean Golden Mosaic (from Michigan State University)	UW-Madison	75,422	6,572
N/A	02.121-18-19; 121-20-21	Impacts of Economic Reform on the Livestock Sector of Central Asia (from University of California-Davis)	UW-Madison	317,598	0
N/A	02.120-18-19; 120-20-21	Livestock-Natural Resource Interfaces at the Internal Frontier in Latin America (from University of California-Davis)	UW-Madison	140,329	96,202
N/A	02.120-18	Small Ruminant CRSP-Latin America (from University of California-Davis)	UW-Madison	6	0
N/A	02.RD309-	Sustainable Agriculture and Natural Resource Management Systems (from University of Georgia)	UW-Madison	219,744	123,604
	010/5198003; RC710-				
N/A	006/5912994 02.CR-19126-	Cattle, Manure and Soil Fertility Management to Increase Nutrients Availability (from Virginia Polytechnic Institute and State)	UW-Madison	21,841	0
N/A	434604 02.SUB 2	Mali Livestock Sector II Project Design (from Washington State University)	UW-Madison	46	0
N/A	02.5033-97-1	Guinea Natural Resources Management Activity (from Winrock International Institute for Agriculture)	UW-Madison	90,307	0
		Subtotal R&D Subgrants		992,459	226,378
<b>TOTAL R&amp;D FROM U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT</b>				<b>4,668,828</b>	<b>1,917,529</b>
<b>INTER-AMERICAN FOUNDATION:</b>					
N/A	04.F6-034-x01	Graduate Study Program for Latin American and Caribbean Citizens	UW-Madison	(425)	0
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>					
10.001		Agricultural Research-Basic and Applied Research	UW-Milwaukee	159	0
10.200		Grants for Agricultural Research, Special Research Grants	UW-Madison	448,422	31,459
10.200		Grants for Agricultural Research, Special Research Grants	UW-Milwaukee	223	0
10.200		Grants for Agricultural Research, Special Research Grants (from UW-Extension)	UW-Stout	(11,427)	0
		Total Federal Program 10.200		437,218	31,459
10.203		Payments to Agricultural Experiment Stations Under the Hatch Act	UW-Madison	5,163,021	0
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Madison	2,830,760	74,484
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Milwaukee	42,808	7,283
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Oshkosh	66,637	0
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Parkside	22,165	0
		Total Federal Program 10.206		2,962,370	81,767
10.217		Higher Education Challenge Grants (from UW-River Falls)	UW-Madison	13,678	0
10.219		Biotechnology Risk Assessment Research	UW-Madison	(1,573)	0
10.224		Fund for Rural America-Research, Education, and Extension Activities	UW-Madison	138,788	12,000
10.500		Cooperative Extension Service (from UW-Extension)	UW-Stout	33,436	0
10.652		Forestry Research	UW-Madison	204,456	41,240
10.664		Cooperative Forestry Assistance	UW-Madison	23,827	0
10.664		Cooperative Forestry Assistance	UW-Stevens Point	39,388	0
		Total Federal Program 10.664		63,215	0
10.960		Technical Agricultural Assistance	UW-Madison	90,646	0
10.961		Scientific Cooperation Program	UW-Madison	116,785	0
10.962		International Training-Foreign Participant	UW-Madison	1,231	0
N/A	10.RD	R&D from Agricultural Research Service	UW-Madison	1,374,117	116,707
N/A	10.RD	R&D from Cooperative State Research, Education and Extension Service	UW-Madison	129,876	27,658
N/A	10.RD	R&D from Forest Service	UW-Madison	317,907	0
N/A	10.RD	R&D	UW-Madison	461,550	117,775
N/A	10.53-56A6-5-00043	R&D from Forest Service	UW-Milwaukee	5,529	0
N/A	10.NC-94-CR02	Effects of Tropospheric Ozone on Growth and Physiological Process of Aspen Genotype	UW-Parkside	1,283	0
N/A	10.53-56A6-6-01054	Ecological Classification System Nicolet National Forest	UW-Stevens Point	24,958	0
N/A	10.74-5-F48-7-132	Effects of Intensive Rotational Grazing on Groundwater Quality	UW-Stevens Point	296	0
N/A	10.59-1275-8-058	Evaluation of Multiple Disease Resistance in Potato Breeding Clones	UW-Stevens Point	20,855	0
N/A	10.58-1275-9-032	Evaluation of Verticillium Resistance in Tetraploid Offspring of 4X X2X X Doubled 2X Populations	UW-Stevens Point	6,465	0
N/A	10.23-97-40RJYA	Experimental Removal of Walleye from Big Crooked Lake	UW-Stevens Point	7,350	0

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**STATE OF WISCONSIN**  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	10.R910-HR-92-005	Limits of Acceptance Chance Planning for the Rock River Canyon Wilderness Area	UW-Stevens Point	(426)	0
N/A	10.59-1275-9-037	Synergistic Interactions Between Verticillium Dahliae Pratylenchus Penetrans in PED	UW-Stevens Point	4,005	0
N/A	10.58-1275-7-040	Transfer of Verticillium Resistance from Diploid Hybrids to Tetraploid Offspring	UW-Stevens Point	40	0
		Subtotal Direct R&D Grants		<u>11,577,235</u>	<u>428,606</u>
		R&D Subgrants:			
10.200		Grants for Agricultural Research, Special Research Grants (from Cornell University)	UW-Madison	4,806	0
10.200		Grants for Agricultural Research, Special Research Grants (from Michigan State University)	UW-Madison	121,899	0
10.200		Grants for Agricultural Research, Special Research Grants (from Oregon State University)	UW-Madison	26,767	0
10.200		Grants for Agricultural Research, Special Research Grants (from Purdue University)	UW-Madison	188,089	0
10.200		Grants for Agricultural Research, Special Research Grants (from University of Idaho)	UW-Madison	9,491	0
10.200		Grants for Agricultural Research, Special Research Grants (from University of Nebraska)	UW-Madison	1,564	0
10.200	10.61-4069J	Grants for Agricultural Research, Special Research Grants (from Michigan State University)	UW-Milwaukee	259	0
10.200	10.61-4132D	Grants for Agricultural Research, Special Research Grants (from Michigan State University)	UW-Superior	5,422	0
10.206		Grants for Agricultural Research-Competitive Research Grants (from Kansas State University)	UW-Madison	121	0
10.206		Grants for Agricultural Research-Competitive Research Grants (from University of Arkansas)	UW-Stevens Point	9,778	0
10.217		Higher Education Challenge Grants (from Michigan State University)	UW-Madison	14,911	0
10.500		Cooperative Extension Service (from Michigan State University)	UW-Madison	(127)	0
N/A	10.US-2781-96	Characterization of Brucella Melinensis Rev 1 Attenuated Mutants (from Binational Agricultural Research and Development)	UW-Madison	(5,997)	0
N/A	10.RD	R&D Subgrants (from Iowa State University)	UW-Madison	(5,077)	0
N/A	10.RD	R&D Subgrants (from Lumberjack Resource Conservation and Development Council, Inc.)	UW-Madison	30,433	0
N/A	10.RD	R&D Subgrants (from Michigan State University)	UW-Madison	12,413	0
N/A	10.LTR dtd 2/25/97; 6/17/98	National Center for Resource Innovations-Great Lakes (from National Center for Resource Innovations)	UW-Madison	93,835	0
N/A	10.LWF 62-016-03717	Development of Sustainable Practices for Integrated Management of Apple Diseases (from North Central Region SARE Program)	UW-Madison	42,456	0
N/A	10.4571D	North Central Canola Research Program (from North Dakota State University)	UW-Madison	869	0
N/A	10.IS-2894-97	Regulation of Senescence by Sugar Metabolism (from U.S.-Israel Binational Agricultural Research and Development)	UW-Madison	16,632	0
N/A	10.593-0213-22	Development of Vectors for the Enhanced Production of Proteins in Transgenic Plants (from Purdue University)	UW-Madison	(7,946)	0
N/A	10.593-0220-09	Production of Phytase in Transgenic Alfalfa (from Purdue University)	UW-Madison	(267)	0
N/A	10.RD	R&D Subgrants (from University of Florida)	UW-Madison	9,829	0
N/A	10.RD	R&D Subgrants (from University of Minnesota)	UW-Madison	16,745	0
N/A	10.H4166277101	Soil Organic Matter Sorption of HG2+ and the Role of Reduced Organic Sulfur (from University of Minnesota)	UW-Madison	34,792	0
N/A	10.LWF 62-016-03712	Evaluating Pasture Based Poultry Systems: Potential Contributions to Farm Diversification (from University of Nebraska)	UW-Madison	43,792	0
N/A	10.LWF 62-016-03709	Using Small Grain Cover Crop Alternatives to Diversify Crop Rotations (from University of Nebraska)	UW-Madison	39,618	33,688
N/A	10.LWF 62-016-03711	Training and Transitioning New Farmers: Practical Experiment in Farmer Self-Development (from University of Nebraska)	UW-Madison	15,640	0
N/A	10.CR-4834-428701	Mechanisms of Endotoxin-Induced Porcine Inflammatory Lung Injury (from Virginia Polytechnic Institute and State University)	UW-Madison	(133)	0
		Subtotal R&D Subgrants		<u>720,614</u>	<u>33,688</u>
		<b>TOTAL R&amp;D FROM U.S. DEPARTMENT OF AGRICULTURE</b>		<u><b>12,297,849</b></u>	<u><b>462,294</b></u>
<b>U.S. DEPARTMENT OF COMMERCE:</b>					
11.303		Economic Development-Technical Assistance	UW-Milwaukee	57,573	0
11.417		Sea Grant Support	UW-Madison	1,807,698	18,618
11.417		Sea Grant Support (from UW-Madison)	UW-Milwaukee	461,593	0
11.417		Sea Grant Support (from UW-Madison)	UW-Green Bay	17,626	0
11.417		Sea Grant Support (from UW-Madison)	UW-La Crosse	4,046	0
11.417		Sea Grant Support (from UW-Madison)	UW-Stevens Point	275	0
11.417		Sea Grant Support (from UW-Madison)	UW-Superior	(4,087)	0
11.417		Sea Grant Support (from UW-Madison)	UW Colleges	28,533	0
		Total Federal Program 11.417		<u>2,315,684</u>	<u>18,618</u>
11.426		Financial Assistance for National Centers for Central Coastal Ocean Science	UW-Milwaukee	41,702	0
11.431		Climate and Atmospheric Research	UW-Madison	76,449	0
11.431		Climate and Atmospheric Research	UW-Milwaukee	113,820	0
		Total Federal Program 11.431		<u>190,269</u>	<u>0</u>

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**STATE OF WISCONSIN  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
11.612		Advanced Technology Program	UW-Milwaukee	17,371	0
N/A	11.RD	R&D from National Oceanic and Atmospheric Administration	UW-Madison	3,153,467	0
N/A	11.RD	R&D from National Institute for Standards and Technology	UW-Madison	67,227	0
				5,843,293	18,618
R&D Subgrants:					
11.417	11.CA 98-07	Sea Grant Support (from University of Maryland)	UW-Milwaukee	140	0
11.420		Coastal Zone Management Estuarine Research Reserves (from Bailey Property Preservation Association)	UW-Milwaukee	1,920	0
11.430	11.PSA 1402-97; PSA 2267	Undersea Research (from University of Connecticut)	UW-Milwaukee	19,233	0
11.431		Climate and Atmospheric Research (from University Corporation for Atmospheric Research)	UW-La Crosse	7,567	0
11.432	11.UMICH-3000052519	Environmental Research Laboratories Cooperative Institutes (from University of Michigan)	UW-Milwaukee	1,297	0
11.443	11.S98-94688	Short Term Climate Fluctuations (from University Corporation for Atmospheric Research)	UW-Milwaukee	5,326	0
11.611	11.AGR dtd 1/19/98	Manufacturing Extension Partnership (from Wisconsin Center for Manufacturing and Productivity, Inc.)	UW-Madison	2,485	0
N/A	11.351571SC	Plasma-Based Ion Implanting Program (from Environmental Research Institute of Michigan)	UW-Madison	53,020	0
N/A	11.UCAR S98-94733	Development of Diagnostic Tools for Forecasting Heavy Precipitation in the Occluded Sector (from University Corporation for Atmospheric Research)	UW-Madison	25,109	0
N/A	11.UCAR S98-93861	Operational Prediction of Meso-Beta-Scale Weather in the Vicinity of the Western Great Lakes (from University Corporation for Atmospheric Research)	UW-Madison	34,622	0
				150,719	0
<b>TOTAL R&amp;D FROM U.S. DEPARTMENT OF COMMERCE</b>				<b>5,994,012</b>	<b>18,618</b>
U.S. DEPARTMENT OF DEFENSE:					
12.300		Basic and Applied Scientific Research	UW-Madison	2,386,855	216,705
12.420		Military Medical Research and Development	UW-Madison	682,795	12,125
12.630		Basic, Applied, and Advanced Research in Science and Engineering	UW-Madison	692,312	0
12.800		Air Force Defense Research Sciences Program	UW-Madison	1,089,289	0
12.800		Air Force Defense Research Sciences Program	UW-Milwaukee	21,497	0
12.800		Air Force Defense Research Sciences Program	UW-Stout	1,671	0
Total Federal Program 12 800				1,112,457	0
12.901		Mathematical Sciences Grants Program	UW-Madison	76,220	0
12.901		Mathematical Sciences Grants Program	UW-Parkside	784	0
Total Federal Program 12.901				77,004	0
12.910		Research and Technology Development	UW-Madison	993,424	382,969
12.910		Research and Technology Development	UW-Milwaukee	85,788	0
Total Federal Program 12.910				1,079,212	382,969
N/A	12 N61331-98-K-08	Decompression Risk Minimization in Submarine Rescue	UW-Madison	239,803	0
N/A	12.DSWA01-98-1-08	Seismic Event Location Analysis with Ground-Truth Datasets	UW-Madison	41,601	0
N/A	12.RD	R&D from Army	UW-Madison	4,466,961	83,574
N/A	12.RD	R&D from Navy	UW-Madison	362,715	0
N/A	12.RD	R&D from Air Force	UW-Madison	353,703	0
N/A	12.RD	R&D from Advanced Research Projects Agency	UW-Madison	1,512,397	139,383
N/A	12.DACW37-94	Holcombe Flowage Bathymetric Mapping Project	UW-Eau Claire	(512)	0
N/A	12.DACW37X; DACA45-95D-19	R&D from Army Corps of Engineers	UW-La Crosse	35,632	0
N/A	12.SPO100-95-D1009	Computer-Aided Designs	UW-Stout	3,976	0
				13,046,911	834,756
R&D Subgrants:					
12.300	12.5-36108	Basic and Applied Scientific Research (from Dartmouth College)	UW-Madison	5,533	0
12.420	12.97101301	Military Medical Research and Development (from Rush University)	UW-Madison	42,229	0
12.800	12.542252-52238	Air Force Defense Research Sciences Program (from Carnegie Mellon University)	UW-Milwaukee	18,741	0
12.800	12.97-0877	Air Force Defense Research Sciences Program (from Research and Development Laboratories)	UW-Milwaukee	20	0
12.800	12.F30602-98-1-0045	Air Force Defense Research Sciences Program (from Rome Laboratory)	UW-Milwaukee	32,414	0
12.900	12.CG 9818	Language Grant Program (from University of Maryland-Baltimore County)	UW-Milwaukee	33,803	0
N/A	12.97-S-2231-UWM	Use of Pultruded Composite Material in the Conceptual Design of Causeways Services (from Aepco, Inc.)	UW-Madison	3,299	0
N/A	12.98-P-2376-UW	Joint Modular Lighter Systems (from Aepco, Inc.)	UW-Madison	50,745	11,470
N/A	12.01393	Poes/Dmsp Antenna System for the Kwajalein Mcidas (from Aeromet, Inc.)	UW-Madison	325	0
N/A	12.S755UW	VIIRS Sensor Payload and Algorithm Development Concept Study for the Npoess Program (from Atmospheric and Environmental Research, Inc.)	UW-Madison	47,523	0
N/A	12.9608-01C-0168A	Multi-Discipline Multi-Level Simulators of Electromechanical Products (from Beam Technologies, Inc.)	UW-Madison	62,139	0

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	12.17841	Kiva Modeling and Analysis of Engine Combustion (from BKM, Inc.)	UW-Madison	49,843	0
N/A	12.PC279342	GAN Thyristors and Schottky Diodes (from California Institute of Technology)	UW-Madison	14,245	0
N/A	12.PC290628	Technical Support for Advanced Air Pollution Emissions Testing (from California Institute of Technology)	UW-Madison	32,401	0
N/A	12.PC074513	URI Visible Light Emitters: Light Emitting Diodes and Lasers (from California Institute of Technology)	UW-Madison	45,914	0
N/A	12.DABT63-99-C-0008 UW	Mesoscopic Integrated Conformal Electronics (from CMS Technetronics)	UW-Madison	53,274	0
N/A	12.RD	R&D Subgrants (from Center for Naval Analyses)	UW-Madison	4,134	0
N/A	12.357824	ATP-Modeling, Characterization, and PSII Processing for Boeing Applications (from ERM International, Inc.)	UW-Madison	15,000	0
N/A	12.2FR3005	Design and Fabrication of Gaas Diodes (from Focused Research, Inc.)	UW-Madison	23,180	0
N/A	12.AGR dtd 9/24/97	Novel Gene Gun Mediated Il-12 Gene Therapy for Breast Cancer (from Geniva, Inc.)	UW-Madison	389,162	0
N/A	12.T1S098855	Task 9.2.X Phase/Solidification Diagrams (from Howmet Research Center)	UW-Madison	28,200	0
N/A	12.QE7678	X-ray Lithography Support for Dalp Program (from Lockheed Sanders, Inc.)	UW-Madison	3,404	0
N/A	12.QS4951	Point Source X-ray Lithographic Systems for Sub-0.15 Um Design Rules (from Lockheed Sanders, Inc.)	UW-Madison	825,775	0
N/A	12.AGR dtd 6/8/98	Design and Synthesis of Orally Active Inhibitors of Botulinum Toxin Metalloproteases (from Promega Corporation)	UW-Madison	129,082	0
N/A	12.SSAN: 188-62-0324	National Defense Science and Engineering Graduate Fellowship (from Southeastern Center for Electrical Engineering)	UW-Madison	200	0
N/A	12.320-2563A	Direct Digital Mammography Using Capillary Optics (from State University of New York-Albany)	UW-Madison	25,960	0
N/A	12.S98500	Point Source X-ray Lithographic Systems for Sub-0.15 Um Design Rules-Magnification Correction (from SUSS Advanced Lithography, Inc.)	UW-Madison	104,733	0
N/A	12.J-09301-S98060	Distributed Queries and Change Management in DDB (from TASC, Inc.)	UW-Madison	195,241	0
N/A	12.63462BR X7S	Single-Model Al-Free Arrow-Type Diode Laser (from TRW Space and Electronics, Inc.)	UW-Madison	20,355	0
N/A	12.97RA0494	Optical Avalanches: Using Anchoring Transitions of Liquid Crystals on Organized Surfaces (from University of California)	UW-Madison	79,184	0
N/A	12.SA1103-25511LD	Three Dimensional Structure Determination of Botulinum Neurotoxin (from University of California-Berkeley)	UW-Madison	3,732	0
N/A	12.AGR dtd 2/19/98	Intersubband Quantum Box Lasers (from University of Florida)	UW-Madison	2,331	0
N/A	12.98-129	Integrated, Language-Directed Performance Prediction, Measurement and Analysis Environment (from University of Illinois-Urbana-Champaign)	UW-Madison	126,874	0
N/A	12.M000013	Automotive Research Center: Powertrain System Modeling (from University of Michigan)	UW-Madison	69,471	0
N/A	12.RD	R&D Subgrants (from University of Michigan)	UW-Madison	8,276	0
N/A	12.UTA96-0033	Intelligent Manufacturing in Electronics and Materials Processing (from University of Texas-Austin)	UW-Madison	34,484	0
N/A	12.UTA96-0034	Silicon and Germanium Thin Film Chemical Vapor Deposition, Modeling and Control (from University of Texas-Austin)	UW-Madison	76,704	0
N/A	12.UTA98-0111	Environment for End-to-End Performance Design of Large-Scale Parallel Adaptive Computer (from University of Texas-Austin)	UW-Madison	70,335	0
N/A	12.97-044	Structure-Based Design of Acute Countermeasures to Alphaviruses, Flaviviruses and Arenaviruses (from University of Texas Medical Branch)	UW-Madison	88,819	0
N/A	12.CR-4869-430724	Power Electronic Building Blocks and System Integration (from Virginia Polytechnic Institute and State University)	UW-Madison	161,305	0
N/A	12.N61533-94-D0028	Multi-Level Power Converter Modeling and Control (from P. C. Krause and Associates)	UW-Milwaukee	5,089	0
		Subtotal R&D Subgrants		2,983,478	11,470
		<b>TOTAL R&amp;D FROM U.S. DEPARTMENT OF DEFENSE</b>		<b>16,030,389</b>	<b>846,226</b>
N/A	13.95-F138500	<b>CENTRAL INTELLIGENCE AGENCY:</b> Integrated Access to a Cluster of Data Providers	UW-Madison	27,997	0
		<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>			
14.506		General Research and Technology Activity	UW-Milwaukee	(177)	0
14.511		Community Outreach Partnership Center Program	UW-Milwaukee	(1,573)	0
N/A	14.H-21152SG	Application of Sustainability as a Framework for Community Development Planning	UW-Madison	11,171	0
		Subtotal Direct R&D Grants		9,421	0
14.218	14.C017057	R&D Subgrants: Community Development Block Grants/Entitlement Grants (from City of Milwaukee Community Block Grant Program)	UW-Milwaukee	5,181	0
14.218		Community Development Block Grants/Entitlement Grants (from Harambee Technical Assistance Project)	UW-Milwaukee	1,994	0
14.219		Community Development Block Grants/Small Cities Program (from City of La Crosse)	UW-La Crosse	11,423	0
		Subtotal R&D Subgrants		18,598	0
		<b>TOTAL R&amp;D FROM U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		<b>28,019</b>	<b>0</b>
		<b>U.S. DEPARTMENT OF THE INTERIOR:</b>			
15.600		Anadromous Fish Conservation	UW-Milwaukee	(2,445)	0
15.608		Fish and Wildlife Management Assistance	UW-Milwaukee	475	0
15.608		Fish and Wildlife Management Assistance	UW-Stevens Point	8,148	0
		<b>Total Federal Program 15.608</b>		<b>8,623</b>	<b>0</b>

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
15.617		Wildlife Conservation and Appreciation	UW-Stevens Point	574	0
15.808		U.S. Geological Study-Research and Data Acquisition	UW-Milwaukee	1,754	0
15.808		U.S. Geological Study-Research and Data Acquisition	UW-La Crosse	52,480	0
		Total Federal Program 15.808		54,234	0
15.978		Upper Mississippi River System Long Term Resource Monitoring Program	UW-La Crosse	563,351	0
15.978		Upper Mississippi River System Long Term Resource Monitoring Program	UW-Stevens Point	80,895	0
		Total Federal Program 15.978		644,246	0
N/A	15.RD	R&D from Fish and Wildlife Service	UW-Madison	1,917	0
N/A	15.RD	R&D from National Biological Service	UW-Madison	186,139	0
N/A	15.RD	R&D from U.S. Geological Survey	UW-Madison	240,525	0
N/A	15.RD	R&D	UW-Madison	294,502	0
N/A	15.1448-40181-97-G-031	R&D from Fish and Wildlife Service	UW-Milwaukee	8,718	0
N/A	15.RD	R&D	UW-Milwaukee	(687)	0
N/A	15.14-48-03-94-1064	St. Croix River Mussels	UW-La Crosse	19,975	0
N/A	15.14-48-03-98-1108	R&D from Fish and Wildlife Service	UW-La Crosse	1,000	0
N/A	15.14-16-03-89-948	R&D from U.S. Geological Survey	UW-La Crosse	3,489	0
N/A	15.13-00-7-0001	Ferrets at Conata Basins/Badlands	UW-Stevens Point	10,138	0
N/A	15.DCN30181-6-0680	Refuge Sediments	UW-Superior	(309)	0
N/A	15.FWS3-96-RFQ-37, 1448-30181-98-M235	Assessment of Sea Lamprey Spawning Runs in the Oconto, Peshtigo, and Menominee Rivers and Lake Michigan	UW Colleges	331	0
		Subtotal Direct R&D Grants		1,470,970	0
		R&D Subgrants:			
15.608		Fish and Wildlife Management Assistance (from Montana State University)	UW-La Crosse	(42)	0
15.808		U.S. Geological Survey-Research and Data Acquisition (from Portland State University)	UW-Eau Claire	11,789	0
15.904		Historic Preservation Fund Grants-In-Aid (from La Crosse County)	UW-La Crosse	(364)	0
15.904		Historic Preservation Fund Grants-In-Aid (from Nebraska State Historical Society)	UW-La Crosse	896	0
N/A	15.AGR dtd 1/1/98	R&D Subgrants (from Great Lakes Indian Fish and Wildlife Commission)	UW-Madison	9,188	0
N/A	15.LTR dtd 9/10/96	Wild Turkey Survival and Habitat Use in Chase County, Kansas (from Kansas Department of Wildlife and Parks)	UW-Madison	18,781	0
N/A	15.AGR dtd 1/24/97	Documentation of Environmental Changes in the Last 200 Years in Little Trout and Ink Spot Lakes (from Lac du Flambeau Band of Lake Superior Chippewa)	UW-Madison	17,231	0
N/A	15.99HQSA0475	Developmental Analysis of Frog Malformations (from Nahenal Wildlife Health Center)	UW-Madison	18,073	0
N/A	15.97-118	Cowbird Parasitism and Cattle Grazing in New Mexico (from National Fish and Wildlife Foundation)	UW-Madison	8,758	0
N/A	15.MOU dtd 6/19/98	Investigation of Mercury Levels in the Food Web of Isle Royale National Park, Michigan (from National Park Foundation)	UW-Madison	17,469	0
N/A	15.UWE97063	Using Continuous Hydrologic Modeling to Evaluate Management Strategies for Reducing Flood Risks (from Oneida Nation of Wisconsin)	UW-Madison	(310)	0
N/A	15.UI-TPSU-UW-929-1432	Recreation Fee Program (from Pennsylvania State University)	UW-Madison	12,582	0
N/A	15.KK4012	Social, Economic and Historic Characterization of San Luis Obispo, Santa Barbara and Ventura (from University of California-Santa Barbara)	UW-Madison	30,607	0
N/A	15.AGR dtd 9/2/97	Holocene Paleoenvironments in the Western Great Lakes Parks (from University of Minnesota)	UW-Madison	379	0
N/A	15.FP-4211-3740261	Promotion of the Wildlife Benefits of the Food Security Act of 1985 (from Virginia Tech)	UW-Madison	122	0
N/A	15.1422L320A7200	Investigation into Taxonomic Status (from Bureau of Land Management Alaska Fire Service)	UW-Milwaukee	22,140	0
		Subtotal R&D Subgrants		167,299	0
		TOTAL R&D FROM U.S. DEPARTMENT OF THE INTERIOR		1,638,269	0
		U.S. DEPARTMENT OF JUSTICE:			
N/A	16.RD	R&D	UW-Madison	41,881	0
		R&D Subgrants:			
16.542	16.97-S23	National Institute for Juvenile Justice and Delinquency Prevention (from George Washington University)	UW-Milwaukee	241,932	0
		TOTAL R&D FROM U.S. DEPARTMENT OF JUSTICE		283,813	0
		U.S. DEPARTMENT OF LABOR:			
		R&D Subgrants:			
N/A	17.4892	National Longitudinal Survey of Youth-UW-Madison Component (from National Opinion Research Center)	UW-Madison	42,930	0
		FEDERAL RESERVE BOARD:			
N/A	18.AGR dtd 3/1/94	Renewal to the Fixed Income Research Program	UW-Milwaukee	(32)	0

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
U.S. DEPARTMENT OF STATE:					
N/A	19.1753-0565	Net Social Cost Assessment for Conserving Biological Diversity in Costa Rica's Talamanca	UW-Madison	(219)	0
R&D Subgrants:					
N/A	19.AGR dtd 11/24/97	Effects of Variable Harvest Levels on Winter Populations of Northern Bobwhite in Kansas (from Kansas Department of Wildlife and Parks)	UW-Madison	13,857	0
N/A	19.813-18G	Geography of Nationalization and Nationalism in Russia's Republics (from National Council for Eurasian and East European)	UW-Madison	31,245	0
N/A	19.814-12G	Uzbeks into Peasants: Managed Transition Toward a Controlled Market (from National Council for Eurasian and East European)	UW-Madison	33,981	0
N/A	19.813-16G	R&D Subgrants (from National Council for Eurasian and East European)	UW-Madison	11,361	0
				90,444	0
Subtotal R&D Subgrants					
TOTAL R&D FROM U.S. DEPARTMENT OF STATE				90,225	0
U.S. DEPARTMENT OF TRANSPORTATION:					
N/A	20.DTFH61-95-C-00161	Nondestructive Evaluation Technology	UW-Milwaukee	58,385	0
R&D Subgrants:					
20.205		Highway Planning and Construction (from Minnesota Department of Transportation)	UW-La Crosse	20,776	0
20.215	20.DTFH61-95-0-00058	Highway Training and Education (from Cambridge Systematic, Inc.)	UW-Milwaukee	880	0
20.502	20.CT 878	Federal Transit Grants for University Research and Training (from Rutgers, The State University of New Jersey)	UW-Milwaukee	22,111	0
N/A	20.DTFH61-95-C-055	Superwave Level 2/3 Training and Field Assistance (from Asphalt Institute)	UW-Madison	91,548	0
N/A	20.NCHRP 9-10	Superpave Protocols for Modified Asphalt Binders (from Asphalt Institute)	UW-Madison	85,851	0
N/A	20.1218	Innovative Multi-Cellular Pultruded Composite Guardrail (from Creative Pultrusions, Inc.)	UW-Madison	9,994	0
N/A	20.HR 20-27(3)	Guidelines for the Implementation of Multimodal Transportation Location Referencing Systems (from National Academy of Sciences)	UW-Madison	51,107	0
N/A	20.HR 10-39A	Testing and Inspection Levels for Hot-Mix Asphaltic Concrete Overlays (from National Academy of Sciences)	UW-Madison	18,459	19,062
N/A	20.S700053	Improved Contracting Methods for Highway Construction Projects (from Texas A&M Research Foundation)	UW-Madison	24,012	0
N/A	20.1809-55	Miscellaneous Small Contracts (from Minnesota Department of Transportation)	UW-La Crosse	27,416	0
N/A	20.MN/DOT5001	Sherburne Company Phase II (from Minnesota Department of Transportation)	UW-La Crosse	43,646	8,725
Subtotal R&D Subgrants				395,800	27,787
TOTAL R&D FROM U.S. DEPARTMENT OF TRANSPORTATION				454,185	27,787
U.S. DEPARTMENT OF THE TREASURY:					
N/A	21.26-3501-23	Exploration of the Interaction of Small and Emerging Businesses	UW-Milwaukee	4,959	0
U.S. POSTAL SERVICE:					
N/A	22.102590-96-Z-0812	Disability Access Support for the Kiosk Network Solution and Wings Project	UW-Madison	1,107	0
N/A	22.4CAT84	Necedah Post Office	UW-La Crosse	949	0
TOTAL R&D FROM U.S. POSTAL SERVICE				2,056	0
APPALACHIAN REGIONAL COMMISSION:					
N/A	23.CO-12885B	Inter-Census Year Poverty Estimates	UW-Madison	12,028	0
LIBRARY OF CONGRESS:					
N/A	42.96-21	Microsimulation Computer Model of Federal Transfer System: Maintenance and Development	UW-Madison	514	0
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:					
43.001		Aerospace Education Services Program	UW-Oshkosh	28,703	0
N/A	43.RD	R&D from Ames Research Center	UW-Madison	402,578	0
N/A	43.RD	R&D from Goddard Space Flight Center	UW-Madison	6,026,193	51,747
N/A	43.RD	R&D from NASA Headquarters	UW-Madison	2,944	19,779
N/A	43.RD	R&D from Jet Propulsion Laboratory	UW-Madison	291,259	0
N/A	43.RD	R&D from Langley Research Center	UW-Madison	607,145	0
N/A	43.RD	R&D from Lewis Research Center	UW-Madison	98,901	0
N/A	43.RD	R&D from Marshall Space Flight Center	UW-Madison	1,861,416	393,605
N/A	43.RD	R&D	UW-Madison	764,276	0
N/A	43.NCC3-600-2	Computational Modeling of Crystal Growth Including Thermosolutal Melt Convection for Mephisto-4	UW-Milwaukee	62,221	0
N/A	43.NCC-1-260	Meson Contribution to Space Radiations	UW-Milwaukee	60,181	0
N/A	43.RD	R&D	UW-Milwaukee	5,831	0
N/A	43.NAG5-6744	Spectral Evolution of Gamma Ray Burst	UW-Eau Claire	5,537	0
N/A	43.NAG8-1210	NASA Jove Electro	UW-Whitewater	6,923	0
Subtotal Direct R&D Grants				10,224,108	465,131

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
R&D Subgrants:					
43.002		Technology Transfer (from University of Toledo)	UW-Whitewater	9,895	0
N/A	43.9X-CCDS-421305-UJWM	Combined Computational and Experimental Approach to Develop a Thermodynamic Description (from Auburn University)	UW-Madison	828	0
N/A	43.1203314	Assessing and Improving the Accuracy of Passive Operational Sounders Using GPS (from California Institute of Technology)	UW-Madison	3,880	0
N/A	43.961308	Gallium Arsenide Junction Field Effect Transistors Based Sub-Kelvin Readout Amplifiers (from California Institute of Technology)	UW-Madison	30,000	0
N/A	43.PC033638	Wide Field Planetary Camera I (from California Institute of Technology)	UW-Madison	54,739	20,057
N/A	43.NAG5-3709	Development of an Ultra-Sensitive Far Infrared Spectrometer and a 100 Mk Refrigerator Integrated (from Harvard University)	UW-Madison	124,459	0
N/A	43.38578-6930	Design, Construction and Testing of ADR and LHE-SNE Crystal (from Janis Research Company, Inc.)	UW-Madison	3,928	0
N/A	43.2400-60019	Planning of the Observations to be Made Using the Fuse Satellite (from Johns Hopkins University)	UW-Madison	38,689	0
N/A	43.G995470 B15	Geometric Correction of Multispectral Airborne Sensor Data (from Lockheed Martin)	UW-Madison	47,715	0
N/A	43.ST40490S	Training Seminar at Stennis Space Center on Remote Sensing Systems (from Lockheed Martin)	UW-Madison	355	0
N/A	43.GA74304 B15	Airborne Data Geo-Rectification Software Testing (from Lockheed Martin Stennis Operations)	UW-Madison	8,190	0
N/A	43.R51516	Combined Synchrotron White Beam X-ray Topography and High Resolution Triple Axis X-ray Diffraction (from Research Foundation of State University of New York)	UW-Madison	45,522	0
N/A	43.AR07538.01-96A	Abundances and Physical Conditions in the Low and Intermediate Velocity Gas Toward U Columbae (from Space Telescope Science Institute)	UW-Madison	45,112	0
N/A	43.AR-06374.01-95A	Archive Research on Neptune's Atmospheric Dynamics (from Space Telescope Science Institute)	UW-Madison	36,788*	0
N/A	43.GO-06650.01-95A	Atmospheric Dynamics and Cloud Structure on Neptune (from Space Telescope Science Institute)	UW-Madison	33,472	0
N/A	43.GO-07324.01-96A	Multispectral Investigation of Dynamics and Cloud Structure on Neptune (from Space Telescope Science Institute)	UW-Madison	53,301	0
N/A	43.GO-06499.02-95A	Relationship Between Lyman-Alpha Clouds and Galaxies at Z<0.3 (from Space Telescope Science Institute)	UW-Madison	54,714	0
N/A	43.GO-07383.02-96A	Star-Formation History of the Large Magellaniccloud (from Space Telescope Science Institute)	UW-Madison	30,618	0
N/A	43.RD	R&D Subgrants (from Space Telescope Science Institute)	UW-Madison	175,421	0
N/A	43.05052-1000	Clerical Support for Usra Activities (from Universities Space Research Association)	UW-Madison	26,996	0
N/A	43.3537-000-08	High Resolution X-ray Diffraction Analyses of Semiconductor Crystal Growth Activities (from Universities Space Research Association)	UW-Madison	12,507	0
N/A	43.97-21	Collaborative Support for a High Resolution, Wide Field-of-View Spectrometer for X-ray (from University of California)	UW-Madison	22,413	0
N/A	43.U422427	Adiabatic Demagnetization Refrigerator Salt Pill (from University of Chicago)	UW-Madison	82,753	0
N/A	43.RD	R&D Subgrants (from University of Maryland-Baltimore County)	UW-Madison	14,091	0
N/A	43.668134/P44376 2-CO.06	Infrared Algorithm Development for Ocean Observations with Eos/Modis (from University of Miami)	UW-Madison	197,146	0
N/A	43.M08577	Analysis of the Iue Spectra Obtained During the Shoemaker/Levy Encounter (from University of Michigan)	UW-Madison	14,433	0
				1,167,965	20,057
<b>TOTAL R&amp;D FROM NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>				<b>11,392,073</b>	<b>485,188</b>
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES:					
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Madison	2,252	0
45.149		Promotion of the Humanities-Division of Preservation and Access	UW-Madison	510,841	46,562
45.161		Promotion of the Humanities-Research	UW-Madison	311,923	0
N/A	45.1C-60108-96	IMS Conservation Project Support	UW-Madison	5,842	0
N/A	45.1A-80039-98	IMS Conservation and Assessment Program	UW-Madison	3,390	0
N/A	45.98-5500-6046	R&D from National Endowment for the Humanities	UW-Madison	(187,893)	0
				646,355	46,562
NATIONAL SCIENCE FOUNDATION:					
47.041		Engineering Grants	UW-Madison	5,038,419	187,814
47.041		Engineering Grants	UW-Milwaukee	278,256	0
47.041		Engineering Grants	UW-Green Bay	117,785	0
47.041		Engineering Grants	UW-River Falls	59,418	0
				5,493,878	187,814
Total Federal Program 47.041					
47.049		Mathematical and Physical Sciences	UW-Madison	13,190,382	78,393
47.049		Mathematical and Physical Sciences	UW-Milwaukee	686,780	9,025
47.049		Mathematical and Physical Sciences	UW-Eau Claire	57,194	0
47.049		Mathematical and Physical Sciences	UW-Oshkosh	23,230	0
47.049		Mathematical and Physical Sciences	UW-Parkside	31,834	0
47.049		Mathematical and Physical Sciences	UW Colleges	16,416	0
				14,005,836	87,418
Total Federal Program 47.049					
47.050		Geosciences	UW-Madison	3,002,208	65,523
47.050		Geosciences	UW-Milwaukee	913,575	47,348
47.050		Geosciences	UW-Eau Claire	28,752	0

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
47.050		Geosciences	UW-Oshkosh	18,701	0
47.050		Geosciences	UW-Whitewater	7,863	0
		Total Federal Program 47.050		3,971,099	112,871
47.070		Computer and Information Science and Engineering	UW-Madison	3,386,244	0
47.070		Computer and Information Science and Engineering	UW-Milwaukee	460,446	0
		Total Federal Program 47.070		3,846,690	0
47.074		Biological Sciences	UW-Madison	5,803,470	20,011
47.074		Biological Sciences	UW-Milwaukee	287,485	0
47.074		Biological Sciences	UW-Eau Claire	143,615	0
47.074		Biological Sciences	UW-Oshkosh	74,055	0
		Total Federal Program 47.074		6,308,625	20,011
47.075		Social, Behavioral, and Economic Sciences	UW-Madison	2,395,128	8,268
47.075		Social, Behavioral, and Economic Sciences	UW-Milwaukee	217,724	0
47.075		Social, Behavioral, and Economic Sciences	UW-Eau Claire	35,642	0
47.075		Social, Behavioral, and Economic Sciences	UW-Oshkosh	1,308	0
		Total Federal Program 47.075		2,649,802	8,268
47.076		Education and Human Resources	UW-Madison	3,936,153	780,736
47.076		Education and Human Resources	UW-Milwaukee	43,660	0
47.076		Education and Human Resources	UW-Green Bay	58,704	0
47.076		Education and Human Resources	UW-Oshkosh	38,220	0
		Total Federal Program 47.076		4,076,737	780,736
47.077		Academic Research Infrastructure	UW-Milwaukee	3,314	0
47.078		Polar Programs	UW-Madison	1,582,763	129,287
47.078		Polar Programs	UW-Milwaukee	43,777	0
47.078		Polar Programs	UW-Oshkosh	55,448	0
		Total Federal Program 47.078		1,681,988	129,287
N/A	47.DMR-9214054	Structure of Surfaces Subtotal Direct R&D Grants	UW-Milwaukee	58,895	0
				42,096,864	1,326,405
R&D Subgrants:					
47.041	47.1515-UW-NSF-11590	Engineering Grants (from Pennsylvania State University)	UW-Madison	4,137	0
47.041	47.57008	Engineering Grants (from Texas A&M University)	UW-Madison	210,251	0
47.049	47.IAS-DMS-9412914	Mathematical and Physical Sciences (from Institute for Advanced Study)	UW-Madison	72,816	0
47.049	47.PC208422	Mathematical and Physical Sciences (from California Institute of Technology)	UW-Milwaukee	81,114	0
47.049		Mathematical and Physical Sciences (from Wayne State University)	UW-Eau Claire	20,337	0
47.050	47.12-223-11406	Geosciences (from University of Nebraska)	UW-Madison	23,528	0
47.050	47.431-0047A	Geosciences (from Research Foundation of State University of New York-Stony Brook)	UW-Milwaukee	18	0
47.070	47.0830-350-Z601	Computer and Information Science and Engineering (from Northwestern University)	UW-Madison	115,211	0
		WIS			
47.070	47.795	Computer and Information Science and Engineering (from University of Illinois-Champaign Urbana)	UW-Madison	597,334	10,740
47.074	47.61-2558W	Biological Sciences (from Michigan State University)	UW-Madison	424,277	0
47.074	47.PF902416	Biological Sciences (from University of Alaska Fairbanks)	UW-Madison	4,880	0
47.074	47.0830350C98	Biological Sciences (from Northwestern University)	UW-Milwaukee	46,267	0
47.076	47.AGR dtd 11/16/98	Education and Human Resources (from Council of Chief State School Officers)	UW-Madison	11,357	0
47.076	47.R36040-24600098	Education and Human Resources (from Rice University)	UW-Madison	432	0
47.076	47.ESI-9714999/WI	Education and Human Resources (from University of Missouri)	UW-Madison	193,992	79,076
N/A	47.GC 154889NGA	Morphological Deringing Algorithm for Image Post Processing (from Boston University)	UW-Madison	1,910	0
N/A	47.537241-55740	Violent Behavior: Individual Situational and Community Dynamics (from Carnegie Mellon University)	UW-Madison	4,040	0
N/A	47.RD	R&D (from Civilian Research and Development Foundation)	UW-Madison	3,357	0
N/A	47.98-SC-NSF-1003	Prototyping Biomolecular Computations (from Duke University)	UW-Madison	8,427	0
N/A	47.AGR dtd 11/20/97	Isolation of DNA Promoters Induced by Environmental Stimuli and Their Use (from Envirogen)	UW-Madison	27,497	0
N/A	47.198	User Conceived, Developed and Tested Portable Seismographs (from Incorporated Research Institutions for Seismology)	UW-Madison	11,781	0
N/A	47.AGR dtd 3/17/99	Data Documentation Initiative Beta Test (from Interuniversity Consortium for Political)	UW-Madison	3,769	0
N/A	47.AGR dtd 7/27/98	Measure Up: Dimensional Metrology and Iso 9001 (from Madison Area Technical College)	UW-Madison	10,121	0
N/A	47.AGR dtd 5/1/97	Consequences of Land Change for Biodiversity (from Mars Hill College)	UW-Madison	9,995	0
N/A	47.26-B-5148	Intergovernmental Personnel Assignment Agreement (from Miami University)	UW-Madison	19,753	0
N/A	47.CK 109296	Solid Freeform Bone Fabrication for Biomedical Models and Education (from Milwaukee School of Engineering)	UW-Madison	1,602	0

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N/A	47.970154	Evaluation Contract: Business Alliance for Advanced Technological Education (from National Alliance of Business, Inc.)	UW-Madison	21,307	0
N/A	47.CK 12624	Research and Professional Travel (from National Bureau of Economic Research, Inc.)	UW-Madison	175	0
N/A	47.AGR dtd 5/3/99	Math is Everywhere: Public Understanding and Engagement Mathematics Initiative (from National Council of Teachers of Mathematics)	UW-Madison	11,738	0
N/A	47.RD	R&D Subgrants (from National Research Council)	UW-Madison	1,049	0
N/A	47.0830-350-C697UW	Geoenvironmental Engineering: New and Strategic Curriculum (from Northwestern University)	UW-Madison	11,155	0
N/A	47.RF805465	Ion Channels in the Disal Elongation Zone of Arabidopsis Roots (from Ohio State University Research Foundation)	UW-Madison	11,936	0
N/A	47.341-6066-1	Magnetic Resonance Imaging with Laser Polarized He-3 and Xe-129 of Biological and Non-biological (from Princeton University)	UW-Madison	113,692	0
N/A	47.P0001702	REU: Role of Diversity on the Ecosystem Function (from San Diego State University Foundation)	UW-Madison	1,000	0
N/A	47.17-000158	Field Tested Learning Assessment Guide (from Sri International)	UW-Madison	21,540	0
N/A	47.17-000096	Testbed for New Models of Online Teachers Professional Development (from Sri International)	UW-Madison	21,314	0
N/A	47.F000637/F000721	Cruise: Leg 173-Iberia (from Texas A&M Research Foundation)	UW-Madison	2,115	0
N/A	47.182-F000963;182-F000877	Cruise: Leg 182-Great Australian Bight (from Texas A&M Research Foundation)	UW-Madison	28,658	0
N/A	47.UCAR S8821	Unidata Broadcast (from University Corporation for Atmospheric Research)	UW-Madison	144,203	0
N/A	47.S99-99947	Unidata Contract (from University Corporation for Atmospheric Research)	UW-Madison	9,854	0
N/A	47.10152751	National Partnership for Academic Computing Infrastructure (from University of California-San Diego)	UW-Madison	345,607	0
N/A	47.AGR dtd 11/12/97	Precision Mapping of the Cosmic Microwave Background Radiation (from University of Chicago)	UW-Madison	66,153	0
N/A	47.23694	Geophysical Investigation of a Modern Continent-Continent Collisional Orogen: Southern Alps (from University of Southern California)	UW-Madison	72,860	0
N/A	47.OR8823.01	Development of a World Wide Web-Based Textbook on Molecular Simulation: Dynamic Approach (from University of Tennessee)	UW-Madison	35,387	0
N/A	47.UT-5-A0850-MH	Fabrication of Global Positioning System Based Absolute-Time Shot System (from University of Texas-Austin)	UW-Madison	69	0
N/A	47.297254	Protein-Rna Interactions (from University of Washington)	UW-Madison	97,509	0
N/A	47.UM1-327	Cooperative Grants Research Program (from U.S. Civilian Research and Development Foundation)	UW-Madison	4,894	0
N/A	47.523178; 523188; 523201	Genetic Organization and Epigenetic Silencing of R-Marbled Maize (from Virginia Commonwealth University)	UW-Madison	17,258	0
N/A	47.CR-19126-427756	ERC in Power Electronic Systems Management (from Virginia Tech)	UW-Madison	307,298	0
N/A	47.R187175	OPPS Grant Slinger (from Louisiana State University)	UW-La Crosse	5,366	0
		Subtotal R&D Subgrants		3,260,340	89,816
		<b>TOTAL R&amp;D FROM NATIONAL SCIENCE FOUNDATION</b>		<b>45,357,204</b>	<b>1,416,221</b>
N/A	58.AGR dtd 5/14/98	U.S. SECURITIES AND EXCHANGE COMMISSION: Intergovernmental Personnel Act	UW-Milwaukee	120,722	0
59.005		SMALL BUSINESS ADMINISTRATION: Business Development Assistance to Small Business	UW-Madison	159	0
N/A	64.AGR dtd 6/9/99	U.S. DEPARTMENT OF VETERANS AFFAIRS: Intergovernmental Personnel Assignment Agreement	UW-Madison	15,308	0
N/A	64.AGR dtd 7/24/95	R&D Subgrants: Clinical Trial-Bea-Blocker Evaluation of Survival Trial (from Palo Alto for Research and Education)	UW-Madison	7,880	0
		<b>TOTAL R&amp;D FROM U.S. DEPARTMENT OF VETERANS AFFAIRS</b>		<b>23,188</b>	<b>0</b>
66.500		U.S. ENVIRONMENTAL PROTECTION AGENCY: Environmental Protection-Consolidated Research	UW-Madison	181,311	38,408
66.500		Environmental Protection-Consolidated Research	UW-La Crosse	272,056	207,056
		Total Federal Program 66.500		453,367	245,464
66.504		Solid Waste Disposal Research	UW-Madison	42,698	0
66.802		Superfund State Site-Specific Cooperative Agreements	UW-La Crosse	9,073	0
N/A	66.RD	R&D	UW-Madison	456,518	0
N/A	66.8D-1337-NA	Creating and Documenting New Testing Protocol on the Fathead Minnow	UW-Superior	37,892	0
		Subtotal Direct R&D Grants		999,548	245,464
		R&D Subgrants:			
66.500	66.F001527	Environmental Protection-Consolidated Research (from University of Michigan)	UW-Milwaukee	16,757	0
66.501	66.1-92U-5974	Air Pollution Control Research (from Research Triangle Institute)	UW-Madison	49,907	0
66.708		Pollution Prevention Grants Program (from Citizens for a Better Environment)	UW-Milwaukee	523	0
N/A	66.AGR 441	Determination of Removal Efficiencies of Emerging Waterborne Pathogens by Conventional (from American Water Works Association)	UW-Madison	100,766	0

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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	66.375-837-1	Investigation of Methods for Perchlorate Destruction in Aqueous Waste Streams (from Clarkson University)	UW-Madison	25,968	0
N/A	66.960238Z1	Design for Disassembly to Support Demanufacturing (from Michigan Technological University)	UW-Madison	55,000	0
N/A	66.960238Z1	Characterization of Selective Solid Acid Catalysts Towards the Rational Design of Catalytic Reactions (from Michigan Technological University)	UW-Madison	157,902	0
N/A	66.1815-707	Environmental Governance in Watersheds (from National Academy of Public Administration)	UW-Madison	14,795	0
N/A	66.460001825	Alternative Cover Assessment Program (from Science Application International Corporation)	UW-Madison	35,736	0
N/A	66.BA 4500 0	Assessment of Blue-Green Algal Toxins in Raw and Finished Water (from Wright State University)	UW-Madison	(4)	0
N/A	66.12-43-850-AA00	Formulate Strategic Development Plans for the Nine Marketing Regions in Kentucky (from Certec Inc.)	UW-Parkside	19,241	0
N/A	66.68-C6-0036	Technical and Regulatory Support for the Development of Water/Wastewater Criteria (from Great Lakes Environmental Center)	UW-Superior	26,583	0
				503,174	0
<b>TOTAL R&amp;D FROM U.S. ENVIRONMENTAL PROTECTION AGENCY</b>				1,502,722	245,464
<b>U.S. NUCLEAR REGULATORY COMMISSION:</b>					
N/A	77.NRC-04-94-036	Fuel-Coolant Interaction Experiments and Analysis	UW-Madison	49,838	0
N/A	77.NRC-04-97-064	Human Performance in Complex Systems	UW-Madison	108,104	8,317
				157,942	8,317
<b>R&amp;D Subgrants:</b>					
N/A	77.640-0812-1	Experimental Investigation of Interfacial Area Transport (from Purdue University)	UW-Milwaukee	71,592	0
<b>TOTAL R&amp;D FROM U.S. NUCLEAR REGULATORY COMMISSION</b>				229,534	8,317
<b>U.S. DEPARTMENT OF ENERGY:</b>					
81.049		Office of Science Financial Assistance Program	UW-Madison	11,971,991	316,292
81.049		Office of Science Financial Assistance Program	UW-Milwaukee	513,059	0
81.049		Office of Science Financial Assistance Program	UW-La Crosse	1,754	0
<b>Total Federal Program 81.049</b>				12,486,804	316,292
81.077		University Research Instrumentation	UW-Madison	17,874	0
N/A	81.RD	R&D	UW-Madison	5,812,867	306,387
N/A	81.DE-FC07-93ID13236	Development of Lead-Free Copper Alloy-Graphite	UW-Milwaukee	49,176	0
				18,366,721	622,679
<b>R&amp;D Subgrants:</b>					
81.049	81.281658-A9E	Office of Science Financial Assistance Program (from Battelle Pacific Northwest National Laboratory)	UW-Milwaukee	31,410	0
81.049	81.XCI-8-17063-01	Office of Science Financial Assistance Program (from National Renewable Energy Laboratory)	UW-Milwaukee	16,158	0
81.078	81.4-28791; DE-FC01-97EE41318	Industrial Assessment Centers (from Rutgers, The State University of New Jersey)	UW-Milwaukee	168,321	0
81.078	81.98-00241	Industrial Assessment Centers (from SCRA Trident Research Center)	UW-Milwaukee	16,181	0
81.079	81.CGLG-94-022	Regional Biomass Energy Programs (from Council of Great Lakes Governors)	UW-Milwaukee	164	0
81.087		Renewable Energy Research and Development (from Consortium for Plant Biotechnology Research)	UW-Madison	135,072	0
N/A	81.062242-02	Fresnel Zone Plate Development (from Argonne National Laboratory)	UW-Madison	83,220	0
N/A	81.982642401	Modeling Studies of Selective Oxygen-Enrichment of Combustion Air in a Diesel Engine for Reduced Nox (from Argonne National Laboratory)	UW-Madison	26,478	0
N/A	81.RD	R&D Subgrants (from Argonne National Laboratory)	UW-Madison	28,285	0
N/A	81.351781-A-Q1	Parameterization of GCM Subgrid Nonprecipitating Cumulus and Stratocumulus Clouds (from Battelle Memorial Institute)	UW-Madison	115	0
N/A	81.164567-AQ5	Design and Fabrication of Two Atmospheric Emitted Radiance Interferometers (from Battelle-Pacific Northwest Laboratory)	UW-Madison	361,084	0
N/A	81.19467	X-1 Target Chamber Studies (from Bechtel Nevada)	UW-Madison	199,923	0
N/A	81.782-21635	Collaborative Exploration of Processes of Decadal and Multi-Century Variability (from Brown University)	UW-Madison	54,096	0
N/A	81.PC218385	Investigation of Novel Electrode Materials for Electrochemically Based Remediation High (from California Institute of Technology)	UW-Madison	93,534	0
N/A	81.96-01-SR043	Detailed Flow and Thermal Field Measurements on a Scaled-Up Stator Vane (from Clemson University Research Foundation)	UW-Madison	138,702	80,638
N/A	81.RD	R&D Subgrants (from Consortium for Plant Biotechnology Research)	UW-Madison	12,911	0
N/A	81.RD	R&D Subgrants (from Fermi National Accelerator Laboratory)	UW-Madison	15,332	0
N/A	81.6467699	Polarizer Assembly Including Theta and Alpha Drives Alignment Ball Holder and Two Each (from Lawrence Berkeley National Laboratory)	UW-Madison	30,942	0
N/A	81.RD	R&D Subgrants (from Lawrence Berkeley National Laboratory)	UW-Madison	37,456	0
N/A	81.B44835	Al-Free Active region 0.8Um-Emitting Diode Lasers (from Lawrence Livermore National Laboratory)	UW-Madison	29,359	0
N/A	81.RD	R&D Subgrants (from Lawrence Livermore National Laboratory)	UW-Madison	10,269	0
N/A	81.XLLJ79	X-ray Monochromator, Bending Magnet X-ray Monochromator (from Lockheed Martin)	UW-Madison	319,357	0
N/A	81.19XSZ718C	Fundamental Studies of Key Issues Underlying the Technology of High Temperature Superconductor (from Lockheed Martin Energy Systems, Inc.)	UW-Madison	331,535	0

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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	81.RD	R&D Subgrants (from Lockheed Martin Energy Systems, Inc.)	UW-Madison	61,693	0
N/A	81.00047-001-98	Paradyn on Sgi Aix (from Los Alamos National Laboratory)	UW-Madison	28,182	0
	RW				
N/A	81.RD	R&D Subgrants (from Los Alamos National Laboratory)	UW-Madison	11,779	0
N/A	81.XCG-7-17037-	Enhancement of Acid Tolerance in Zymomonas Mobilis (from National Renewable Energy	UW-Madison	59,824	0
	01	Laboratory)			
N/A	81.ZDC-8-17675-	Investigation of Three-Season Solar Domestic Hot Water Systems (from National	UW-Madison	54,010	0
	08	Renewable Energy Laboratory)			
N/A	81.RD	R&D Subgrants (from National Renewable Energy Laboratory)	UW-Madison	17,875	0
N/A	81.CK 001xxxx	R&D Subgrants (from Oak Ridge Associated Universities)	UW-Madison	1,275	0
N/A	81.AGR dtd 3/24/98	Neutron Detection System (from Princeton Electronic Systems, Inc.)	UW-Madison	27,795	0
N/A	81.S-04091-G	Beam Emission Spectroscopy Diagnostics for TFTR Data Analysis (from Princeton Plasma	UW-Madison	20,000	0
		Physics Laboratory)			
N/A	81.S-04093-F	TFTR ICRF Modeling (from Princeton University)	UW-Madison	15,000	0
N/A	81.LF-4618	Computer Modeling of Combustion and Emissions in Small Direct Injection Compression	UW-Madison	261,390	0
		Ignition (from Sandia National Laboratories)			
N/A	81.AV-4698	Feature-Based and Virtual Geometry Decomposition (from Sandia National Laboratories)	UW-Madison	63,383	0
N/A	81.BB-2641	In-Situ Clay Formation: New Technology for Stable Containment Barriers (from Sandia	UW-Madison	38,847	0
		National Laboratories)			
N/A	81.BD-5823	OHMIC Contracts to Gan and Algan (from Sandia National Laboratories)	UW-Madison	28,484	0
N/A	81.AS-1168	Scanning Tunneling Microscopy Studies of GE-SI (from Sandia National Laboratories)	UW-Madison	44,056	0
N/A	81.BB-3609	X-1 High Yield Test Chamber Design and Analysis (from Sandia National Laboratories)	UW-Madison	257,609	0
N/A	81.RD	R&D Subgrants (from Sandia National Laboratories)	UW-Madison	68,743	0
N/A	81.AGR dtd 7/23/97	Plasma Source for Current Injection and Edge Biasing in Fusion Plasmas (from Sterling	UW-Madison	5,265	0
		Scientific, Inc.)			
N/A	81.73216	Analysis and Interpretation of Fluid Inclusion in Drilling Samples (from University of Alaska	UW-Madison	(392)	0
		Fairbanks)			
N/A	81.6455066	Processing and Characterization of 2212 Conductors (from University of California-	UW-Madison	20,146	0
		Berkeley)			
N/A	81.0205 G 8A091	Advanced Power Extraction Study (from University of California-Los Angeles)	UW-Madison	9,549	0
N/A	81.SPO	Statistical Trend Analysis of Total Ozone and Ultraviolet-B Radiation Data (from University	UW-Madison	35,606	0
	BS0054752/UUCB15	of Colorado)			
	3-21				
N/A	81.410097-001G	Radiation Hydrodynamics Computer Code Development (from University of Rochester)	UW-Madison	201,251	45,211
N/A	81.64212H	New Heterogeneous Catalysts for Selective Reduction of Nox Emissions to Improve	UW-Madison	36,796	0
		Vehicular (from University of South Carolina)			
N/A	81.AA46368S	Vapor Explosion Analysis for Savannah River Reactor (from Westinghouse Savannah	UW-Madison	(1,844)	0
		River Company)			
N/A	81.AU-7447	Computer Security (from Sandia National Laboratories)	UW-Milwaukee	15,603	0
N/A	81.4600010	Spectromicroscopy Collaboratory (from University of California)	UW-Milwaukee	(1,360)	0
		Subtotal R&D Subgrants		3,520,469	125,849
TOTAL R&D FROM U.S. DEPARTMENT OF ENERGY				21,887,190	748,528
U.S. INFORMATION AGENCY:					
N/A	82 IA-ASPS-	Partnership Between the African Studies Program	UW-Madison	16,522	0
	G7190294				
N/A	82.IA-AECS-	Partnership for Environmental Stewardship	UW-Madison	19,726	0
	G4190503				
TOTAL R&D FROM U.S. INFORMATION AGENCY				36,248	0
U.S. DEPARTMENT OF EDUCATION:					
84.017		International Research and Studies	UW-Madison	129,888	0
84.019		International: Overseas-Faculty Research Abroad	UW-Madison	115,975	0
84.021		International: Overseas-Group Projects Abroad	UW-Madison	24,881	0
84.022		International: Overseas-Doctoral Dissertation	UW-Madison	37,104	0
84.023		Special Education-Innovation and Development	UW-Madison	380,706	0
84.086		Special Education-Program for Severely Disabled Children	UW-Madison	112,694	45,349
84.116		Fund for the Improvement of Postsecondary Education	UW-Madison	139,071	7,045
84.133		National Institute on Disability and Rehabilitation Research	UW-Madison	1,385,635	121,988
84.133		National Institute on Disability and Rehabilitation Research	UW-Stout	778,395	150,921
Total Federal Program 84.133				2,164,030	272,909
84.158		Secondary Education and Transitional Services for Youth with Disabilities	UW-Madison	527,608	122,088
84.220		Centers for International Business Education	UW-Madison	157,308	0
84.220		Centers for International Business Education	UW-Milwaukee	1,298	0
Total Federal Program 84.220				158,606	0
84.248		Demonstration Projects for the Integration of Vocational and Academic Learning	UW-Madison	27,540	1,960
84.283		Comprehensive Regional Assistance Centers	UW-Madison	2,394,686	847,080
84.305		National Institute on Student Achievement, Curriculum, and Assessment	UW-Madison	2,658,738	1,326,190
84.306		National Institute on the Education of At-Risk Students	UW-Madison	271,061	124,131
84.308		National Institute on Educational Governance, Finance, Policymaking, and Management	UW-Madison	185,328	4,300
84.324		Special Education-Research and Innovation to Improve Services and Results for Children	UW-Madison	67,415	0
		with Disabilities			

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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	84.P274A980006	African Studies Program	UW-Madison	60,965	0
N/A	84.R306F60055-97	Long-Term Effects of Chicago Child-Parent Centers	UW-Madison	150,277	39,499
Subtotal Direct R&D Grants				9,606,573	2,790,551
<b>R&amp;D Subgrants:</b>					
84.023	84.H023C70161-UF98052	Special Education-Innovation and Development (from University of Florida)	UW-Milwaukee	72,142	0
84.024	84.H024S960008	Early Education for Children with Disabilities (from Orelena Hawks Puckett Institute)	UW-Milwaukee	58,519	0
84.024	84.97-1801-H024S6006-02	Early Education for Children with Disabilities (from University of Illinois)	UW-Milwaukee	57,473	0
84.027	84.067077	Special Education-Grants to States (from Cooperative Educational Service Agency #1)	UW-Milwaukee	36,426	0
84.029		Special Education-Personnel Development and Parent Training (from Milwaukee Public Schools)	UW-Milwaukee	6,982	0
84.184		Safe and Drug-Free Schools and Communities-National Programs (from Andrews University)	UW-La Crosse	69,275	0
N/A	84.43587	Educational Statistics Services Institute (from American Institutes for Research)	UW-Madison	3,861	0
N/A	84.LTR dtd 2/7/97	Examining Training Needs in Rock and Green Counties (from Blackhawk Technical College)	UW-Madison	(18)	0
N/A	84.AGR dtd 4/17/98	Pressure Ulcer Prevention with Interactive Learning (from Case Western Reserve University)	UW-Madison	36,704	0
N/A	84.98-004	Validity of National Board for Professional Teaching Standards National Partnership (from Columbia University)	UW-Madison	44,663	0
N/A	84.AGR dtd 1/8/97	2X4X8: Fostering Resiliency Through Service-Learning Grant (from Cooperative Educational Service Agency #2)	UW-Madison	(802)	0
N/A	84.90000075	Telecommunications Rerc (from Gallaudet University)	UW-Madison	111,683	0
N/A	84.98-000073	Universal Telecommunications Access (from Gallaudet University)	UW-Madison	53,484	0
N/A	84.61-5275B	Teacher Research as a Source for Teacher Learning Partnerships for Excellence and Accountability (from Michigan State University)	UW-Madison	66,145	0
N/A	84.320-2674B; 96-7	National Research Center on Improving Student Achievement In English (from Research Foundation of State University of New York)	UW-Madison	714,155	0
N/A	84.RD	R&D Subgrants (from University of California-Berkeley)	UW-Madison	154,292	0
N/A	84.AGR dtd 5/3/99	Aging Families of Adults with Mental Retardation (from University of Illinois-Chicago)	UW-Madison	25,447	0
N/A	84.RD	R&D Subgrants (from University of Illinois-Chicago)	UW-Madison	20,468	0
N/A	84.5-24378-D	Consortium for Policy Research in Education (from University of Pennsylvania)	UW-Madison	743,674	0
N/A	84.1-13-4-510-600-311-223900	Milwaukee Public Schools AODA Programs Evaluation Project (from Milwaukee Public Schools)	UW-Milwaukee	16,456	0
Subtotal R&D Subgrants				2,291,029	0
<b>TOTAL R&amp;D FROM U.S. DEPARTMENT OF EDUCATION</b>				<b>11,897,602</b>	<b>2,790,551</b>
<b>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION:</b>					
N/A	89.96-017; 98-009	National Historical Publications and Records Grants	UW-Madison	45,727	0
<b>U.S. INSTITUTE OF PEACE:</b>					
91.001		International Peace and Conflict Management-Research and Education	UW-Madison	(80)	0
91.002		International Peace and Conflict Management-Articles and Manuscripts	UW-Milwaukee	50	0
<b>TOTAL R&amp;D FROM U.S. INSTITUTE OF PEACE</b>				<b>(30)</b>	<b>0</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>					
93.048		Special Programs for the Aging-Title IV-Training, Research and Discretionary Projects and Programs	UW-Milwaukee	8,748	0
93.103		Food and Drug Administration-Research	UW-Madison	81,423	0
93.110		Maternal and Child Health Federal Consolidated Programs	UW-Madison	507,728	0
93.113		Biological Response to Environmental Health Hazards	UW-Madison	1,843,632	200,397
93.113		Biological Response to Environmental Health Hazards	UW-Milwaukee	330,058	55,421
Total Federal Program 93.113				2,173,690	255,818
93.114		Applied Toxicological Research and Testing	UW-Madison	91,493	0
93.114		Applied Toxicological Research and Testing	UW-Milwaukee	160,546	0
93.114		Applied Toxicological Research and Testing	UW-Oshkosh	15,337	0
Total Federal Program 93.114				267,376	0
93.121		Oral Diseases and Disorders Research	UW-Madison	303,192	0
93.121		Oral Diseases and Disorders Research	UW-Milwaukee	50,170	0
Total Federal Program 93.121				353,362	0
93.143		NIEHS Superfund Hazardous Substances-Basic Research and Education	UW-Milwaukee	10,116	0
93.161		Health Program for Toxic Substances and Disease Registry	UW-Milwaukee	203,477	25,831
93.172		Human Genome Research	UW-Madison	1,862,887	96,272
93.173		Research Related to Deafness and Communication Disorders	UW-Madison	4,008,367	44,289
93.173		Research Related to Deafness and Communication Disorders	UW-Milwaukee	250,778	0
Total Federal Program 93.173				4,259,145	44,289
93.180		Research on Health Care Outcomes and Quality	UW-Madison	147,048	0
93.194		Community Prevention Coalitions (Partnership) Demonstration Grant	UW-Madison	46,154	0
93.226		Health Care Systems Cost and Access Research and Development Grants	UW-Madison	481,944	0

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
93.230		Consolidated Knowledge Development and Application Program	UW-Madison	229,712	0
93.242		Mental Health Research Grants	UW-Madison	5,184,807	381,002
93.242		Mental Health Research Grants	UW-Milwaukee	384,085	0
93.242		Mental Health Research Grants	UW-Whitewater	81,332	0
		Total Federal Program 93.242		<u>5,650,224</u>	<u>381,002</u>
93.262		Occupational Safety and Health Research Grants	UW-Madison	380,594	0
93.271		Alcohol Research Career Development Awards for Scientists and Clinicians	UW-Madison	56,296	0
93.273		Alcohol Research Programs	UW-Madison	605,627	40,939
93.273		Alcohol Research Programs	UW-Milwaukee	34,762	5,022
		Total Federal Program 93.273		<u>640,389</u>	<u>45,961</u>
93.277		Drug Abuse Scientist Development Awards, Research Scientist Development Awards, and Research Scientist Awards	UW-Madison	5,789	0
93.278		Drug Abuse National Research Service Awards for Research Training	UW-Milwaukee	19,583	0
93.279		Drug Abuse Research Programs	UW-Madison	1,710,361	256,678
93.279		Drug Abuse Research Programs	UW-Milwaukee	96,599	0
		Total Federal Program 93.279		<u>1,806,960</u>	<u>256,678</u>
93.281		Mental Health Research Career/Scientist Development Awards	UW-Madison	434,651	0
93.282		Mental Health National Research Service Awards for Research Training	UW-Madison	126,776	0
93.282		Mental Health National Research Service Awards for Research Training	UW-Milwaukee	9,561	0
		Total Federal Program 93.282		<u>136,337</u>	<u>0</u>
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance	UW-Madison	298,339	0
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance	UW-Milwaukee	21,208	0
		Total Federal Program 93.283		<u>319,547</u>	<u>0</u>
93.306		Comparative Medicine	UW-Madison	7,450,369	0
93.333		Clinical Research	UW-Madison	2,349,357	1,334,638
93.337		Biomedical Research Support	UW-Madison	277,360	0
93.361		Nursing Research	UW-Madison	725,644	0
93.361		Nursing Research	UW-Milwaukee	75,649	0
		Total Federal Program 93.361		<u>801,293</u>	<u>0</u>
93.371		Biomedical Technology	UW-Madison	1,570,221	0
93.389		Research Infrastructure	UW-Madison	84,433	0
93.390		Academic Research Enhancement Award	UW-Milwaukee	147,250	0
93.390		Academic Research Enhancement Award	UW-Eau Claire	486	0
93.390		Academic Research Enhancement Award	UW-La Crosse	23,190	0
93.390		Academic Research Enhancement Award	UW-Green Bay	26,964	0
		Total Federal Program 93.390		<u>197,890</u>	<u>0</u>
93.393		Cancer Cause and Prevention Research	UW-Madison	7,270,408	354,808
93.393		Cancer Cause and Prevention Research	UW-Milwaukee	(4)	0
		Total Federal Program 93.393		<u>7,270,404</u>	<u>354,808</u>
93.394		Cancer Detection and Diagnosis Research	UW-Madison	288,553	0
93.395		Cancer Treatment Research	UW-Madison	5,584,864	316,258
93.395		Cancer Treatment Research	UW-Milwaukee	214,793	28,967
		Total Federal Program 93.395		<u>5,799,657</u>	<u>345,225</u>
93.396		Cancer Biology Research	UW-Madison	2,016,367	31,170
93.397		Cancer Centers Support	UW-Madison	5,125,136	0
93.398		Cancer Research Manpower	UW-Madison	617,976	0
93.399		Cancer Control	UW-Madison	933,980	130,808
93.632		Developmental Disabilities University Affiliated Programs	UW-Madison	1,029	0
93.779		Health Care Financing Research, Demonstrations and Evaluations	UW-Madison	16,171	0
93.821		Cell Biology and Biophysics Research	UW-Madison	4,842,327	0
93.821		Cell Biology and Biophysics Research	UW-Milwaukee	72,467	0
		Total Federal Program 93.821		<u>4,914,794</u>	<u>0</u>
93.837		Heart and Vascular Diseases Research	UW-Madison	6,536,790	242,083
93.838		Lung Diseases Research	UW-Madison	4,457,785	138,866
93.839		Blood Diseases and Resources Research	UW-Madison	1,815,241	0
93.846		Arthritis, Musculoskeletal and Skin Diseases Research	UW-Madison	1,559,473	16,826
93.846		Arthritis, Musculoskeletal and Skin Diseases Research	UW-Milwaukee	44,913	0
		Total Federal Program 93.846		<u>1,604,386</u>	<u>16,826</u>
93.847		Diabetes, Endocrinology and Metabolism Research	UW-Madison	3,358,867	78,052
93.847		Diabetes, Endocrinology and Metabolism Research	UW-Milwaukee	43,740	0
93.847		Diabetes, Endocrinology and Metabolism Research	UW-La Crosse	15,740	0
		Total Federal Program 93.847		<u>3,418,347</u>	<u>78,052</u>
93.848		Digestive Diseases and Nutrition Research	UW-Madison	2,418,668	63,702
93.849		Kidney Diseases, Urology and Hematology Research	UW-Madison	1,413,755	0

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**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
93.853		Clinical Research Related to Neurological Disorders	UW-Madison	1,024,686	58,425
93.854		Biological Basis Research in the Neurosciences	UW-Madison	4,450,371	0
93.854		Biological Basis Research in the Neurosciences	UW-Milwaukee	9,381	0
		Total Federal Program 93.854		4,459,752	0
93.855		Allergy, Immunology and Transplantation Research	UW-Madison	1,754,882	52,599
93.855		Allergy, Immunology and Transplantation Research	UW-Milwaukee	63,463	0
		Total Federal Program 93.855		1,818,345	52,599
93.856		Microbiology and Infectious Diseases Research	UW-Madison	10,324,412	504,265
93.856		Microbiology and Infectious Diseases Research	UW-La Crosse	841	0
		Total Federal Program 93.856		10,325,253	504,265
93.859		Pharmacology, Physiology, and Biological Chemistry Research	UW-Madison	5,242,530	65,988
93.862		Genetics and Developmental Biology Research	UW-Madison	5,847,507	0
93.863		Cellular and Molecular Basis of Disease Research	UW-Milwaukee	43	0
93.864		Population Research	UW-Madison	2,973,247	4,606
93.865		Center for Research for Mothers and Children	UW-Madison	3,617,974	175,208
93.865		Center for Research for Mothers and Children	UW-Milwaukee	296,590	9,568
		Total Federal Program 93.865		3,914,564	184,776
93.866		Aging Research	UW-Madison	4,855,205	196,965
93.867		Vision Research	UW-Madison	5,326,675	179,272
93.879		Medical Library Assistance	UW-Madison	900,125	106,793
93.894		Resource and Manpower Development in the Environmental Health Sciences	UW-Madison	511,106	0
93.894		Resource and Manpower Development in the Environmental Health Sciences	UW-Milwaukee	369,712	0
		Total Federal Program 93.894		880,818	0
93.895		Grants for Faculty Development in Family Medicine	UW-Madison	131,366	0
93.918		Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	UW-Madison	221,891	0
93.929		Center for Medical Rehabilitation Research	UW-Madison	9,190	15,692
93.934		Fogarty International Research Collaboration Award	UW-Madison	69,366	0
93.956		Agricultural Health and Safety Programs	UW-Milwaukee	52,678	0
93.960		Special Minority Initiatives	UW-La Crosse	110,923	63,471
93.989		Senior International Fellowships	UW-Madison	32,182	0
N/A	93.RD	R&D from Office of the Secretary	UW-Madison	562,629	126,774
N/A	93.RD	R&D from Health Care Financing Administration	UW-Madison	460,982	309,329
N/A	93.RD	R&D from Food and Drug Administration	UW-Madison	289	0
N/A	93.RD	R&D from Centers for Disease Control	UW-Madison	9,871	0
N/A	93.RD	R&D from Health Resources and Services Administration	UW-Madison	116,328	47,252
N/A	93.RD	R&D from Substance Abuse and Mental Health Services Administration	UW-Madison	120	0
N/A	93.RD	R&D from National Institutes of Health	UW-Madison	1,130,926	0
		Subtotal Direct R&D Grants		131,940,633	5,758,236
R&D Subgrants.					
93.121		Oral Diseases and Disorders Research (from Ohio State University)	UW-Milwaukee	91	0
93.127	93.AGR dtd 11/12/97	Emergency Medical Services for Children (from Medical College of Wisconsin, Inc.)	UW-Madison	5,241	0
93.173	93.AGR dtd 5/25/99	Research Related to Deafness and Communication Disorders (from American Speech, Language and Hearing Association)	UW-Madison	54,359	0
93.173	93.AGR dtd 12/30/97; 12/15/99	Research Related to Deafness and Communication Disorders (from Case Western Reserve University)	UW-Madison	13,238	0
93.173	93.P432193/Y432193	Research Related to Deafness and Communication Disorders (from University of Arizona)	UW-Madison	60,187	0
93.173	93.P17275	Research Related to Deafness and Communication Disorders (from University of Iowa)	UW-Madison	55,438	0
93.242	93.R01MH57545	Mental Health Research Grants (from Medical College of Wisconsin, Inc.)	UW-Milwaukee	82,498	0
93.262	93.U50/CCU51124 8-04	Occupational Safety and Health Research Grants (from Milwaukee Women's Center)	UW-Milwaukee	50,185	0
93.273	93.5 R01AA09228-04	Alcohol Research Programs (from Pacific Institute for Research and Evaluation)	UW-Milwaukee	308	0
93.273	93.PSA-684999	Alcohol Research Programs (from University of Connecticut)	UW-Milwaukee	25,406	0
93.306	93.GC 81210	Comparative Medicine (from University of Massachusetts)	UW-Madison	119,033	0
93.361	93.AGR dtd 8/22/97	Nursing Research (from Case Western Reserve University)	UW-Madison	9,907	0
93.393	93.737322	Cancer Cause and Prevention Research (from Ohio State University Research Foundation)	UW-Madison	1,217	0
93.393	93.4-62233-99-22	Cancer Cause and Prevention Research (from University of Kentucky Research Foundation)	UW-Madison	38,592	0
93.395	93.CA21115-22	Cancer Treatment Research (from Frontier Science and Technology Research Foundation, Inc.)	UW-Madison	3	0
93.398	93.AGR dtd 8/20/97	Cancer Research Manpower (from Medical College of Wisconsin, Inc.)	UW-Madison	2,949	0
93.398	93.5 R25 CA09554-09	Cancer Research Manpower (from Oncology Nursing Society)	UW-Milwaukee	47,145	0
93.399	93.P1710-WIS-01	Cancer Control (from Allegheny-Singer Research Institute)	UW-Madison	8,062	0
93.399	93.410081-G	Cancer Control (from University of Rochester)	UW-Madison	15,496	0
93.399	93.5 R03 CA73727-02	Cancer Control (from Medical College of Wisconsin, Inc.)	UW-Milwaukee	18,979	0

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**STATE OF WISCONSIN  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
93.600		Head Start (from Wisconsin Head Start State Collaboration)	UW-Milwaukee	42,014	0
93.837	93.AGR dtd 9/9/98	Heart and Vascular Diseases Research (from University of Florida)	UW-Madison	14,635	0
93.848	93.96-015	Digestive Diseases and Nutrition Research (from University of Texas)	UW-Madison	52,179	0
93.853	93.4-28825-97-06	Clinical Research Related to Neurological Disorders (from University of Kentucky)	UW-Madison	34,025	0
93.853	93.AGR dtd 3/4/98	Clinical Research Related to Neurological Disorders (from Wake Forest University)	UW-Madison	16,774	0
93.854	93.41197-A	Biological Basis Research in the Neurosciences (from Research Foundation of State University of New York-Hunter College)	UW-Madison	3,292	0
93.855	93.5-32027	Allergy, Immunology and Transplantation Research (from University of Pennsylvania)	UW-Madison	84,011	0
93.856	93.0600-370-XA94 WIS	Microbiology and Infectious Diseases Research (from Northwestern University)	UW-Madison	70,230	0
93.866	93.120.5710.91091	Aging Research (from Beckman Research Institute of the City of Hope)	UW-Madison	22,617	0
93.866	93.1557-G-8C604	Aging Research (from University of California-Los Angeles)	UW-Madison	4,549	0
93.866	93.691279	Aging Research (from University of Washington)	UW-Madison	149,520	0
93.867	93.642-4271	Vision Research (from Case Western Reserve University)	UW-Madison	9,066	0
93.867	93.A10567A	Vision Research (from Rensselaer Polytechnic Institute)	UW-Madison	3,577	0
93.941	93.AGR dtd 1/22/98; 11/20/98	HIV Demonstration, Research, Public and Professional Education Projects (from Medical College of Wisconsin, Inc.)	UW-Madison	30,369	0
93.969	93.AGR dtd 10/28/97	Grants for Geriatric Education Centers (from Marquette University)	UW-Madison	3	0
93.994		Maternal and Child Health Services Block Grant to the States (from Ambulatory Health Care Consortium)	UW-Milwaukee	270	0
N/A	93.AGR dtd 3/27/98	Statewide AIDS Informational/Referral Hotline and Resource Center (from AIDS Resource Center of Wisconsin, Inc.)	UW-Madison	16,685	0
N/A	93.500-94-0010-WI-1	Multi-State Nursing Home Case Mix and Quality Demonstration (from Allied Technology Group, Inc.)	UW-Madison	42,658	0
N/A	93.AGR dtd 1/20/99	Undergraduate Medical Education for the 21st Century: Demonstration of Curriculum (from American Association of Colleges of Osteopathic)	UW-Madison	95,080	0
N/A	93.AGR dtd 4/21/95	Radiation Therapy Oncology Group (from American College of Radiology)	UW-Madison	4,216	0
N/A	93.AGR dtd 6/9/97	Randomized Study of Two Interventions for Liquid Aspiration: Short and Long-Term Effects (from American Speech, Language and Hearing Association)	UW-Madison	181,049	0
N/A	93.AGR dtd 12/22/98	Mapping Interactive Cancer Susceptibility LOCI (from Beckman Research Institute)	UW-Madison	54,641	0
N/A	93.AGR dtd 2/18/98	Sexually Transmitted Disease Coop Research Centers (from Boston Medical Center)	UW-Madison	6,202	0
N/A	93.AGR dtd 2/2/99	Biology of Chlamydia and Gonococcal Lipid A (from Boston Medical Center)	UW-Madison	35,629	0
N/A	93.MC-151296-D- JW	Cardiovascular Risk in Sleep Apnea: Framingham Study (from Boston University)	UW-Madison	25,319	0
N/A	93.535011-54204- 02	Computational Models of Language Disorders (from Carnegie Mellon University)	UW-Madison	4,807	0
N/A	93.AGR dtd 7/30/98	Outcomes and Resource Use: Long-Term Ventilator Patients (from Case Western Reserve University)	UW-Madison	15,244	0
N/A	93.AGR dtd 10/7/97	Loss Control Decision Models for the Construction Industry (from Center to Protect Workers' Rights)	UW-Madison	806	0
N/A	93.WC02	Head Start Quality Network (Qnet) (from Cooperative Educational Service Agency #5)	UW-Madison	58,148	0
N/A	93.AGR dtd 12/9/96	Multicenter Randomized Trial of DSRS Versus Tips (from Cleveland Clinic Foundation)	UW-Madison	107,051	0
N/A	93.G-4454-2	Cell Wall of M Tuberculosis: Focus for Drug Discovery, Project 1B: Biochemistry of Mycolate (from Colorado State University)	UW-Madison	75,193	0
N/A	93.AGR dtd 8/14/98	Precision Fabrication of Two-Dimensional X-ray Anti-Scatter Grids (from Creative Microtech, Inc.)	UW-Madison	27,685	0
N/A	93.AGR dtd 4/21/99	Early Head Start Program (from Dane County Parent Council, Inc.)	UW-Madison	50,799	0
N/A	93.AGR dtd 4/14/99	Peptide Based Vaccine for Primate Model of AIDS (from Epimmune Incorporated)	UW-Madison	74,987	0
N/A	93.AGR dtd 12/15/98	GU Committee Activities and Audit Activities (Eastern Cooperative Oncology Group)	UW-Madison	11,287	0
N/A	93.AGR dtd 4/14/97	Evaluation of Single Chain Monoclonal Antibodies Produced in Bovine Milk (from Gala Design, LLC)	UW-Madison	(177)	0
N/A	93.970930	System for Testing Resolution of Ultrasound Scanners (from Gammex, Inc.)	UW-Madison	119,622	0
N/A	93.96-S03	Central Ophthalmic Reading Unit (from George Washington University)	UW-Madison	70,240	0
N/A	93.AGR dtd 6/3/98	Honoring Our Children with a Healthy Start (from Great Lakes Inter-Tribal Council, Inc.)	UW-Madison	34,331	0
N/A	93.RD	R&D Subgrants (from Great Lakes Inter-Tribal Council, Inc.)	UW-Madison	14,648	0
N/A	93.JFC184	Co-Stimulation Blockade for Renal Transplantation (from Henry M. Jackson Foundation)	UW-Madison	84,455	0
N/A	93.0255-5411	Gustducin-Taste Receptor Interaction in Gustation (from Howard Hughes Medical Institute at Mount Sinai)	UW-Madison	33,464	0
N/A	93.AGR dtd 10/26/98	MDS QI and QI Training (from Iowa Foundation for Medical Care)	UW-Madison	314,818	13,252
N/A	93.96162	Clinical Coordinating Center for the Study of Childhood Asthma Management Program (from Johns Hopkins University)	UW-Madison	35,197	0
N/A	93.RD	R&D Subgrants (from Johns Hopkins University)	UW-Madison	63,074	0
N/A	93.SAA 9714-02	Digital Fundus Image Diagnostic System (from Kestrel Corporation)	UW-Madison	25,000	0
N/A	93.76781	Integrating Multimedia into a Drug Prevention Resource-Phase II (from Learning Multi-Systems, Inc.)	UW-Madison	21,070	0
N/A	93.AGR dtd 11/19/98	Multicenter Trial of Synsorb PK in E. Coli Related Hus (from Long Island Jewish Medical Center)	UW-Madison	12	0
N/A	93.AGR dtd 4/27/98	Ryan White Care Act (from Madison AIDS Support Network)	UW-Madison	4,624	0

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**STATE OF WISCONSIN  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	93.AGR dtd 10/1/92	Evaluation of the Maehnowesekiyah Residential Treatment for Pregnant and Postpartum Women (from Maehnowesekiyah Treatment Center)	UW-Madison	37,819	0
N/A	93.77059	Evaluation of the Maehnowesekiyah Residential Treatment Center's Women and Children's Program (from Maehnowesekiyah Treatment Center)	UW-Madison	6,433	0
N/A	93.144GJ87; AGR dtd 12/16/98	Improvements in Implantable Glucose Sensors (from Markwell Medical Institute, Inc.)	UW-Madison	128,508	0
N/A	93.AGR dtd 12/2/97	Consortium for the Health Assessment of Great Lakes Sport Fish Consumption (from Marquette University)	UW-Madison	6,970	0
N/A	93.AGR dtd 6/28/99	Computer-Based Intervention for Adolescent Smokers (from Mayo Clinic)	UW-Madison	178,406	0
N/A	93.AGR dtd 9/10/98	Cancer Pain Role Model Program (from Medical College of Wisconsin, Inc.)	UW-Madison	12,138	0
N/A	93.AGR dtd 1/13/97	Cardiac Valvuloseptal Morphogenesis (from Medical University of South Carolina)	UW-Madison	49,946	0
N/A	93.AGR dtd 1/4/99	Evaluation of Prescription Drug Information Materials (from National Association of Boards of Pharmacy)	UW-Madison	51,176	0
N/A	93.RD	R&D Subgrants (from National Childhood Cancer Foundation)	UW-Madison	43,347	0
N/A	93.35339	Nuclear Transfer in Rhesus Macaques (from Oregon Regional Primate Research Center)	UW-Madison	93,651	0
N/A	93.RD	R&D Subgrants (from Promega Corporation)	UW-Madison	221	0
N/A	93.AGR dtd 6/26/97	Detection of Stressed-Induced Ischemia with Rest Dipyrindamole Cu-Ptsm Pet versus Rest Stress (from Proportional Technologies, Inc.)	UW-Madison	18,755	0
N/A	93.AGR dtd 10/12/98	Vaginal Immunization Against Urinary Tract Infection (from Protein Express, Inc.)	UW-Madison	21,866	0
N/A	93.AGR dtd 8/1/96	Evaluation of the Head Start/Public School Transition Demonstration Project (from Renewal Unlimited, Inc.)	UW-Madison	5,651	0
N/A	93.3-53U-6613	Evaluating the Use of Quality Indicators in the Long-Term Care Survey Process (from Research Triangle Institute)	UW-Madison	247,336	19,477
N/A	93.3-53U-6613	Long-Term Care Research and Demonstration Task Order Contract (from Research Triangle Institute)	UW-Madison	49,492	0
N/A	93.9837252	Multi-Media Video Task Analysis (from Robert A. Taft Laboratories)	UW-Madison	4,732	0
N/A	93.AGR dtd 4/27/98	Selenium Metabolism and Anticarcinogenic Action (from Roswell Park Cancer Institute)	UW-Madison	122,317	0
N/A	93.98-03002	Quality Indicator Reports (from South Dakota Department of Health)	UW-Madison	(6,041)	0
N/A	93.AGR dtd 8/21/97	Vitamin D Based Anti-Cancer Drugs (from Tetrionics, Inc.)	UW-Madison	188,743	0
N/A	93.AGR dtd 9/10/97	Screening Potential Chemopreventive Agents in Mice Bearing Alterations in Genes Related to Colon (from University of Alabama)	UW-Madison	184,154	0
N/A	93.M310711	Arizona Fiber Analysis (from University of Arizona)	UW-Madison	2,880	0
N/A	93.1935SC	Dynamics of Health, Aging, and Body Composition (from University of California)	UW-Madison	60,248	0
N/A	93.1557G7C426	Study of Osteoporotic Features-Eye Survey (from University of California-Los Angeles)	UW-Madison	13,928	0
N/A	93.10117851	Eicosanoids in the Outflow Pathways of the Eye (from University of California-San Diego)	UW-Madison	10,153	0
N/A	93.1935SC	Dynamics of Health, Aging and Body Composition Coordinating Unit (from University of California-San Francisco)	UW-Madison	34,269	0
N/A	93.AGR dtd 2/25/99	Linguistic Phenotype in Familial Dyslexia (from University of Denver)	UW-Madison	24,110	0
N/A	93.96-284	Environmental Determinants of Lyme Disease Foci (from University of Illinois-Urbana-Champaign)	UW-Madison	33,098	0
N/A	93.400019756	Midwest Collaboration on Child Language Impairment (from University of Iowa)	UW-Madison	28,494	0
N/A	93.P17274	Midwest Collaboration on Specific Language Impairment (from University of Iowa)	UW-Madison	13,433	0
N/A	93.P17627;400002	National Center for Voice and Speech: Treatment of Glottal Incompetence with Phonosurgery (from University of Iowa)	UW-Madison	71,779	0
N/A	93.5-33401	Complications of Age-Related Macular Degeneration Prevention Trial (from University of Pennsylvania)	UW-Madison	5,981	0
N/A	93.H11969	Los Angeles Latino Eye Study (from University of Southern California)	UW-Madison	30,541	0
N/A	93.AGR dtd 8/22/97	Laboratory Studies of Pain Control Methods (from University of Texas)	UW-Madison	145,232	0
N/A	93.SC96-09	Variation in Language Development (from University of Texas-Dallas)	UW-Madison	18,308	0
N/A	93.27469-37	Gynecologic Oncology Group (from University of Texas Southwestern Medical Center)	UW-Madison	34,691	0
N/A	93.RN2-414	Enhanced Expression of Non-Toxic Neurotoxin Derivatives in Safe Host Organisms (from U.S. Civilian Research and Development Foundation)	UW-Madison	6,713	0
N/A	93.FJ165188	Mental Health and Alcohol and Other Drug Abuse Among Native American Children (from Wisconsin Council on Developmental Disabilities)	UW-Madison	2,865	0
N/A	93.510 1267-3736	Attachment Relationships in Infant Child Care (from Purdue University)	UW-Green Bay	17,108	0
N/A	93.00980-520-Y202-UWP	Alterations in Circadian Time in Aging (from Northwestern University)	UW-Parkside	53,280	0
Subtotal R&D Subgrants				4,906,161	32,729
<b>TOTAL R&amp;D FROM U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				<b>136,846,794</b>	<b>5,790,965</b>
96.007		U.S. SOCIAL SECURITY ADMINISTRATION: Social Security-Research and Demonstration	UW-Madison	110,062	30,203
N/A	99.97-00185/1	U.S.-ISRAEL BINATIONAL SCIENCE: Studying Coexistence of Ferromagnetism and Superconductivity	UW-Madison	1,489	0
<b>TOTAL RESEARCH AND DEVELOPMENT CLUSTER</b>				<b>\$ 271,672,655</b>	<b>\$ 14,834,453</b>

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**STATE OF WISCONSIN**  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>STUDENT FINANCIAL AID (SFA) CLUSTER</b>					
<b>U.S. DEPARTMENT OF EDUCATION:</b>					
84.007		Federal Supplemental Educational Opportunity Grants	UW-Madison	\$ 2,801,271	\$ 0
84.007		Federal Supplemental Educational Opportunity Grants (Note 2)	UW-Milwaukee	1,658,678	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Eau Claire	753,334	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Green Bay	476,609	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-La Crosse	393,647	0
84.007		Federal Supplemental Educational Opportunity Grants (Note 2)	UW-Oshkosh	422,355	0
84.007		Federal Supplemental Educational Opportunity Grants (Note 2)	UW-Parkside	492,160	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Platteville	382,885	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-River Falls	421,726	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Stevens Point	660,559	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Stout	460,491	0
84.007		Federal Supplemental Educational Opportunity Grants (Note 2)	UW-Superior	240,872	0
84.007		Federal Supplemental Educational Opportunity Grants (Note 2)	UW-Whitewater	564,279	0
84.007		Federal Supplemental Educational Opportunity Grants	UW Colleges	459,216	0
Total Federal Program 84.007				10,188,082	0
84.032		Federal Family Education Loans (Note 20)	UW-Madison	84,863,285	0
84.032		Federal Family Education Loans (Note 20)	UW-Green Bay	8,165,092	0
84.032		Federal Family Education Loans (Note 20)	UW-La Crosse	18,042,710	0
84.032		Federal Family Education Loans (Notes 2, 20)	UW-Oshkosh	16,341,345	0
84.032		Federal Family Education Loans (Notes 2, 20)	UW-Parkside	4,837,329	0
84.032		Federal Family Education Loans (Note 20)	UW-Platteville	8,522,689	0
84.032		Federal Family Education Loans (Note 20)	UW-River Falls	10,355,552	0
84.032		Federal Family Education Loans (Note 20)	UW-Stevens Point	14,309,351	0
84.032		Federal Family Education Loans (Note 20)	UW-Stout	17,204,316	0
84.032		Federal Family Education Loans (Note 20)	UW Colleges	4,935,944	0
Total Federal Program 84.032				187,577,613	0
84.033		Federal Work-Study Program	UW-Madison	1,851,743	0
84.033		Federal Work-Study Program (Note 2)	UW-Milwaukee	744,054	0
84.033		Federal Work-Study Program	UW-Eau Claire	1,055,578	0
84.033		Federal Work-Study Program	UW-Green Bay	258,511	0
84.033		Federal Work-Study Program	UW-La Crosse	385,217	0
84.033		Federal Work-Study Program (Note 2)	UW-Oshkosh	602,072	0
84.033		Federal Work-Study Program (Note 2)	UW-Parkside	84,839	0
84.033		Federal Work-Study Program	UW-Platteville	504,744	0
84.033		Federal Work-Study Program	UW-River Falls	483,986	0
84.033		Federal Work-Study Program	UW-Stevens Point	908,047	0
84.033		Federal Work-Study Program	UW-Stout	584,808	0
84.033		Federal Work-Study Program (Note 2)	UW-Superior	192,939	0
84.033		Federal Work-Study Program (Note 2)	UW-Whitewater	396,679	0
84.033		Federal Work-Study Program	UW Colleges	337,111	0
84.033		Federal Work-Study Program	UW-Extension	19,883	0
84.033		Federal Work-Study Program	UW System Admin	7,206	0
Total Federal Program 84.033				8,417,417	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 19)	UW-Madison	8,979,917	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Notes 2, 19)	UW-Milwaukee	1,360,813	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 19)	UW-Eau Claire	2,135,814	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 19)	UW-Green Bay	581,824	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 19)	UW-La Crosse	922,525	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Notes 2, 19)	UW-Oshkosh	1,182,571	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Notes 2, 19)	UW-Parkside	344,062	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 19)	UW-Platteville	882,314	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 19)	UW-River Falls	783,672	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 19)	UW-Stevens Point	2,319,188	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 19)	UW-Stout	1,745,309	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Notes 2, 19)	UW-Superior	287,805	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Notes 2, 19)	UW-Whitewater	1,583,526	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 19)	UW Colleges	547,186	0
Total Federal Program 84.038				23,656,526	0
84.063		Federal Pell Grant Program	UW-Madison	6,517,013	0
84.063		Federal Pell Grant Program (Note 2)	UW-Milwaukee	6,954,094	0
84.063		Federal Pell Grant Program	UW-Eau Claire	3,619,238	0
84.063		Federal Pell Grant Program	UW-Green Bay	1,990,198	0
84.063		Federal Pell Grant Program	UW-La Crosse	3,000,760	0
84.063		Federal Pell Grant Program (Note 2)	UW-Oshkosh	3,400,426	0
84.063		Federal Pell Grant Program (Note 2)	UW-Parkside	2,050,379	0
84.063		Federal Pell Grant Program	UW-Platteville	2,113,086	0
84.063		Federal Pell Grant Program	UW-River Falls	2,362,585	0
84.063		Federal Pell Grant Program	UW-Stevens Point	3,672,149	0
84.063		Federal Pell Grant Program	UW-Stout	3,640,197	0
84.063		Federal Pell Grant Program (Note 2)	UW-Superior	1,583,979	0

The accompanying notes are an integral part of this schedule.

**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 1999**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>STUDENT FINANCIAL AID (SFA) CLUSTER</b>					
84.063		Federal Pell Grant Program (Note 2)	UW-Whitewater	3,220,497	0
84.063		Federal Pell Grant Program	UW Colleges	2,896,631	0
		Total Federal Program 84.063		<u>47,021,232</u>	<u>0</u>
84.268		Federal Direct Loan (Notes 2, 20)	UW-Milwaukee	44,705,856	0
84.268		Federal Direct Loan (Note 20)	UW-Eau Claire	15,425,171	0
84.268		Federal Direct Loan (Notes 2, 20)	UW-Superior	5,487,789	0
84.268		Federal Direct Loan (Notes 2, 20)	UW-Whitewater	20,487,056	0
		Total Federal Program 84.268		<u>86,105,872</u>	<u>0</u>
Other Federal Financial Assistance:					
N/A	84.SFA	Administrative Cost Allowance (Note 21)	UW-Madison	675,105	0
N/A	84.SFA	Administrative Cost Allowance (Notes 2, 21)	UW-Milwaukee	232,521	0
N/A	84.SFA	Administrative Cost Allowance (Note 21)	UW-Eau Claire	243,343	0
N/A	84.SFA	Administrative Cost Allowance (Note 21)	UW-Green Bay	56,341	0
N/A	84.SFA	Administrative Cost Allowance (Note 21)	UW-La Crosse	80,356	0
N/A	84.SFA	Administrative Cost Allowance (Notes 2, 21)	UW-Oshkosh	43,596	0
N/A	84.SFA	Administrative Cost Allowance (Notes 2, 21)	UW-Parkside	58,331	0
N/A	84.SFA	Administrative Cost Allowance (Note 21)	UW-Platteville	123,264	0
N/A	84.SFA	Administrative Cost Allowance (Note 21)	UW-River Falls	94,480	0
N/A	84.SFA	Administrative Cost Allowance (Note 21)	UW-Stevens Point	118,337	0
N/A	84.SFA	Administrative Cost Allowance (Note 21)	UW-Stout	156,618	0
N/A	84.SFA	Administrative Cost Allowance (Notes 2, 21)	UW-Superior	51,953	0
N/A	84.SFA	Administrative Cost Allowance (Notes 2, 21)	UW-Whitewater	162,489	0
N/A	84.SFA	Administrative Cost Allowance (Note 21)	UW Colleges	70,304	0
		Total Administrative Cost Allowance		<u>2,167,038</u>	<u>0</u>
<b>TOTAL SFA FROM U.S. DEPARTMENT OF EDUCATION</b>				<u>365,133,780</u>	<u>0</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>					
93.108		Health Education Assistance Loans (Note 20)	HEAB	0	0
93.108		Health Education Assistance Loans (Note 20)	UW-Madison	0	0
		Total Federal Program 93.108		<u>0</u>	<u>0</u>
93.342		Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (Note 19)	UW-Madison	725,113	0
93.364		Nursing Student Loans (Note 19)	UW-Madison	189,056	0
93.364		Nursing Student Loans (Notes 2, 19)	UW-Milwaukee	128,908	0
93.364		Nursing Student Loans (Notes 2, 19)	UW-Oshkosh	255,840	0
		Total Federal Program 93.364		<u>573,804</u>	<u>0</u>
93.820		Scholarships for Students of Exceptional Financial Need	UW-Madison	64,614	0
93.925		Scholarships for Health Professions Students from Disadvantaged Backgrounds	UW-Madison	6,147	0
93.925		Scholarships for Health Professions Students from Disadvantaged Backgrounds	UW-Eau Claire	12,671	0
		Total Federal Program 93.925		<u>18,818</u>	<u>0</u>
<b>TOTAL SFA FROM U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				<u>1,382,349</u>	<u>0</u>
<b>TOTAL STUDENT FINANCIAL AID CLUSTER</b>				<u>\$ 366,516,129</u>	<u>\$ 0</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<u>\$ 4,960,823,816</u>	<u>\$ 1,242,884,705</u>

The accompanying notes are an integral part of this schedule.

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# NOTES TO THE STATE OF WISCONSIN SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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## 1. Summary of Significant Accounting Policies

- A. Purpose - The Schedule of Expenditures of Federal Awards presents a summary of the State of Wisconsin's expenditures financed by the federal government for the fiscal year ended June 30, 1999. For purposes of the schedule, federal programs have been classified into three types: 1) individual federal programs and other clusters, including grants received directly from the federal government and subgrants received from other organizations; 2) the research and development (R&D) cluster, including R&D grants received directly from the federal government and R&D subgrants received from other entities; and 3) the student financial aid (SFA) cluster. Direct federal awards and subgrants are presented for each federal agency and, when available, by catalog number.

Because the schedule presents only a selected portion of the activities of the State, it is not intended to and does not present the financial position or results of operations of the State.

- B. Basis of Accounting - The accompanying Schedule of Expenditures of Federal Awards has been prepared from the Wisconsin state agencies' and UW System's accounting records and federal reports submitted by the state agencies to the various federal grantor agencies. The state accounting records are maintained on a modified cash basis. State statutes and state accounting policies require that disbursements be recognized in the fiscal year in which they are recorded for payment, except for certain state employe fringe benefits that are recognized in the period to which the benefits relate, regardless of when paid. The State's centralized accounting records remain open until July 31 to permit the recording of expenditures applicable to the fiscal year ended June 30, in accordance with Wisconsin Statutes.

To eliminate duplicate counting for subgrants between state agencies and UW campuses, the schedule includes expenditures reported by the state agency or UW campus that received the funds directly from the U.S. government and does not include expenditures recorded by the subrecipient.

A timing variance may exist between the recording of expenditures in the accounting records and the reporting of the federal grant expenditures to the U.S. government or other subgrantor organizations.

C. State Agencies and UW Campuses Included - The following state agencies were included in the scope of our audit:

1. Department of Health and Family Services (DHFS)
2. Department of Workforce Development (DWD)
3. University of Wisconsin (UW) System
4. Department of Transportation (DOT)
5. Department of Public Instruction (DPI)
6. Department of Natural Resources (DNR)
7. Department of Administration (DOA)
8. Department of Commerce
9. Department of Military Affairs (DMA)
10. Wisconsin Technical College System Board (WTCSB)
11. Department of Veterans Affairs (DVA)
12. Department of Corrections (DOC)
13. Department of Justice (DOJ)
14. Department of Agriculture, Trade and Consumer Protection (DATCP)
15. Higher Educational Aids Board (HEAB)
16. State Historical Society of Wisconsin (SHS)
17. Child Abuse and Neglect Prevention Board (CANPB)
18. Wisconsin Arts Board (Arts Board)
19. Public Service Commission (PSC)
20. Department of Revenue (DOR)
21. Educational Communications Board (ECB)
22. Department of Employment Relations (DER)
23. Board on Aging and Long-Term Care (BOALTC)

The following campuses or units of UW System were included in the scope of our audit:

1. UW-Madison
2. UW-Milwaukee
3. UW-Eau Claire
4. UW-Green Bay
5. UW-La Crosse
6. UW-Oshkosh
7. UW-Parkside
8. UW-Platteville
9. UW-River Falls
10. UW-Stevens Point
11. UW-Stout
12. UW-Superior
13. UW-Whitewater
14. UW Colleges
15. UW-Extension
16. UW System Administration (UW System Admin)
17. Wisconsin Humanities Council (Wis Humanities Council)

The federal awards administered by the Wisconsin Supreme Court were not included in the scope of this single audit because the Supreme Court is audited separately and its grants are audited in accordance with OMB Circular A-133, if required. An audit of federal financial assistance received by the Wisconsin Housing and Economic Development Authority was performed by other auditors.

## 2. Major Federal Grant Programs

The federal financial assistance expended by the State of Wisconsin during FY 1998-99 was \$5,751,264,871, consisting of \$4,960,823,816 of cash assistance as reported in the Schedule of Expenditures of Federal Awards, and \$790,441,055 of noncash assistance and outstanding loan balances. The noncash assistance consists of food commodities, food stamps and outstanding loan balances as described in Notes 5, 8, 9, 10, 15, 19, 20, and 22 and as shown in Table 7. Not included in the amount of noncash assistance is the value of donated federal surplus personal property (catalog #39.003) described in Note 14.

Table 7

### Noncash Assistance

<u>CFDA Number</u>	<u>Name of Federal Program</u>	<u>Amount</u>
10.550	Food Distribution	\$ 17,536,188
10.551	Food Stamps	125,466,087
10.569	Emergency Food Assistance Program (Food Commodities)	3,900,000
14.228	Community Development Block Grants/State's Program	53,553,992
20.205	Highway Planning and Construction	310,400
20.308	Local Rail Freight Assistance	22,400
66.458	Capitalization Grants for State Revolving Funds	382,143,069
66.468	Capitalization Grants for Drinking Water State Revolving Fund	35,603,168
84.038	Perkins Loan Program	158,242,314
93.108	Health Education Assistance Loans	3,825,978
93.342	Health Professions Student Loans	5,766,998
93.364	Nursing Student Loans	<u>4,070,461</u>
	Total Noncash Assistance	\$790,441,055

Federal cash and noncash assistance, other than loan balances, expended by the State of Wisconsin during FY 1998-99 was \$5.1 billion. The major grant threshold, as defined by OMB Circular A-133, was \$15.3 million. All federal programs with expenditures exceeding this threshold of \$15.3 million are labeled type A programs. Each type A program that is considered to be low-risk is audited as a major program at least once every three years. The type A programs that are not considered to be low-risk are audited as major programs. The federal programs with expenditures under the threshold of \$15.3 million are labeled as type B programs. For each low-risk type A program that is not audited as a major program, one high-risk type B program is selected to be audited as a major program.

The State of Wisconsin administered 30 major federal programs during FY 1998-99. The total federal assistance, including noncash assistance, under these major grant programs constituted 64 percent of the total federal financial assistance during the audit period. The major federal programs for FY 1998-99, as determined by the risk-based approach, are listed in Table 8.

Table 8

**Major Federal Programs in FY 1998-99**

<u>CFDA #</u>	<u>Federal Program</u>	<u>Expenditures</u>	<u>State Recipient</u>
10.551/.561	Food Stamp Cluster (a)	\$159,600,664	DWD
10.557	Special Supplemental Nutrition for Women, Infants, and Children	54,674,120	DHFS
10.570	Nutrition Program for the Elderly (Commodities)	2,861,753	DHFS
15.605/.611	Fish and Wildlife Cluster	12,676,828	DNR
16.586	Violent Offender Incarceration and Truth in Sentencing Incentive Grants	2,056,637	DOC
17.207/.801/.804	Employment Services Cluster	16,934,494	DWD/ UW-Milwaukee
20.106	Airport Improvement Program	30,111,597	DOT
20.205	Highway Planning and Construction (b)	407,756,013	DOT/DOR/ UW-Milwaukee
64.015	Veterans State Nursing Home Care	8,614,107	DVA
66.468	Capitalization Grants for Drinking Water State Revolving Fund (c)	24,805,284	DNR
66.801	Hazardous Waste Management State Program	2,052,247	DNR
81.042	Weatherization Assistance for Low-Income Persons	4,538,575	DOA
N/A	Petroleum Violation Escrow Funds	1,855,301	DOA
84.010	Title 1 Grants to Local Educational Agencies	130,050,294	DPI
84.027/.173	Special Education Cluster	71,539,666	DPI
84.042/.044/.047	TRIO Cluster	6,477,358	DPI/ UW System

<u>CFDA #</u>	<u>Federal Program</u>	<u>Expenditures</u>	<u>State Recipient</u>
84.126	Rehabilitation Services-Vocational Rehabilitation Grants to States	\$ 49,132,470	DWD
84.243	Tech-Prep Education	2,076,722	WTCSB
84.282	Charter Schools	2,073,901	DPI
93.558	Temporary Assistance for Needy Families	116,738,733	DWD
93.563	Child Support Enforcement	77,233,475	DWD
93.568	Low-Income Home Energy Assistance	34,815,769	DOA
93.569	Community Services Block Grant	5,867,491	DHFS
93.575/.596	Child Care Cluster	117,253,421	DWD
93.600	Head Start	2,956,117	DWD/ UW-Oshkosh
93.658	Foster Care—Title IV-E	88,003,595	DHFS
93.775/.777/.778	Medicaid Cluster	1,767,450,058	DHFS/ DWD/DOJ
96.001/.006	Disability Insurance/SSI Cluster	20,914,709	DHFS/DWD
Various	Research and Development Cluster	271,672,655	UW System
Various	Student Financial Aid Cluster (d)	55,784,924	UW-Milwaukee
Various	Student Financial Aid Cluster (d)	22,248,205	UW-Oshkosh
Various	Student Financial Aid Cluster (d)	7,867,100	UW-Parkside
Various	Student Financial Aid Cluster (d)	7,845,337	UW-Superior
Various	Student Financial Aid Cluster (d)	<u>26,414,526</u>	UW-Whitewater
		\$3,612,954,146	

(a) Includes \$34,134,577 in expenditures and \$125,466,087 in distributed food stamps (see note 5).

(b) Does not include the amount of loans outstanding as of June 30, 1999 (see note 22).

(c) Does not include the amount of loans outstanding as of June 30, 1999 (see note 15).

(d) Does not include the amount of loans outstanding as of June 30, 1999 (see notes 19 and 20).

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The research and development cluster, a major program, is defined by OMB Circular A-133 as including all research activities, both basic and applied, and all development activities that are performed by a non-federal entity. Research is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. Development is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes. Most grant documents from the federal government and other subgrantor organizations do not clearly identify a grant as research and development. Therefore, UW campus staff classify grants as research and development or as other than research and development. Other state agency staff do not classify any of their grants as research and development.

The student financial aid cluster is defined by OMB Circular A-133 as including those programs of general student assistance in which institutions participate, such as those authorized by Title IV of the Higher Education Act of 1965, as amended, which are administered by the U.S. Department of Education, and similar programs provided by other federal agencies. It does not include programs that provide fellowships or similar awards to students on a competitive basis, or for specified studies or research. The student financial aid cluster is a low-risk

type A program and, therefore, must be audited at least once every three years. The Legislative Audit Bureau audits the student financial aid cluster at the UW campuses over a three-year cycle. During the FY 1998-99 audit, the Audit Bureau audited the student financial aid cluster as a major program at UW-Milwaukee, UW-Oshkosh, UW-Parkside, UW-Superior, and UW-Whitewater.

The Wisconsin Humanities Council is a nonprofit organization associated with UW System through its relationship with UW-Extension. UW-Extension is responsible for fiscal and personnel administration of the Council. At the request of the National Endowment for the Humanities, the Wisconsin Humanities Council was included as a unit within UW System, and the Promotion of the Humanities—Federal/State Partnership grant (catalog #45.129) was audited as if it were a major program.

### **3. Catalog of Federal Domestic Assistance (CFDA) Numbers**

Many grant documents from the federal government and other subgrantor organizations do not provide a CFDA number to the UW campus receiving the funds. In addition, some grant documents do not provide CFDA numbers to other state agencies receiving the funds. CFDA numbers are presented in the schedule when the CFDA numbers were included in the grant agreements or could be determined based on a grant's source and purpose. For grants that did not clearly state a CFDA number, the schedule includes the grant or a total for several grants, with an indication of "N/A," for not available. For the direct grants and subgrants in the individual programs and other clusters, an "other identifying number," when available, is shown if the CFDA number is not available.

For the research and development cluster, direct awards are presented for each federal agency, by catalog number, when available. Direct grants without a catalog number are presented for each federal agency and, where applicable, for the major subdivisions within the agency.

### **4. Amount Provided to Subrecipients**

OMB Circular A-133 requires the Schedule of Expenditures of Federal Awards, to the extent practical, to include the amount provided to subrecipients under each federal program. To the extent practical, the amount provided to subrecipients was determined for the federal programs at the state agencies and UW System.

### **5. Food Stamps**

During FY 1998-99, DWD was responsible for issuing food stamps to recipients on behalf of the U.S. Department of Agriculture (catalog #10.551). DWD issued \$125,466,087 of food stamps during FY 1998-99 and had \$26,169,040 worth of food stamps on hand as of June 30, 1999. DWD's insurance coverage includes a

blanket honesty bond covering DWD employees and losses due to fire or forced-entry theft. DWD is to reimburse the U.S. Department of Agriculture for the value of food stamps lost by inventory shortages or issued and not received by recipients, if above a federally mandated threshold. As of April 1, 1998, DWD contracted with Systems and Methods, Inc., of Carrollton, Georgia, for the physical custody and issuance of food stamp coupons for the State of Wisconsin.

## **6. Potential Federal Sanctions and Disallowances**

The U.S. Department of Agriculture assesses a sanction against a state if its error rate for eligibility and benefit determinations exceeds the national average for the Food Stamps program (catalog #10.551). The final sanctioned amount is determined through negotiations. The \$2,616,722 potential liability for FFY 1993-94, FFY 1994-95, and FFY 1995-96 was reduced to \$1.2 million. For each year that Wisconsin does not reach its goal, \$300,000 of the \$1.2 million must be reinvested in payment accuracy activities. For FFY 1996-97, Wisconsin's error rate of 13.70 percent for the Food Stamps program exceeded the national average of 9.88 percent, and a liability of \$2,340,053 was assessed. For each year that Wisconsin does not reach its goal, \$770,026 must be reinvested in payment accuracy activities. For FFY 1997-98, Wisconsin's error rate of 13.07 percent for the Food Stamps program exceeded the national average of 10.69 percent, and a potential liability of \$689,391 was assessed. Since Wisconsin exceeded the national average for FFY 1997-98, \$300,000 must be reinvested in payment accuracy activities. For FFY 1998-99, Wisconsin's estimated error rate of 12.29 percent for the Food Stamps program exceeded the estimated national average of 10.00 percent. The estimated potential liability is not available for FFY 1998-99.

A federal review of the Food Stamp Employment and Training program for FFY 1994-95 and FFY 1995-96 identified unallowable claims of \$5,174,442 for the Job Opportunities and Basic Skills (JOBS) Training program (catalog #93.561), \$748,732 for the Family Support Payments to States—Assistance Payments program (catalog #93.560), and \$434,015 for the Employment and Training portion of the State Administrative Matching Grants for Food Stamp Program (catalog #10.561). The State returned federal disallowances totaling \$6,357,189 to the federal government during FY 1997-98. The State used the same methodology to claim federal funding during FFY 1993-94 and returned \$2,570,125 to the federal government during FY 1998-99.

A federal review of the Child Support Enforcement program awarded to DWD by the U.S. Department of Health and Human Services' Office of Child Support Enforcement for FFY 1997-98 identified disallowed costs of \$3,643,264 for unsupported allocated costs and \$314,588 for interest earnings. The actual amount of the disallowance remains under negotiation. DWD staff believe the

federal government will allow the allocated costs claimed when documentation is provided to the federal auditors. DWD will be returning the \$314,588 in interest earnings to the federal government.

A federal review of the Fish and Wildlife Cluster awarded to DNR by the U.S. Department of the Interior Fish and Wildlife Service for FFY 1994-95 and FFY 1995-96 identified questioned costs of \$5,067,771. The actual amount of the disallowance remains under negotiation. In its March 1999 proposed resolution, the State contends that it has incurred excess matching expenditures sufficient to cover the potential disallowance.

#### **7. Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Rebates**

During FY 1998-99, DHFS received \$18,311,335 in cash rebates from infant formula manufacturers from the sale of formula to participants in the WIC program (catalog #10.557). Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16(m) as a cost-containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. Applying the rebates received to such costs enabled DHFS to extend program benefits to 33,290 more people than could have been served during FY 1998-99 in the absence of the rebate contract.

#### **8. Food Distribution**

No expenditures were reported in the schedule for the Food Distribution Program (catalog #10.550) administered by DPI because this program involves the distribution of food commodities, and no funds were awarded to the State. The value of the food commodities distributed is not reported in the schedule. DPI distributed \$17,536,188 worth of food commodities during FY 1998-99 and had \$1,533,663 worth of food commodities on hand as of June 30, 1999.

#### **9. Emergency Food Assistance Program**

The expenditures reported in the schedule represent administrative costs of the Emergency Food Assistance Program (Administrative Costs) (catalog #10.568) at the state and local levels. The value of the food commodities distributed under the Emergency Food Assistance Program (Food Commodities) (catalog #10.569) is not reported in the schedule. DHFS distributed approximately \$3,900,000 worth of food commodities during FY 1998-99 and had approximately \$410,586 worth of food commodities on hand as of June 30, 1999.

## **10. Community Development Block Grants/State's Program**

Included as expenditures of the Community Development Block Grants/State's Program (catalog #14.228) is \$3,077,414 in revolving loan fund expenditures that are not direct expenditures of funds from the U.S. government. As of June 30, 1999, the balance of loans outstanding was \$53,553,992.

## **11. HOME Investment Partnerships Program**

The HOME Investment Partnerships Program (catalog #14.239) provides funds to state and local governments to expand the supply of safe and affordable housing to low-income citizens. Included as expenditures of the program is a total of \$2,507,888 received directly by DOA's subrecipients from the U.S. Department of Housing and Urban Development, and not accounted for on the State's central accounting system.

## **12. Unemployment Insurance Program**

Expenditures for the Unemployment Insurance program (catalog #17.225) include \$490,753,872 in benefits funded by the Wisconsin Unemployment Insurance Reserve Fund, \$4,924,760 in federally funded benefits, and \$50,332,370 in federally funded administrative costs during FY 1998-99.

## **13. Highway Planning and Construction**

Expenditures for the Highway Planning and Construction program (catalog #20.205) include \$2,855,625 in project charges that have been incurred in excess of the federally approved project budget amount as of June 30, 1999, but that are expected to be recovered in the next fiscal year.

## **14. Donation of Federal Surplus Personal Property**

DOA is responsible for administration of the Donation of Federal Surplus Personal Property program (catalog #39.003). DOA has contracted with Wisconsin Technical College System Foundation, Inc., to receive and distribute the federal surplus property. As of July 1, 1998, the Foundation had on hand property with an initial cost to the federal government of \$17,737,771. During FY 1998-99, the Foundation received from the federal government surplus personal property having an initial cost to the federal government of \$4,884,439. During the period, property with an initial cost of \$19,614,628 was distributed, leaving property with an initial cost to the federal government of \$3,007,582 on hand as of June 30, 1999. DOA does not maintain records of the fair market value of the property received but believes it is below the type A major grant threshold established by OMB Circular A-133.

## **15. Capitalization Grants for State Revolving Funds and Capitalization Grants for Drinking Water State Revolving Fund**

The State of Wisconsin Environmental Improvement Fund is an enterprise fund of the State and is jointly administered by DNR and DOA. Included in the Environmental Improvement Fund is the Clean Water Fund Direct Loan Program, funded primarily by the federal government under the Capitalization Grants for State Revolving Funds (catalog #66.458) and Capitalization Grants for Drinking Water State Revolving Fund (catalog #66.468). As of June 30, 1999, loans outstanding were \$382,143,069 and \$35,603,168, respectively. Federal reporting requirements for the Clean Water Fund Direct Loan Program include financial statements prepared in accordance with generally accepted accounting principles and information regarding loan recipients, loan amounts, loan terms, project categories of eligible costs, and similar details on other forms of assistance. DNR and DOA have previously provided this information to the U.S. Environmental Protection Agency in the following documents:

- the Environmental Improvement Fund program's FY 1998-99 and FY 1997-98 audited financial statements, prepared in accordance with generally accepted accounting principles, including supplementary information specific to the Clean Water Fund Direct Loan Program;
- the State Revolving Fund intended use plan for FY 1998-99, prepared by DNR; and
- the State Revolving Fund annual report for FY 1998-99, prepared by DNR and DOA.

Copies of the above documents are available from:

Wisconsin Department of Natural Resources  
Bureau of Community Financial Assistance  
P.O. Box 7921  
Madison, WI 53707

The expenditures included in the Schedule of Expenditures of Federal Awards are the amounts recorded on the State of Wisconsin's accounting system in accordance with the basis of accounting described in Note 1(A) and are not intended to be in accordance with generally accepted accounting principles.

## **16. Federal Block Grants**

State agencies are not required to submit a report to the federal grantor agency for the following federal block grants: Low-Income Home Energy Assistance (catalog #93.568); Community Services Block Grant (catalog #93.569); Child Care and Development Block Grant (catalog #93.575); Social Services Block Grant (catalog #93.667); Block Grants for Community Mental Health Services

(catalog #93.958); Block Grants for Prevention and Treatment of Substance Abuse (catalog #93.959); Preventive Health and Health Services Block Grant (catalog #93.991); and Maternal and Child Health Services Block Grant to the States (catalog #93.994). This single audit report fulfills the reporting requirements of the eight federal block grants.

#### **17. Social Services Block Grant**

Social Services Block Grant (catalog #93.667) expenditures claimed for federal reimbursement are not based directly on the DHFS accounting records for the grant. The grant expenditure claims are based on the social services expenditures reported by the county social service agencies throughout the state and summarized by the DHFS Community Aids Reporting System. As required to be disclosed by the OMB Circular A-133 Compliance Supplement, expenditures reported in the schedule for the Social Services Block Grant include \$31,800,000 transferred from the federal award for the Temporary Assistance for Needy Families program (catalog #93.558).

#### **18. Fee-for-Service Programs and Fixed-Price Contracts**

State agencies and UW System received fees for services or reimbursement under fixed-price contracts with the federal government or other subgrantor organizations. Actual costs to provide the services are not required to be reported to the federal government or other subgrantor organization. The Schedule of Expenditures of Federal Awards includes actual amounts charged to the fixed-price contracts, which may be more than, equal to, or less than the contract funds received from the federal grantor agency or other subgrantor organization. The grant schedule may also include an unknown amount of expenditures of funds from fixed-price contracts that ended in prior fiscal years.

#### **19. Loans Collected by the University of Wisconsin**

The expenditures in the schedule for the loan programs consist of loans advanced to students and collection costs charged to the loan funds during FY 1998-99. For the Perkins Loan Program, the expenditures in the schedule are funded by the federal capital contributions, institutional match, and loan repayments or other fees collected from student borrowers. Not included in the Schedule of Expenditures of Federal Awards is the amount of outstanding loans. The Perkins Loan (catalog #84.038), Health Professions Student Loan (catalog #93.108), and Nursing Student Loan (catalog #93.364) funds consisted of the following student loan receivable balances:

	Outstanding Balance, <u>June 30, 1999</u>
Perkins Loans:	
UW-Madison and UW-Green Bay	\$ 65,027,710
UW-Milwaukee	14,272,829
UW-Eau Claire	12,836,353
UW-La Crosse	6,181,392
UW-Oshkosh	6,709,275
UW-Parkside	2,645,511
UW-Platteville	5,602,560
UW-River Falls	5,040,013
UW-Stevens Point	14,291,097
UW-Stout	12,533,152
UW-Superior	1,691,327
UW-Whitewater	9,405,783
UW Colleges	<u>2,005,312</u>
Total Perkins Loans	\$158,242,314
Health Professions Student Loans:	
UW-Madison	\$5,766,998
Nursing Student Loans:	
UW-Madison	\$1,476,038
UW-Milwaukee	886,613
UW-Oshkosh	<u>1,707,810</u>
Total Nursing Student Loans	\$4,070,461

## 20. Other Loan Programs

UW System participates in the Federal Family Education Loans (FFEL) program, which includes Stafford Loans, Supplemental Loans for Students, and Parents Loans for Undergraduate Students (catalog #84.032). The FFEL program is considered a component of the student financial aid cluster. Lending institutions, such as banks, provide funds to students attending the UW campuses, and UW staff are involved with the certification of loan applications and distributing loan checks to the student borrowers. The FFEL amounts disbursed to students during FY 1998-99 are shown in the schedule, except the amount of FFEL disbursed by UW-Parkside, which includes only amounts actually processed through UW-Parkside. The amount awarded to students at UW-Parkside for FY 1998-99 was \$4,837,329. For all UW campuses, the total outstanding loan balance for FFEL is not available.

UW-Milwaukee, UW-Eau Claire, UW-Superior, and UW-Whitewater participate in the Federal Direct Loan program (catalog #84.268) instead of the FFEL program. The Federal Direct Loan program is similar to the FFEL program,

except that the UW campuses, rather than financial institutions, are responsible for disbursing the loans. In addition, the loan funds are provided by the U.S. Department of Education. The Federal Direct Loan amounts advanced to students during FY 1998-99 are shown in the schedule. The total outstanding loan balance for the Federal Direct Loan program is not available.

Prior to July 1, 1998, UW-Madison participated in the Health Education Assistance Loans (HEAL) program (catalog #93.108). The HEAL program is a component of the student financial aid cluster. Lending institutions, such as banks, provide funds to students enrolled in certain health professions educational programs, and UW-Madison staff are involved with the certification of loan applications. No new loans were made during the fiscal year, and no new loans will be made in the future. The total outstanding loan balance for the HEAL program at UW-Madison is not available.

HEAB also provided student loans funded by the HEAL program to eligible medical and dental students at qualifying universities or colleges in Wisconsin. These student loans are insured as to payment by the U.S. Department of Health and Human Services if a claim is filed after default, death, disability, or bankruptcy. HEAB did not receive any federal funds for claims from the U.S. Department of Health and Human Services in FY 1998-99. No new loans were made during the fiscal year, and no new loans will be made in the future. As of June 30, 1999, the balance of loans outstanding at HEAB was \$3,825,978.

## **21. Administrative Cost Allowance**

Included in the student financial aid cluster are the total expenditures for the administrative cost allowance provided by the Supplemental Educational Opportunity Grants program (catalog #84.007), Federal Work-Study program (catalog #84.033), Perkins Loan Program (catalog #84.038), and Pell Grant Program (catalog #84.063). The actual administrative cost allowance amount earned during the award year for each program has not been determined and is not included in the amount of expenditures for the four separate student financial aid programs.

## **22. Loan Funds from Federal Highway Administration and Federal Railways Administration**

During FY 1998-99, the Wisconsin Department of Transportation received \$1,260,000 in loan funds from the Federal Highway Administration under the Highway Planning and Construction program (catalog #20.205). The Wisconsin Department of Transportation has issued \$310,400 of these loan funds to local municipalities; this balance remains outstanding as of June 30, 1999.

During FY 1994-95, the Wisconsin Department of Transportation received \$70,400 in loan funds from the Federal Railways Administration under the Local Rail Freight Assistance program (catalog #20.308). The Wisconsin Department of

Transportation has issued the full amount of these loan funds to local agencies. As of June 30, 1999, the balance of loans outstanding at the Wisconsin Department of Transportation was \$22,400.

### **23. Program Income**

In some cases, program income related to federal grants is deposited in federal grant accounts and is spent for activities related to a grant. Certain program income accounts were identified by the UW campuses and excluded from the schedule. However, the schedule includes an unknown amount of expenditures funded by program income sources and not funded directly by federal grants.

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## APPENDIX I

### State Agency Contact Information

Listed below are the Wisconsin state agencies other than the University of Wisconsin that are included in the scope of the FY1998-99 single audit, along with agency contact names, addresses, telephone numbers, fax numbers, and email addresses. These agencies may be contacted regarding resolution of audit findings and questioned costs, or other matters concerning the audit. University of Wisconsin campus contact information is presented as Appendix II.

Department of Health and Family Services  
Mr. Joe Leraan, Secretary  
Audit Contact: Ms. Sally Acuff, Audit Liaison  
Bureau of Fiscal Services  
1 W. Wilson St.  
P.O. Box 7850  
Madison, WI 53707-7850  
(608) 266-9576  
fax: (608) 264-9874  
e-mail: acuffsa@dhfs.state.wi.us

Department of Workforce Development  
Ms. Linda Stewart, Secretary  
Audit Contact: Mr. Gregory R. Smith, Director  
Bureau of Finance  
201 E. Washington Ave., Room 429  
P.O. Box 7946  
Madison, WI 53707-7946  
(608) 266-7272  
fax: (608) 267-7952  
e-mail: smithgr@dwd.state.wi.us

Department of Transportation  
Mr. Terry Mulcahy, Secretary  
Audit Contact: Ms. Cynthia A. Morehouse, Director  
Bureau of Financial Services  
4802 Sheboygan Ave.  
Madison, WI 53705  
(608) 266-7023  
fax: (608) 267-4455  
e-mail: cynthia.morehouse@dot.state.wi.us

Department of Public Instruction  
Mr. John T. Benson, State Superintendent  
Audit Contact: Mr. VanceRayburn, Director  
Management Services  
125 S. Webster St.  
P.O. Box 7841  
Madison, WI 53707-7841  
(608) 266-3320  
fax: (608) 266-3644  
e-mail: vance.rayburn@dpi.state.wi.us

Department of Natural Resources  
Mr. George E. Meyer, Secretary  
Audit Contact: Mr. Herbert Zimmerman, Director  
Bureau of Finance  
101 S. Webster St.  
P.O. Box 7921  
Madison, WI 53707-7921  
(608) 266-0062  
fax: (608) 264-6277  
e-mail: zimmerh@dnr.state.wi.us

Department of Administration  
Mr. George Lightbourn, Secretary  
Audit Contact: Mr. Paul McMahon, Director  
Bureau of Financial Management  
101 E. Wilson St., Ninth Floor  
P.O. Box 7869  
Madison, WI 53707-7869  
(608) 266-1359  
fax: (608) 264-9500  
e-mail: paul.mcmahon@doa.state.wi.us

Department of Commerce  
Ms. Brenda J. Blanchard, Secretary  
Audit Contact: Mr. BarryWanner, Deputy Administrator  
Division of Administrative Services  
201 W. Washington Avenue, 6<sup>th</sup> Floor  
P.O. Box 7970  
Madison, WI 53707-7970  
(608) 267-7200  
fax: (608) 266-7057  
e-mail: bwanner@commerce.state.wi.us

Department of Military Affairs  
Major General James G. Blaney, Adjutant General  
Audit Contact: Mr. Steven Bendrick, Budget and Fiscal Officer  
State Budget and Finance Section  
2400 Wright St.  
P.O. Box 14587  
Madison, WI 53714-0587  
(608) 242-3155  
fax: (608) 242-3111  
e-mail: bendrs@dma.state.wi.us

Wisconsin Technical College System Board  
Mr. Edward Chin, State Director  
Audit Contact: Mr. Gregory Wagner, Director  
Bureau of Budget, Finance and Management  
310 Price Place  
P.O. Box 7874  
Madison, WI 53707-7874  
(608) 266-2947  
fax: (608) 266-1690  
e-mail: wagnerg@board.tec.wi.us

Department of Veterans Affairs  
Mr. Raymond G. Boland, Secretary  
Audit Contact: Mr. Roger Graham, Director  
Bureau of Fiscal Services  
30 W. Mifflin St.  
P.O. Box 7843  
Madison, WI 53707-7843  
(608) 266-3916  
fax: (608) 267-0403  
e-mail: roger.graham@dva.state.wi.us

Department of Corrections  
Mr. Jon Litscher, Secretary  
Audit Contact: Ms. Beverly Balakhovsky, Director  
Bureau of Finance and Administrative Services  
125 South Webster St.  
P.O. Box 7991  
Madison, WI 53707-7991  
(608) 267-0935  
fax: (608) 267-1759  
e-mail: bev.balakhovsky@doc.state.wi.us

Department of Justice  
Mr. James E. Doyle, Attorney General  
Audit Contact: Mr. Dan Oakland, Financial Officer  
Bureau of Budget and Finance  
123 W. Washington Ave.  
P.O. Box 7857  
Madison, WI 53707-7857  
(608) 266-2609  
fax: (608) 266-1656  
e-mail: oaklanddl@doj.state.wi.us

Department of Agriculture, Trade and Consumer Protection  
Mr. Ben Brancel, Secretary  
Audit Contact: Ms. Barbara Knapp, Director  
Bureau of Budget and Accounting  
2811 Agriculture Drive  
P.O. Box 8911  
Madison, WI 53708-8911  
(608) 224-4746  
fax: (608) 224-4737  
e-mail: knappbh@wheel.datcp.state.wi.us

Higher Educational Aids Board  
Ms. Jane Hojan Clark, Executive Secretary  
Audit Contact: Ms. Sherri Nelson, Financial Manager  
Office of Administrative Services/Fiscal Affairs  
131 W. Wilson St., Suite 902  
P.O. Box 7885  
Madison, WI 53707-7885  
(608) 267-2944  
fax: (608) 267-2808  
e-mail: sherrie.nelson@heab.state.wi.us

State Historical Society of Wisconsin  
Dr. George Vogt, Director  
Audit Contact: Mr. David Seligman, Administrator  
Division of Administrative Services  
816 State St., Room 325  
Madison, WI 53706  
(608) 264-6434  
fax: (608) 264-6433  
e-mail: dhseligman@mail.shsw.wisc.edu

Child Abuse and Neglect Prevention Board  
Ms. Nadine Schwab, Executive Director  
Audit Contact: Ms. SallyAcuff, Audit Liaison  
Bureau of Fiscal Services  
1 W. Wilson St.  
P.O. Box 7850  
Madison, WI 53707-7850  
(608) 266-9576  
fax: (608) 264-9874  
e-mail: acuffsa@dhfs.state.wi.us

Wisconsin Arts Board  
Mr. George Tzougros, Executive Director  
Audit Contact: Ms. Connie Miller, Administrative Manager  
101 E. Wilson St., First Floor  
Madison, WI 53703  
(608) 266-0841  
fax: (608) 267-0380  
e-mail: connie.miller@arts.state.wi.us

Public Service Commission  
Ms. Ave M. Bie, Chairperson  
Audit Contact: Mr. Gordon Grant, Director  
Bureau of Fiscal Services  
610 North Whitney Way, Second Floor  
P.O. Box 7854  
Madison, WI 53707-7854  
(608) 267-9086  
fax: (608) 266-3957  
e-mail: grantg@psc.state.wi.us

Department of Revenue  
Ms. Cate S. Zeuske, Secretary  
Audit Contact: Ms. Diane L.Hardt, Administrator  
Income, Sales, and Excise Tax Division  
125 S. Webster St.  
P.O. Box 8933  
Madison, WI 53708-8933  
(608) 266-6798  
fax: (608) 266-5718  
e-mail: dhardt@dor.state.wi.us

Educational Communications Board  
Mr. Thomas Fletemeyer, Executive Director  
Audit Contact: Mr. TedTobie, Associate Director  
Finance and Administrative Services  
3319 W. Beltline Highway  
P.O. Box 4296  
Madison, WI 53713-4296  
(608) 264-9667  
fax: (608) 264-9664  
e-mail: ttobie@ecb.state.wi.us

Department of Employment Relations  
Mr. Peter Fox, Secretary  
Audit Contact: Mr. RichardHaug, Senior Accountant  
Division of Administrative Services  
345 W. Washington Avenue  
Madison, WI 53707-7855  
(608) 266-5513  
fax: (608) 267-1020  
e-mail: dick.haug@der.state.wi.us

Board on Aging and Long-Term Care  
Mr. George F. Potaracke, Executive Director  
214 N. Hamilton St., Second Floor  
Madison, WI 53703-2118  
(608) 266-8945  
fax: (608) 261-6570  
e-mail: george.potaracke@ltc.state.wi.us

Department of Employee Trust Funds  
Mr. Eric Stanchfield, Secretary  
Audit Contact: Mr. Bob Willett, Director  
Controllers Office  
801 W. Badger Road  
P.O. Box 7931  
Madison, WI 53707-7931  
(608) 266-0904  
fax: (608) 267-0633  
e-mail: bob.willett@etf.state.wi.us

## APPENDIX II

### University of Wisconsin Campus Contact Information

Listed below are the University of Wisconsin campuses included in the scope of the FY1998-99 single audit, along with campus contact names, addresses, telephone numbers, fax numbers, and e-mail addresses. These campuses may be contacted regarding resolution of audit findings and questioned costs, or other matters concerning the audit.

UW-Madison for student financial aids:

Mr. Steve Van Ess, Director  
Office of Student Financial Services  
University of Wisconsin-Madison  
432 North Murray Street  
Madison, Wisconsin 53706-1496  
(608) 263-3202 fax: (608) 262-9068  
e-mail: [steve.vaness@mail.admin.wisc.edu](mailto:steve.vaness@mail.admin.wisc.edu)

UW-Madison for other federal compliance:

Mr. William J. Vance, Assistant Dean  
Office for Research and Sponsored Programs  
University of Wisconsin-Madison  
750 University Avenue, Room 450  
Madison, Wisconsin 53706-1490  
(608) 262-3822 fax: (608) 262-5111  
e-mail: [wvance@rsp.wisc.edu](mailto:wvance@rsp.wisc.edu)

UW-Milwaukee:

Mr. Paul Rediske, Director of Internal Audit  
University of Wisconsin-Milwaukee  
P.O. Box 413  
Milwaukee, Wisconsin 53201  
(414) 229-5586 fax: (414) 229-6539  
e-mail: [pwr@bfs.uwm.edu](mailto:pwr@bfs.uwm.edu)

UW-Eau Claire:

Ms. Valerie Wing, Internal Auditor  
University of Wisconsin-Eau Claire  
NUR-216  
Eau Claire, Wisconsin 54701  
(715) 836-5407 fax: (715) 836-5971  
e-mail: hintzmvc@uwec.edu

UW-Green Bay:

Mr. John Majewski, Internal Auditor  
University of Wisconsin-Green Bay  
2420 Nicolet Drive  
Green Bay, Wisconsin 54311-7001  
(920) 465-2200, Ext. 14 fax: (920) 465-2020  
e-mail: majewskj@uwgb.edu

UW-La Crosse:

Ms. Mitu Pati, Internal Auditor  
Office of Budget, Planning, and Control  
University of Wisconsin-La Crosse  
132 Main Hall, 1725 State Street  
La Crosse, Wisconsin 54601  
(608) 785-8545 fax: (608) 785-8544  
e-mail: pati\_s@mail.uwlax.edu

UW-Oshkosh:

Mr. Shawn H. Kelly, Internal Auditor  
University of Wisconsin-Oshkosh  
800 Algoma Boulevard  
Oshkosh, Wisconsin 54901-8609  
(920) 424-3483 fax: (920) 424-2240  
e-mail: kellys@uwosh.edu

UW-Parkside:

Mr. Dennis J. Irwin, Internal Auditor  
University of Wisconsin-Parkside  
900 Wood Road, Box 2000  
Kenosha, Wisconsin 53141-2000  
(262) 595-3223 fax: (262) 595-2630  
e-mail: irwin@uwp.edu

UW-Platteville:

Mr. Stephen Zielke, Assistant Chancellor for Business Affairs  
University of Wisconsin-Platteville  
330 Brigham Hall  
1 University Plaza  
Platteville, Wisconsin 53818  
(608) 342-1226 fax: (608) 342-1232  
e-mail: zielke@uwplatt.edu

UW-River Falls:

Mr. Kelly J. Kloss, Internal Auditor  
University of Wisconsin-River Falls  
North Hall, Room 8C  
River Falls, Wisconsin 54022  
(715) 425-3388 fax: (715) 425-3939  
e-mail: Kelly.J.Kloss@uwrf.edu

UW-Stevens Point:

Mr. Hal Meeteer, Internal Auditor  
Business Affairs  
University of Wisconsin-Stevens Point  
2100 Main Street  
Stevens Point, Wisconsin 54481  
(715) 346-4693 fax: (715) 346-3957  
e-mail: hmeeteer@uwsp.edu

UW-Stout:

Ms. Darlene Bertelsen, Internal Auditor  
University of Wisconsin-Stout  
Administrative and Student Life Services  
Room 225 Administration Building  
Menomonie, Wisconsin 54751-0790  
(715) 232-2641 Fax: (715) 232-2293  
email: bertelsend@uwstout.edu

UW-Superior:

Ms. Janet K. Hanson, Assistant Chancellor  
Administration and Finance  
University of Wisconsin-Superior  
P.O. Box 2000  
Superior, Wisconsin 54880  
(715) 394-8014 Fax: (715) 394-8171  
email: jhanson@exchange.uwsuper.edu

UW-Whitewater:

Mr. Mike Klink, Internal Auditor/Senior  
University of Wisconsin-Whitewater  
800 West Main Street  
Whitewater, Wisconsin 53190-1790  
(262) 472-5671 fax: (262) 472-5668  
e-mail: klinkm@uwwvax.uww.edu

UW Colleges:

Mr. Gregory P. Johnson, Internal Auditor  
University of Wisconsin Colleges  
780 Regent Street, Box 8680  
Madison, Wisconsin 53708-8680  
(608) 265-5765 fax: (608) 265-5770  
e-mail: gjohnson@uwc.edu

UW-Extension:

Mr. Mahmud Safavi, Internal Auditor  
University of Wisconsin-Extension  
432 North Lake Street Room 501B  
Madison, Wisconsin 53706-1498  
(608) 263-7810 fax: (608) 262-8404  
e-mail: safavi@admin.uwex.edu

UW System Administration:

Ms. Deborah Durcan, Acting Vice President for Finance  
University of Wisconsin System Administration  
1752 Van Hise Hall  
1220 Linden Drive  
Madison, Wisconsin 53706  
(608) 262-1311 fax: (608) 262-3985  
e-mail: ddurcan@cmail.uwsa.edu

Wisconsin Humanities Council:

Mr. Max Harris, Director  
Wisconsin Humanities Council  
802 Regent Street  
Madison, Wisconsin 53715  
(608) 262-0706 fax: (608) 263-7970  
e-mail: mrharril@facstaff.wisc.edu

Mr. Bill Atzen, Controller  
University of Wisconsin-Extension  
432 Lake Street, Room 104  
Madison, Wisconsin 53706  
(608) 262-5975 fax: (608) 262-0163  
e-mail: atzen@ext.bps.uwex.edu