THE MEDICAL UNIVERSITY OF SOUTH CAROLINA

Single Audit Reports in Accordance with the
Uniform Guidance

Year Ended June 30, 2020

(With Independent Auditors' Reports Thereon)

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA

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THE MEDICAL UNIVERSITY OF SOUTH CAROLINA

Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

Federal grantor/pass-through grantor/program title	Federal CFDA number	Pass-through entity identifying number	Federal expenditures	Subrecipients expenditures
Student Financial Assistance Cluster:				
U.S. Department of Education:				
Direct programs:				
Federal Supplemental Educational Opportunity Grants	84.007	NA	$ 111,810	—
Federal Work-Study Program	84.033	NA	189,582	—
Federal Perkins Loan Program	84.038	NA	3,967,352	—
Federal Direct Student Loans	84.268	NA	94,284,507	—
Federal Pell Grant Program	84.063	NA	253,172	—
Total U.S. Department of Education			98,806,423	—
U.S. Department of Health and Human Services:				
Direct programs:				
Nurse Faculty Loan Program	93.264	NA	1,573,706	—
Nursing Student Loans	93.364	NA	2,564,833	—
Health Professions Student Loans	93.342	NA	5,106,920	—
Total U.S. Department of Health and Human Services			9,245,459	—
Total Student Financial Assistance Cluster			108,051,882	—
Research and Development Cluster*:				
U.S. Department of Defense:				
Direct programs:				
Military Medical Research and Development – U.S. Army Medical Command	12.420	NA	2,644,563	228,836
Basic Scientific Research – U.S. Army Material Command	12.431	NA	(4,262)	—
Other Federal Assistance	12.UNK	NA	97,344	—
Passed-through programs:				
Military Medical Research and Development:				
Charleston Research Institute	12.420	Tuerk-RESCUE	1,413	—
Cedars-Sinai Medical Center	12.420	1302499	459,020	—
Washington University	12.420	4-312-0215031-52780L	8,078	—
University of Pennsylvania	12.420	294773/W81XWH-15-1-0512	603,012	144,895
University of California, San Francisco	12.420	9261sc/W81XWH-13-2-0075, 10828sc	(447)	—
University of North Texas	12.420	UNT PO# 201054/GF70026-1	117,701	—
University of Pennsylvania	12.420	560165; 3547981/W81XWH-12-2-0116; PO #567650/10050415/16638	14,710	11,797
University of Texas Health Science Center/San Antonio	12.420	162682/155536/W81XWH1320065	(2,995)	—
National Trauma Institute	12.420	NTI-CLOTT17-07/W81XWH-17-1-0673	13,173	—
Total Military Medical Research and Development			1,213,665	156,692
Other Federal Assistance – Tissue Testing Technology	12.UNK	020037-002-2	(18)	—
Total U.S. Department of Defense			3,951,292	385,528
U.S. Department of Justice:				
Direct programs:				
Crime Victim Assistance/Discretionary Grants	16.582	NA	4,608,484	1,192,082
Passed-through programs:				
National Institute of Justice Research, Evaluation, and Development Project Grants – University of South Carolina	16.560	16-3017/PO# 20000017610	41,366	—
Total U.S. Department of Justice			4,649,850	1,192,082
National Aeronautics and Space Administration:				
Direct programs:				
Exploration	43.003	NA	465,793	—
Other Federal Assistance	43.UNK	NA	15,000	—
Passed-through programs:				
Education – College of Charleston	43.008	521192-MUHardiman, 521179-PA-MUReddy3	21,427	—
Total National Aeronautics and Space Administration			502,220	—
National Science Foundation:				
Direct programs:				
Engineering Grants	47.041	NA	10,280	—
Computer and Information Science and Engineering	47.070	NA	139,081	—
International Science and Engineering (OISE)	47.079	NA	133,731	115,845
Passed-through programs:				
Engineering Grants – Instadiagnostics, Inc.	47.041	MUSC-NSF-0003	1,348	—
Office of Integrative Activities – University of South Carolina	47.083	183499	346,852	—
Other Federal Assistance – South Carolina Research Authority	47.UNK	20-GE01	13,495	—
Total National Science Foundation			644,787	115,845
U.S. Department of Veteran Affairs:				
Direct programs:				
Other Federal Assistance	64.UNK	NA	4,427,425	—
Passed-through programs:				
Other Federal Assistance – Louis Stokes Cleveland VAMC	64.UNK	020778-001-1	(369)	—
Total U.S. Department of Veteran Affairs			4,427,056	—
U.S. Department of Education:				
Direct programs:				
Graduate Assistance in Areas of National Need	84.200	NA	53,601	—
Total U.S. Department of Education			53,601	—
U.S. Department of Health and Human Services:				
Direct programs:				
Training in General Pediatric and Public Health	93.059	NA	321,269	—
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077	NA	35,101	—
Maternal and Child Health Federal Consolidated Programs	93.110	NA	953,845	378,014
Environmental Health	93.113	NA	51,470	—
Oral Diseases and Disorders Research	93.121	NA	2,378,652	48,063
Research Related to Deafness and Communication Disorders	93.173	NA	3,871,407	54,356
Graduate Psychology Education Programs	93.191	NA	74,105	—
Telehealth Network Grants	93.211	NA	1,939,374	239,826
Research on Healthcare Costs, Quality, and Outcomes	93.226	NA	2,230,647	587,365
Grants for Dental Public Health Residency Training	93.236	NA	201,219	12,966
Mental Health Research Grants	93.242	NA	5,465,405	1,166,417
Alcohol Research Programs	93.273	NA	9,794,347	80,218
Drug Abuse and Addiction Research Programs	93.279	NA	16,992,561	1,030,685
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	NA	234,835	—
Minority Health and Health Disparities Research	93.307	NA	2,648,181	585,206
Environmental Contributors to Child Health Originating from National Fetal Growth Study	93.310	NA	2,103,595	882,686
National Center for Advancing Translational Sciences	93.350	NA	6,809,104	812,435
Research Infrastructure Programs	93.351	NA	7,356	—
Nursing Research	93.361	NA	1,709,461	56,006
Education and Mentoring	93.365	NA	63,490	27,210
Cancer Cause and Prevention Research	93.393	NA	3,698,106	2,415,709
Cancer Detection and Diagnosis Research	93.394	NA	1,129,417	257,388
Cancer Treatment Research	93.395	NA	3,818,889	625,912
Cancer Biology Research	93.396	NA	2,539,535	266,779
Cancer Centers Support Grants	93.397	NA	3,520,341	77,641
Cancer Research Manpower	93.398	NA	1,373,152	20,651
Cancer Control	93.399	NA	767,432	—

(Continued)

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA

Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

Federal grantor/pass-through grantor/program title	Federal CFDA number	Pass-through entity identifying number	Federal expenditures	Subrecipients expenditures
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	NA	$ 891,789	32,692
Cardiovascular Diseases Research	93.837	NA	5,521,641	284,597
Lung Disease Research	93.838	NA	1,162,315	53,536
Blood Diseases and Resources Research	93.839	NA	874,833	137,509
Primary Care Training and Enhancement	93.844	NA	664,932	16,214
Arthritis, Musculoskeletal, and Skin Diseases Research	93.846	NA	3,365,985	613,879
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	NA	6,623,992	944,685
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	NA	7,184,979	538,221
Allergy, Immunology, and Transplantation Research	93.855	NA	6,023,794	1,455,697
Biomedical Research and Research Training	93.859	NA	9,687,911	208,760
Child Health and Human Development Extramural Research	93.865	NA	2,910,118	247,750
Aging Research	93.866	NA	3,991,965	984,103
Vision Research	93.867	NA	555,659	—
Medical Library Assistance	93.879	NA	606,132	53,546
Grants for Training in Primary Care Medicine and Dentistry	93.884	NA	251,409	126,039
Assistance Programs for Chronic Disease Research and Control	93.945	NA	45,743	—
International Research and Research Training	93.989	NA	1,642	—
Other Federal Assistance	93.UNK	NA	399,375	—
Passed-through programs:				
Innovations in Applied Public Health Research – University of Pittsburgh	93.061	0058310 (132117-1)	243,820	—
Food and Drug Administration Research – University of Michigan	93.103	SUBK00006767	1,432	—
Oral Diseases and Disorders Research:				
Clemson University	93.121	1602-209-2008855/R01DE021134	188	—
Ohio State University	93.121	60,067,200	3,162	—
New York University	93.121	F1045-01	40,598	—
Total Oral Diseases and Disorders Research			43,948	—
Grants to Increase Organ Donations – Beth Israel Deaconess Medical Center	93.134	01029352	221,916	—
Centers for Research and Demonstration for Health Promotion – University of South Carolina	93.135	19-3733/PO No. 2000042894	753	—
Injury Prevention and Control Research – South Carolina Department of Health and Environmental Control	93.136	HR-7-302, HR-9-483	16,649	—
Research Related to Deafness and Communication Disorders:				
Communication Disorders Technology, Inc.	93.173	CDT/MUSC01/R21 DC011174-0		
Duke University	93.173	A030798	77,832	—
Nubad Inc.	93.173	NARO	51,526	—
Oregon Health Sciences University	93.173	1008367_MUSC	317,912	—
University of Georgia	93.173	RR242-438/S0000794/R01DC009029	29,474	—
University of South Carolina	93.173	19-3842 PO No. 2000045936/USC No. 11560-FA50, 17-3140	387,176	—
Auburn University	93.173	19-PSY-201335-MUSC; Vendor #903174970, U01DC011739/16-3102	46,693	—
Total Research Related to Deafness and Communication Disorders			910,613	—
Research and Training in Complementary and Integrative Health – University of Washington	93.213	UWSC9941/R01AT008559-01	17,840	—
Research on Healthcare Costs, Quality, and Outcomes:				
Clemson University	93.226	1824-209-2010985	55,342	3,230
Kaiser Permanente Washington Health Research Institute	93.226	RNB210310-BUDG01-MUSC-00	59,627	—
Total Research on Healthcare Costs, Quality, and Outcomes			114,969	3,230
Mental Health Research Grants:				
University of Connecticut	93.242	UCHC7-108145401	1,079	—
Mclean Hospital	93.242	401613/1R21MH121831-01	62,868	—
Augusta University	93.242	34893-1/1R01MH120876-01A1	13,937	—
University of Rochester	93.242	417630G/UR FAO GR510995/R01MH045573-029A1	21,149	—
Mountainpass Technologies	93.242	R42MH108219-MUSC	10,451	—
Circa Bioscience	93.242	C115642-2/R41MH115642	59,252	—
Zeriscope Inc.	93.242	MUSC-R43MH122045-01	30,701	—
University of Minnesota	93.242	5115921	3,738	—
Total Mental Health Research Grants			203,175	—
Substance Abuse and Mental Health Services – SCDACOS	93.243	MUSC-Telehealth-19	87,003	—
Alcohol Research Programs:				
RTI International	93.273	2-312-0216477-65436L	45,885	—
University of Rochester	93.273	417391G/UR FAO: GR510821/R01AA026815-01	138,278	—
Florida State University	93.273	R02073	4,270	—
Total Alcohol Research Programs			188,433	—
Drug Abuse and Addiction Research Programs:				
American Academy of Child and Adolescent Psychiatry	93.279	20-0261	(871)	—
Yale University	93.279	GR105426 (CON-80001656)	68,594	—
Rutgers University	93.279	#0680	16,611	—
University of California, San Diego	93.279	83071603 (MP Invoice # S9001568), 116567840 (MP Invoice #S9002268)	(8,020)	—
University of Utah	93.279	PO# U000033810/10042182/R01DA042033	29,995	—
Arizona State University	93.279	ASUB00000163/R21DA044479	33,240	—
Spark Biomedical Inc.	93.279	1R43DA050360-01-MUSC	10,313	—
Total Drug Abuse and Addiction Research Programs			149,862	—
Discovery and Applied Research for Technological Innovations to Improve Human Health:				
NIH	93.286	6205-01/P41EB018783-06	87,594	—
Toleram Nanotech	93.286	2018MUSC	58,192	—
Total Discovery and Applied Research for Technological Innovations to Improve Human Health			145,786	—
Minority Health and Health Disparities Research:				
Medical College of Wisconsin	93.307	1R01MD013826-01	23,358	—
Northern California Institute for Research and Education	93.307	OVB2163-01/R01MD012441	328,429	—
Duke University	93.307	A039113/5R01MD013493-03	38,587	—
Florida Agricultural and Mechanical University	93.307	C-5026/2U54MD007582-34A1	5,850	—
Augusta University	93.307	34351-1/1R01MD013307-01A1	64,285	—
Total Minority Health and Health Disparities Research			460,509	—
Trans-NIH Research Support:				
Duke University	93.310	203-7956	63,024	—
Albert Einstein College of Medicine	93.310	311117, 311196-P0641453/5UG3OD023320-02	7,506	—
Total Trans-NIH Research Support			70,530	—
National Center for Advancing Translational Sciences:				
University of Pittsburgh	93.350	0055353 (130910-16)	33,947	—
Duke University	93.350	203-8371	10,566	—
Total National Center for Advancing Translational Sciences			44,513	—
National Center for Research Resources:				
Clemson University	93.389	1359-209-2097563	19,179	—
LAM Foundation	93.389	U54HL127672	(4,349)	—
Total National Center for Research Resources			14,830	—
Cancer Cause and Prevention Research:				
Health Research, Inc.	93.393	295-01	50,200	—
Clinacuity Inc,	93.393	Award #2/R42CA180190-02A1	(5,933)	—
Itrunsinthefamily	93.393	PAR-18-8029/R41CA239867	84,240	—

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THE MEDICAL UNIVERSITY OF SOUTH CAROLINA

Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

Federal grantor/pass-through grantor/program title	Federal CFDA number	Pass-through entity identifying number	Federal expenditures	Subrecipients expenditures
Stony Brook University Hospital	93.393	86180/2/1157106/1R01CA235720-01A1	$ 21,538	—
University of Buffalo	93.393	R1098047	13,092	—
University of North Carolina	93.393	5113554/5R01CA226086-02	92,060	—
John Hopkins University	93.393	2002995989	204,193	—
Yale University	93.393	M17A12515 (A10723)/GK000218 (CON-0000567)	21,057	—
Total Cancer Cause and Prevention Research			480,447	—
Cancer Detection and Diagnosis Research:				
Northwestern University	93.394	60048799MUSC	125,393	—
University of Texas	93.394	PO:0000001419B;GMO:180108/5R01CA222900-03	96,479	—
Van Andel Institute	93.394	V313-R1-1/5U01CA226158-02	79,932	—
Total Cancer Detection and Diagnosis Research			301,804	—
Cancer Treatment Research:				
Leukogene Therapeutics	93.395	2R42CA213488	436,800	—
University of Maryland, Baltimore	93.395	1600856	4,248	—
University of Texas	93.395	1603603;R21CA208746	22,106	—
Emory University	93.395	T853094/7R01CA208253-02, Subcontract T827105	81,148	—
Total Cancer Treatment Research			544,302	—
Cancer Biology Research:				
Ohio State University	93.396	60054531	30,557	—
University of Pennsylvania	93.396	8A975, PO# 3913975/2P01CA104838-11, PO1CA165997	7,880	—
Lippo-Immuno Tech, LLC	93.396	A01-239952/1R41CA239952-01A1	28,979	—
Drexel University	93.396	U01CA244303	51,563	—
Total Cancer Biology Research			118,979	—
Cancer Centers Support Grants – Yale University	93.397	GR104021(CON-80001371)	17,319	—
Cancer Control – NRG Oncology Foundation	93.399	NCORP-Halbert-GY6/2UG1CA189867-06	6,244	—
ACL National Institute on Disability, Independent Living, and Rehabilitation Research – Shepherd Center	93.433	SHEP-16-0007	19,726	—
Prevention and Public Health Fund Public Health Training Centers Program – Emory University	93.516	T846264, T983680	23,637	—
Cardiovascular Diseases Research:				
Bringham and Women's Hospital	93.837	5U01HL130163-02	11,926	—
Clemson University	93.837	1956-209-2012106/PO # 5R01HL133308-02	111,472	—
Indiana University	93.837	IN-4683542-MUSC	67,744	—
Duke University	93.837	Vendor 80424/PO 4550575090	396	—
Ohio State University	93.837	60059645	12,935	—
Firstring Research, LLC.	93.837	W81XWH1810419	18,912	—
Emory University	93.837	T451931/U01HL128566	220	—
Massachusetts General Hospital	93.837	225898/R01HL127692,5UM1A1068636-09	111,628	—
New England Research Institutes	93.837	U01HL68270	32,387	—
NorthShore University Health System	93.837	EH15-107-S1, EH15-107-S1/RO1HL130093	918	—
Temple University	93.837	361318-04400-7341-02	61,456	—
University of Alabama, Birmingham	93.837	000503570-026	1,062	—
University of Texas Health Science Center at Houston	93.837	0013165A	28,281	—
Yale University	93.837	M16A12329 (A10472)	(1,693)	—
Total Cardiovascular Diseases Research			457,644	—
Lung Diseases Research:				
Brigham and Women's Hospital	93.838	110676/R01HL091528	898	—
Columbia University	93.838	1(GG012240-01) PO#G12143/R01HL136753	375,666	—
COPD Foundation	93.838	001/5U01HL128954-05	4,391	—
Lung Therapeutics, Inc.	93.838	1/R41HL140673	65,954	—
Novici Biotech, LLC	93.838	R42HL127802	3,070	—
Wake Forest University	93.838	WFUHS Z17448	31,322	—
Vanderbilt University	93.838	VUMC62111	3,400	—
Total Lung Diseases Research			484,701	—
Blood Diseases and Resources Research:				
University of Alabama, Birmingham	93.839	U01HL069294, Protocol 0801/Protocol 0802/U01 HL069254	248,655	—
Children's Research Institute, Inc.	93.839	ACRI 42-001	654	—
Total Blood Diseases and Resources Research			249,309	—
Arthritis, Musculoskeletal and Skin Diseases Research:				
New York University	93.846	17-A1-00-005969-01	11,686	—
Pennsylvania State University	93.846	MUSCAR071077	124,622	—
Cincinnati Children's Hospital Medical Center	93.846	303283	2,919	—
University of California, San Francisco	93.846	9135sc	44,795	—
Total Arthritis, Musculoskeletal, and Skin Diseases Research			184,022	—
Diabetes, Digestive, and Kidney Diseases:				
Case Western Reserve University	93.847	RES513277/5U01DK094175-08, RES512547, RES514005, RES512832	26,249	—
Bite Technologies, Inc.	93.847	MUSC-01 R42DK091141	(2,328)	—
Duke University	93.847	2037269/R01DK103534, 203-7547, 203-7925	8,972	—
Emory University	93.847	T175542 R01DK087694	4,685	—
University of Colorado	93.847	FY19.944.001	25,404	—
Glycopath, LLC	93.847	GP1/1R41DK124058-01	39,066	—
Research Institute at Nationwide Children's Hospital	93.847	952614/UM1DK100866	2,860	—
Tufts Medical Center	93.847	5008749-SERV, 5015656-SERV	(34,618)	—
Actuated Medical, Inc.	93.847	5055-S01, 5059-S01	(1,135)	—
University of Alabama at Birmingham	93.847	000508172-SP001-001	41,074	—
University of Minnesota	93.847	N005115007	19,461	—
University of North Carolina	93.847	5103162, 5112583, 5109349, 5109350	154,888	—
University of South Florida	93.847	Site #3422	(2,823)	—
Sylvatica Biotech, Inc.	93.847	1R43DK119043-01A1	8,866	—
Medical College of Wisconsin	93.847	NONE	114,509	—
Ann and Robert Lurie Children's Hospital of Chicago	93.847	901544-MUSC	106,653	—
Augusta University	93.847	32307-31, 32307-42	61,608	—
University of South Carolina	93.847	18-3667/PO#2000039787	13,951	—
University of Texas Southwestern Medical Center	93.847	GMO180108, GMO-171012, GMO-160221, GMO-160104	368,426	—
Total Diabetes, Digestive, and Kidney Diseases			955,768	—
Extramural Research Programs in the Neurosciences and Neurological Disorders:				
Beth Israel Deaconess Medical Center	93.853	U01NS074425-05, 01027587	265,337	—
Columbia University	93.853	2(GG012006-02)/5U01NS095869-02,010785-135573	594,792	—
Duke University	93.853	A032272/7U01NS102353-02	195,030	—
Massachusetts General Hospital	93.853	Site #182	(7,973)	—
Mayo Clinic, Jacksonville	93.853	U01NS080168, MED-187276-06/PO# 65830041, MED-232483-01, SCL-224063	1,057,006	—
Neurolux	93.853	01/R41NS107142-01A1	21,687	—
Northern California Institute for Research and Education	93.853	OVB2168-02/R21NS103752	103,535	—
Seattle Children's Hospital	93.853	11914SUB	60,686	—
Virginia Tech Carilion Research Institute	93.853	432107-19270	271,517	—
University of Michigan	93.853	SUBK00007464/1U01NS099046-01A1, SUBK00007311	525,541	—
Northwestern University	93.853	5U01NS050818/60036745MUSC	(17,127)	—
Montefiore Medical Center	93.853	310699/5K12NS080223-08	201,695	—

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THE MEDICAL UNIVERSITY OF SOUTH CAROLINA

Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

Federal grantor/pass-through grantor/program title	Federal CFDA number	Pass-through entity identifying number	Federal expenditures	Subrecipients expenditures
Icahn School of Medicine at Mount Sinai	93.853	TBD	$ 64,152	—
Temple University	93.853	U01INS079077/PO306220/361374-05430-02	26,891	—
Yale University	93.853	GR109194(CON-80002329)/5U01NS106513-02	319,799	—
University of California, San Francisco	93.853	10168SC	64,026	—
University of Cincinnati	93.853	6784, 008822-Adm-Chimowitz/L18-4500103069, 011266-135573/U01NS100699	578,949	—
University of Kentucky Research Found	93.853	3200003226-20-281/1R01NS115895-01	2,156	—
University of Florida	93.853	UFDSP00011951, 011381-135573	19,870	—
University of Miami	93.853	SPC-000996, SPC-000245/R01NS084288	691	—
UT Southwestern Medical Center	93.853	GMO180905/R01NS103422-01	49,202	—
Total Extramural Research Programs in the Neurosciences and Neurological Disorders			4,397,462	—
Allergy, Immunology, and Transplantation Research:				
University of Notre Dame	93.855	203504MUSC	96,186	80,000
Nubad, LLC	93.855	MITOX/5R41AI142856-02	29,697	—
UCLA	93.855	1650GWA723/5UM1AI106701-07	25,939	—
Rutgers University	93.855	PO724601	78,916	—
University of California, San Francisco	93.855	9296SC, 9278SC/UM1A1110498, 9876SC/5UM1AI110498-03	35,925	—
Venatorz Pharmaceuticals, Inc.	93.855	Oral Non-Beta-Lactam	71,058	—
Benaroya Research Institute	93.855	FY14ITN121/UM1A1109565, FY17ITN256	(2,218)	—
University of Georgia	93.855	SUB00002083	73,277	—
Wayne State University	93.855	WSU18068	10,598	—
Total Allergy, Immunology, and Transplantation Research			419,378	80,000
Biomedical Research and Research Training:				
Coastal Carolina University	93.859	1UT2GM1301740-02/31-2083 SXN – 3 -Yr 2	1,775	1,775
Beckman Research Institute of the City of Hope	93.859	52487.2001929.669201	(143)	—
Clinacuity, Inc.	93.859	2R42GM116479-02A1	100,263	—
Clemson University	93.859	2069-209-2022921	165,522	—
University of Delaware	93.859	52047/U54GM104941-06, U54GM104941, U54GM104941-06/SUB #52047	476,102	—
University of South Carolina	93.859	18020-FB66/PO 2000042909, 19-3816, 17-3180/PO#2000029353, 17-3377	150,527	—
Total Biomedical Research and Research Training			894,046	1,775
Child Health and Human Development Extramural Research:				
Duke Clinical Research Institute	93.865	TO#48	1,065	—
Vanderbilt University Medical Center	93.865	VUMC54590/U01HD076733	218	—
Florida State University	93.865	3U19HD089875-03S1, R02091	299	—
Emme Corp	93.865	IM103-321	132	—
Northwestern University	93.865	60047828 MUSC	5,965	—
Rehabilitation Institute of Chicago	93.865	R01HD075813	10,267	—
University of Arkansas	93.865	51460	13,633	—
University of South Carolina	93.865	16-3004/1R01HD078407-01A1, 17-3352/PO#2000032767/USC#18090FA05	257,429	—
University of North Carolina	93.865	5U24HD089880-04 REVISED//5115784	72,851	—
University of Colorado	93.865	FY20.812.004	358	—
University of Texas Medical Branch	93.865	18-020, 18-84287-8/5P2CHD065702-08	(287)	—
Total Child Health and Human Development Extramural Research			361,930	—
Aging Research:				
Duke University	93.866	1R01AG059417-01A1/2833271	8,443	—
University of Vermont	93.866	30340 Sub 0003 Med USC/R01AG050698-01	104,442	—
Ohio State University	93.866	60061308/R01AG057046	147,868	—
Augusta University	93.866	31017-2	109,393	—
University of South Carolina	93.866	19-3754 PO#2000043651	41,689	—
Total Aging Research			411,835	—
Vision Research:				
Emory University	93.867	A053365	561	—
Firstring Research, LLC	93.867	020343-002-3	22,254	—
Total Vision Research			22,815	—
Medical Library Assistance:				
Medstar Health Research Institute	93.879	5001285845	11,318	—
University of South Carolina	93.879	15-2793/R01LM011648	7,190	—
Total Medical Library Assistance			18,508	—
International Research and Research Training – Northern California Institute for Research and Education	93.989	OVB2187-01/R21TW010479	2,703	—
Other Federal Assistance:				
Duke University	93.UNK	178,785	921	—
Duke Clinical Research Institute	93.UNK	201316/HHSN-2752010000031	22,258	—
SCDHEC	93.UNK	PH-0-500	7,715	—
Icon Clinical Research	93.UNK	NG-BSP-600-001	14,451	—
Leidos Biomedical Research, Inc.	93.UNK	18X121Q-02/16X109	112,733	—
Wake Forest University	93.UNK	U01HL123009	3,975	—
Creative Associates International, Inc.	93.UNK	POA-004-2018	112,068	—
NIH	93.UNK	6410	75,142	—
Avita Medical	93.UNK	4283	4,485	—
Total Other Federal Assistance			353,748	—
Total U.S. Department of Health and Human Services			139,159,418	15,407,766
U.S. Department of Homeland Security:				
Direct programs:				
Assistance to Firefighters Grant	97.044	NA	413,922	—
Total U.S. Department of Homeland Security			413,922	—
Total Research and Development Cluster			153,802,146	17,101,221
Other programs:				
U.S. Department of Agriculture				
Passed-through programs:				
National School Lunch Program – South Carolina Department of Education	10.555	019924-004-1	160,964	—
Total U.S. Department of Agriculture			160,964	—
U.S. Department of Defense:				
Direct programs:				
Other Federal Assistance	12.UNK	NA	19,475	—
Total U.S. Department of Defense			19,475	—
U.S. Department of Justice:				
Direct programs:				
Antiterrorism Emergency Reserve	16.321	NA	464,793	171,729
Crime Victim Assistance/Discretionary Grants	16.582	NA	150,461	—
Passed-through programs:				
Crime Victim Assistance – South Carolina Department of Public Safety	16.575	1V19044, 1V19008, 1V19046	1,405,777	—
Violence Against Women Formula Grants – South Carolina Department of Public Safety	16.588	1K15026, 1K18012, 1K17012	68,233	—
Total U.S. Department of Justice			2,089,264	171,729

(Continued)

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA

Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

Federal grantor/pass-through grantor/program title	Federal CFDA number	Pass-through entity identifying number	Federal expenditures	Subrecipients expenditures
U.S. Department of Labor				
Passed-through programs:				
WIA Adult Program	17.258	17DLG01	$ 30,919	—
Total U.S. Department of Labor			30,919	—
National Science Foundation:				
Direct programs:				
Education and Human Resources	47.076	NA	5,385	—
Total National Science Foundation			5,385	—
U.S. Department of Veteran Affairs:				
Direct programs:				
Other Federal Assistance	64.UNK	NA	106,460	—
Total U.S. Department of Veteran Affairs			106,460	—
U.S. Department of Energy:				
Direct programs:				
Long-Term Surveillance and Maintenance	81.136	NA	740,592	13,448
Total U.S. Department of Energy			740,592	13,448
U.S. Department of Education:				
Direct programs:				
Education Stabilization Fund:				
COVID-19 – Higher Education Emergency Relief Fund Student Aid Portion	84.425E	NA	468,847	—
COVID-19 – Higher Education Emergency Relief Fund Institutional Portion	84.425F	NA	339,939	—
Total Education Stabilization Fund			808,786	—
Total U.S. Department of Education			808,786	—
U.S. Department of Health and Human Services:				
Direct programs:				
Area Health Education Centers Point of Service Maintenance and Enhancement Awards	93.107	NA	539,507	362,764
Maternal and Child Health Federal Consolidated Programs	93.110	NA	15,961	—
Nurse Anesthetist Traineeships	93.124	NA	35,681	—
Allied Health Special Projects	93.191	NA	189,273	—
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	NA	1,088,006	79,033
Advanced Nursing Education Grant Program	93.247	NA	599,276	49,991
Drug Abuse and Addiction Research Programs	93.279	NA	563,477	—
National Center for Advancing Translational Sciences	93.350	NA	40,572	—
Mental and Behavioral Health Education and Training Grants	93.732	NA	391,756	—
Medical Library Assistance	93.879	NA	14,095	—
HIV Care Formula Grants	93.917	NA	380,079	—
Other Federal Assistance – IPA for Isaacs NCI Assignment	93.UNK	NA	(4,650)	—
Passed-through programs:				
Cooperative Agreements to States/Territories – South Carolina Department of Health and Environmental Control	93.130	PC-19-017	11,580	—
State Rural Hospital Flexibility Program – South Carolina Office of Rural Health	93.241	019820-004-1	11,443	—
ACL National Institute on Disability – South Carolina Department of Health and Human Services	93.433	A202113607A	128,172	—
Child Care and Development Block Grant – South Carolina Department of Social Services	93.575	4400009131, 4400010438, 4400014819	1,912,303	—
Opioid STR – South Carolina Department of Alcohol and Drug Abuse	93.788	MUSC-SOR-19	(6,101)	—
Lung Diseases Research – University of Washington	93.838	UWSC10937	17,219	—
Maternal, Infant and Early Childhood Home Visiting Grant – Children's Trust of South Carolina	93.870	S-MIEC-F-2018-6-1/X10MC32219	409,991	—
Medical Library Assistance – University of Maryland, Baltimore	93.879	1,600,679	(322)	—
HIV Care Formula Grants – South Carolina Department of Health and Environmental Control	93.917	HV-1-747/X07HA00038, HV-9-594	1,234,490	—
Total U.S. Department of Health and Human Services			7,571,808	491,788
Total federal expenditures			$ 273,387,681	17,778,186

* Denotes a major program

See accompanying notes to schedule of expenditures of federal awards.

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Medical University of South Carolina (the University) and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* at Title 2 U.S. Code of Federal Regulation Part 200 (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

(2) Summary of Significant Accounting Policies for Federal Award Expenditures

Expenditures for student financial aid programs include the federal share of students' Federal Supplemental Educational Opportunity Grant (FSEOG) program grants and Federal Work-Study (FWS) Program earnings, certain other federal financial aid for students, and administrative cost allowances, where applicable. Federal Pell grant awards are recognized as agency transactions and are not recorded as expenditures in the financial statements.

Expenditures for federal research and development programs are determined using the cost accounting principles and procedures set forth in OMB Circular A-21, *Cost Principles for Educational Institutions*, or the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Under these cost principles, certain expenditures are not allowable or are limited as to reimbursement.

(3) Noncash Assistance

Most federal financial assistance is in the form of cash awards. However, there are a number of federal programs that do not involve cash transactions with the University. These noncash transactions in which the University obtains other assistance are the Federal Direct Student Loan Program, which includes the Federal Direct Stafford Student Loan program (subsidized and unsubsidized) and the Federal Direct Parent Loans for Undergraduate Students (PLUS).

The loans advanced and related expenditures are as follows for the various student loan programs:

	CFDA number	Amount
Federal Direct Student Loan Program – Student loans advanced:	84.268	
Direct Stafford Loan Program		$ 878,112
Direct Unsubsidized Stafford Loan Program		56,051,274
Federal Direct PLUS Loan Program	6	1,158,893
Federal Direct Graduate PLUS Loan Program		36,196,228
Total Federal Direct Student Loan Program		$ 94,284,507

The Federal Perkins Loan, the Health Professions Student Loan (HPSL), the Nurse Faculty Loan Program (NFLP), and the Nursing Student Loan (NSL) programs are administered directly by the University, and balances and transactions relating to these programs are included in the University's basic financial statements. The balance of loans outstanding under the Federal Perkins, HPSL, NFLP, and NSL programs was $2,986,180, $4,547,490, $1,279,130, and $2,101,434, respectively, as of June 30, 2020.

The University is responsible only for the performance of certain administrative duties with respect to the guaranteed student loan programs, and accordingly, these loans are not included in its financial statements. It is not practicable to determine the balance of loans outstanding to students and former students of the University under these programs as of June 30, 2020.

(4) Matching

Under the FWS program, the University matched $58,554 in total compensation for the year ended June 30, 2020 in addition to the federal share of expenditures in the accompanying schedule of expenditures of federal awards.

Under the FSEOG program, the University did not match funds awarded to students for the year ended June 30, 2020.

(5) Indirect Cost Rate

The University did not elect to use the 10% de minimis indirect cost rate, as discussed in Uniform Guidance Section 200.414.

KPMG LLP
Suite 800
500 W 5th St
Winston-Salem, NC 27101

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

The Board of Trustees
Medical University of South Carolina
Charleston, South Carolina:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the major fund, the aggregate remaining fund information, and the discretely presented component units of the Medical University of South Carolina (the University) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 5, 2020. Our report includes a reference to other auditors who audited the financial statements of the Medical University of South Carolina Foundation and the MUSC Foundation for Research Development, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Greensboro, North Carolina
October 5, 2020

KPMG LLP
Suite 800
500 W 5th St
Winston-Salem, NC 27101

Independent Auditors' Report on Compliance for the Major Federal Program, Report on Internal Control Over Compliance, and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The Board of Trustees
the Medical University of South Carolina
Charleston, South Carolina:

Report on Compliance for the Major Federal Program

We have audited the Medical University of South Carolina's (the University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the University's major federal program for the year ended June 30, 2020. The University's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The University's basic financial statements include the operations of the Medical University Hospital Authority (the Authority), which expended $729,883,596 in federal awards, which is not included in the University's schedule of expenditures of federal awards for the year ended June 30, 2020. Our audit, described below, did not include the operations of the Authority because the Authority's federal awards are separately audited in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance).

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the University's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the Uniform Guidance. Those standards and the Uniform Guidance 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 University'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 on compliance for the major federal program. However, our audit does not provide a legal determination of the University's compliance.

Opinion on the Major Federal Program

In our opinion, the Medical University of South Carolina complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

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Other Matters

The results of our auditing procedures disclosed instances of noncompliance that are required to be reported in accordance with the Uniform Guidance and that are described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002. Our opinion on the major federal program is not modified with respect to these matters.

The University's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The University is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The University's response and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response or corrective action plan.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002, that we consider to be significant deficiencies.

The University's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The University is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The University's response and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response and corrective action plan.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities, the major fund, the aggregate remaining fund information, and the discretely presented component units of the University as of and for the year ended June 30, 2020 and have issued our report thereon dated October 5, 2020, which contained an unmodified opinion on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the Medical University of South Carolina Foundation and the MUSC Foundation for Research Development, as described in our report on the University's financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

KPMG LLP

Greensboro, North Carolina
September 23, 2021

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA

Schedule of Findings and Questioned Costs

Year ended June 30, 2020

(1) Summary of Auditors' Results

(a) Type of report issued on whether the financial statements were prepared in accordance with generally accepted accounting principles: **Unmodified**

(b) Internal control deficiencies over financial reporting disclosed by the audit of the financial statements:

- Material weaknesses: **No**
- Significant deficiencies: **None reported**

(c) Noncompliance material to the financial statements: **No**

(d) Internal control deficiencies over major program disclosed by the audit:

- Material weaknesses: **No**
- Significant deficiencies: **Yes – See findings 2020-001 and 2020-002**

(e) The type of report issued on compliance for the major program: **Unmodified**

(f) Any audit findings, which are required to be reported under Section 2 CFR 200.516(a) of Uniform Guidance: **Yes – See findings 2020-001 and 2020-002**

(g) Major program: **Research and Development Cluster (various CFDA numbers)**

(h) Dollar threshold used to distinguish between Type A and Type B programs: **$3,000,000**

(i) Auditee qualified as a low-risk auditee under Section 200.520 of Uniform Guidance: **Yes**

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

None

(3) Findings and Questioned Costs Relating to Federal Awards

Finding No. 2020-001

Allowable Costs/Cost Principles

Federal Programs

Research and Development Cluster

CFDA Nos.

Various CFDA numbers

Federal Agency

Various federal agencies

Federal Award Years

October 1, 2018 to September 30, 2019

October 1, 2019 to September 30, 2020

Criteria or Requirement

The cost principles in 2 CFR part 200, subpart E (Cost Principles), prescribe the cost accounting requirements associated with the administration of federal awards by:

1. States, local governments and Indian tribes

2. Institutions of higher education (IHEs)

3. Nonprofit organizations

As provided in 2 CFR section 200.101, the cost principles requirements apply to all federal awards with the exception of grant agreements and cooperative agreements providing food commodities; agreements for loans, loan guarantees, interest subsidies, and insurance; and programs listed in 2 CFR section 200.101(d). Section 200.470(b) of the Uniform Guidance establishes specific requirements with respect to the allowability of taxes (including Value-Added Tax) comprising the following:

(1) In general, taxes which the non-federal entity is required to pay and which are paid or accrued in accordance with GAAP, and payments made to local governments in lieu of taxes which are commensurate with the local government services received are allowable, except for:

(i) Taxes from which exemptions are available to the non-Federal entity directly or which are available to the non-Federal entity based on an exemption afforded the Federal Government and, in the latter case, when the Federal awarding agency makes available the necessary exemption certificates,

(ii) Special assessments on land which represent capital improvements, and

(iii) Federal income taxes.

Condition and Context

During our testwork over non-payroll direct costs, including payments to subrecipients and other third-party vendors, we noted that the University assessed, paid, and reported State of South Carolina use tax on four out of the 40 subrecipient invoices selected for testing for which sales and use exemptions were available to the University directly and thus it was not required to pay. As such, these costs (which were in turn charged to federal grants) did not meet the requirements of 2 CFR section 200.470(b) and therefore did not conform to the limitations and exclusions set forth in 2 CFR part 200, subpart E as to types or amount of cost items. We noted no such exceptions in our testing of the 40 samples incurred and paid to other third-party vendors that were not subrecipients, resulting in a total error rate of four out of 80 invoices selected for non-payroll direct cost allowability testing where the tested population totaled $1,176,357.

Cause and Potential Effect

The University's procure-to-pay system is configured to automatically apply use tax to invoices received that do not include sales tax assessed by the vendor. This feature must be manually overridden if the invoice is for a good or service that is exempt from sales and use tax. The review control did not operate effectively to identify these charges as unallowable. As a result, management has identified 61 invoices processed and paid in fiscal year 2020 to which a use tax assessment was erroneously applied and not

manually overridden. These invoices (including the automatically applied use tax) were all charged to federal awards, resulting in costs assessed that did not mean the requirements of 2 CFR part 200, subpart E.

Questioned Cost

The known unallowable costs identified in our sample items totaled $2,588. Management subsequently identified a total of $68,616 of unallowable costs charged to federal awards due to the same cause.

Statistically Valid Sample

The sample was not intended to be, and was not, a statistically valid sample.

Identification of Whether the Audit Finding is a Repeat Finding in the Immediately Prior Audit

This is not a repeat finding.

Recommendation

We recommend that the University reevaluate the configuration of its procure-to-pay system as it relates to invoices or other costs charged against federal funding sources. To the extent it is not possible or feasible to modify the current configuration of that system with respect to the systemic application of use tax to costs charged to federal awards, we recommend the implementation of additional training of program staff and reviews to ensure proper override of automatically assessed use tax amounts be implemented to prevent and detect future instances of noncompliance in this area.

View of Responsible Officials

Management of the University takes no exception to this reported finding. We have implemented the remedial actions as outlined in our Corrective Action Plan submitted under separate cover to KPMG LLP.

Finding No. 2020-002

Enrollment Reporting

Federal Programs

Student Financial Assistance Cluster

CFDA Nos.

84.063 – Federal Pell Grant Program

84.268 – Federal Direct Student Loan Program

Federal Agency

U.S. Department of Education

Federal Award Years

October 1, 2018 to September 30, 2019

October 1, 2019 to September 30, 2020

Criteria or Requirement

Under the Pell grant and loan programs, institutions must complete and return to the Department of Education within 30 days the Enrollment Reporting roster file (Pell, 34 CFR Section 690.83(b)(2); FFEL, 34 CFR Section 682.610; and Direct Loan, 34 CFR Section 685.309). Once received, the institution must update for changes in student status, report the date the enrollment status was effective, enter the new anticipated completion date, and submit the changes electronically through the batch method or the National Student Loan Data System (NSLDS) website. Enrollment information must be reported within 30 days whenever attendance changes for students, unless a roster will be submitted within 60 days. Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer.

Condition and Context

During our procedures performed to evaluate the status of prior year findings for this non-major program, we selected a sample of 10 students who were awarded federal student financial aid with status changes during fiscal year 2020. Within our sample, we noted one instance in which the student's status change was not submitted to the NSLDS within 60 days as required.

Cause and Potential Effect

The control to ensure that all reports of student status changes are submitted to NSLDS on a timely basis was not operating effectively to identify an instance of noncompliance during the summer term. While the University submits monthly enrollment reporting files to the National Student Clearinghouse (the Clearinghouse) year-round, its institutional profile established with the Clearinghouse indicated the summer term was an optional reporting term. As a result, one student status change was not submitted to NSLDS by the Clearinghouse in the 60-day period as required.

Questioned Cost

There were no questioned costs associated with the finding.

Statistically Valid Sample

The sample was not intended to be, and was not, a statistically valid sample.

Identification of Whether the Audit Finding is a Repeat of a Finding in the Immediately Prior Audit

A similar finding was reported in the prior year's audit as finding number 2019-001.

Recommendation

We recommend that the University strengthen its processes and controls within the Registrar's Office regarding the configuration of its Clearinghouse institutional profile to ensure that all student status changes are communicated timely to the NSLDS and that additional review procedures be implemented to monitor the classification of its terms as either required or optional reporting terms.

View of Responsible Officials

Management of the University takes no exception to this reported finding. We have implemented the remedial actions as outlined in our Corrective Action Plan submitted under separate cover to KPMG LLP.