

BAKER TILLY WEBINAR

HEERF II: lessons learned from a year of COVID-19 relief funding accounting, reporting and compliance

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INTRODUCTIONS

Meet your presenters



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Q&A session joined with:



Agenda

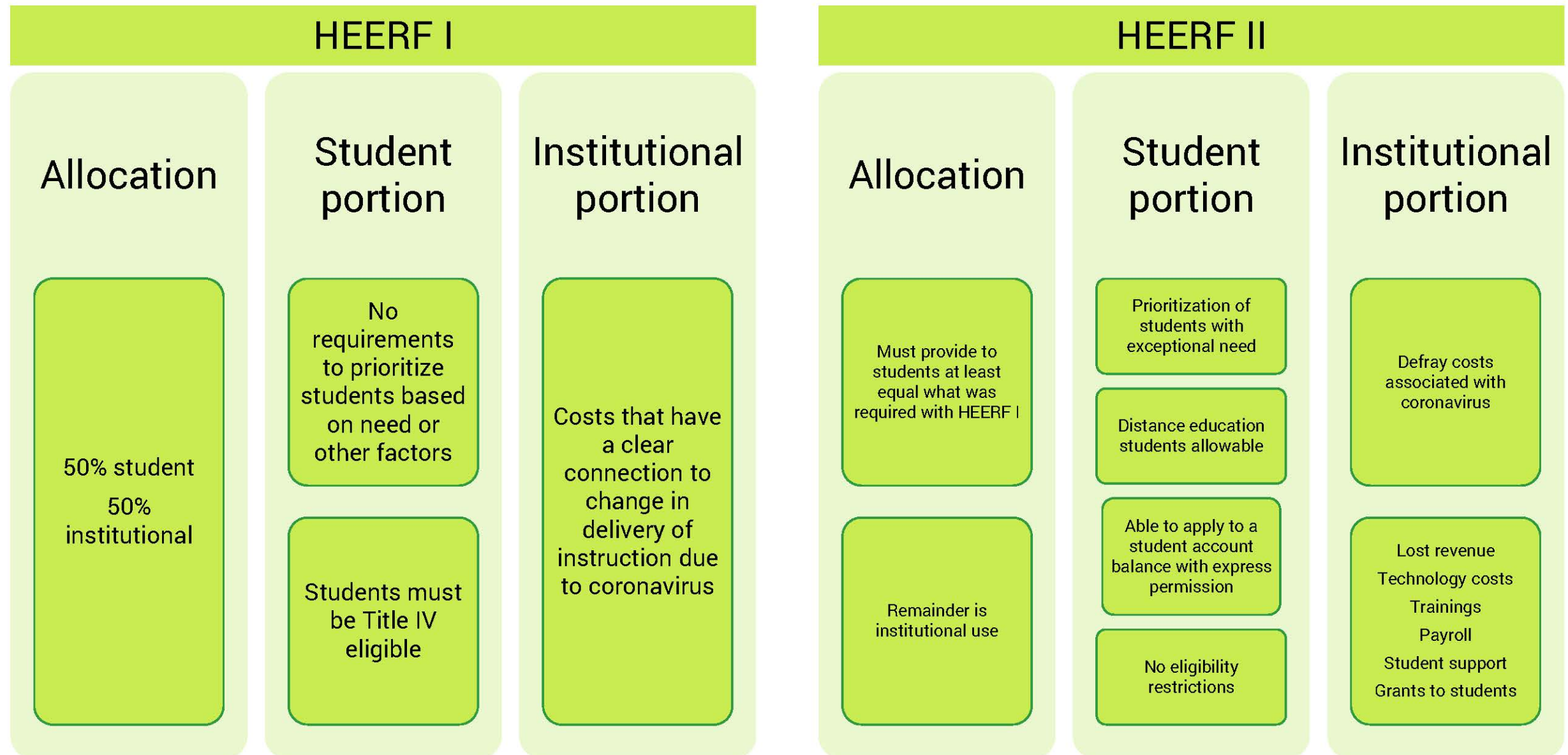
01 Introduction to HEERF II funding

02 External audit lessons learned

03 Internal audit lessons learned

04 Q&A session

Key differences – HEERF I vs. HEERF II funding



Questions to be answered by Department of Education (ED)



Conflicting
guidance on
timing of
expenses



Are DACA
students
eligible for aid?



Guidance for
determining
revenue losses



Reporting
requirements

External audit

<p>Activities allowable/allowable costs</p>	<ul style="list-style-type: none"> – Emergency grants to students – tested selections against methodology, application process, payment support – Institutional use – tested sample of expenditures to determine allowability, tested room and board refund calculations and returns to students
<p>Period of performance</p>	<ul style="list-style-type: none"> – 3/27/20 to 15 days after date of Student Portion GAN – 3/13/20 to 15 days after date of Institutional Portion GAN – Most testing occurred on institutional use (room and board refunds and technology)
<p>Matching, level of effort and earmarking</p>	<ul style="list-style-type: none"> – Not applicable until the end of the period of performance
<p>Procurement, suspension and debarment</p>	<ul style="list-style-type: none"> – Related to institutional fund use – Sole-source awards during the time of national emergency may be exempt from competitive procurement requirements of Uniform Guidance if documentation supports that public exigency or emergency would not permit a delay
<p>Reporting requirements</p>	<ul style="list-style-type: none"> – In most cases 30-day student portion report was tested – Found that initial 30-day reports were overwritten with subsequent data, original report not maintained or unable to support date posted – Reports were not posted within 30 days of student GAN date or May 6, DOE announcement (latter of the two dates) – Key items reported (disbursed number of students and grant totals) not supported by listing as of report date

Internal audit lessons learned

Assess alignment of the allocation plan with compliance requirements

- Most institutions developed compliant, well-informed allocation plans
- Institutions leveraging skillsets across campus came to reasonable and thoughtful plans
- Compare strategic priorities (i.e., the “spirit” of the guidance)

Review required reporting

- Most institutions had accurate and complete reports
- Timeliness was inconsistent
- Review publicly available reports for potential reputational impact

Review publicly available materials for alignment with plan and reporting

Internal audit lessons learned

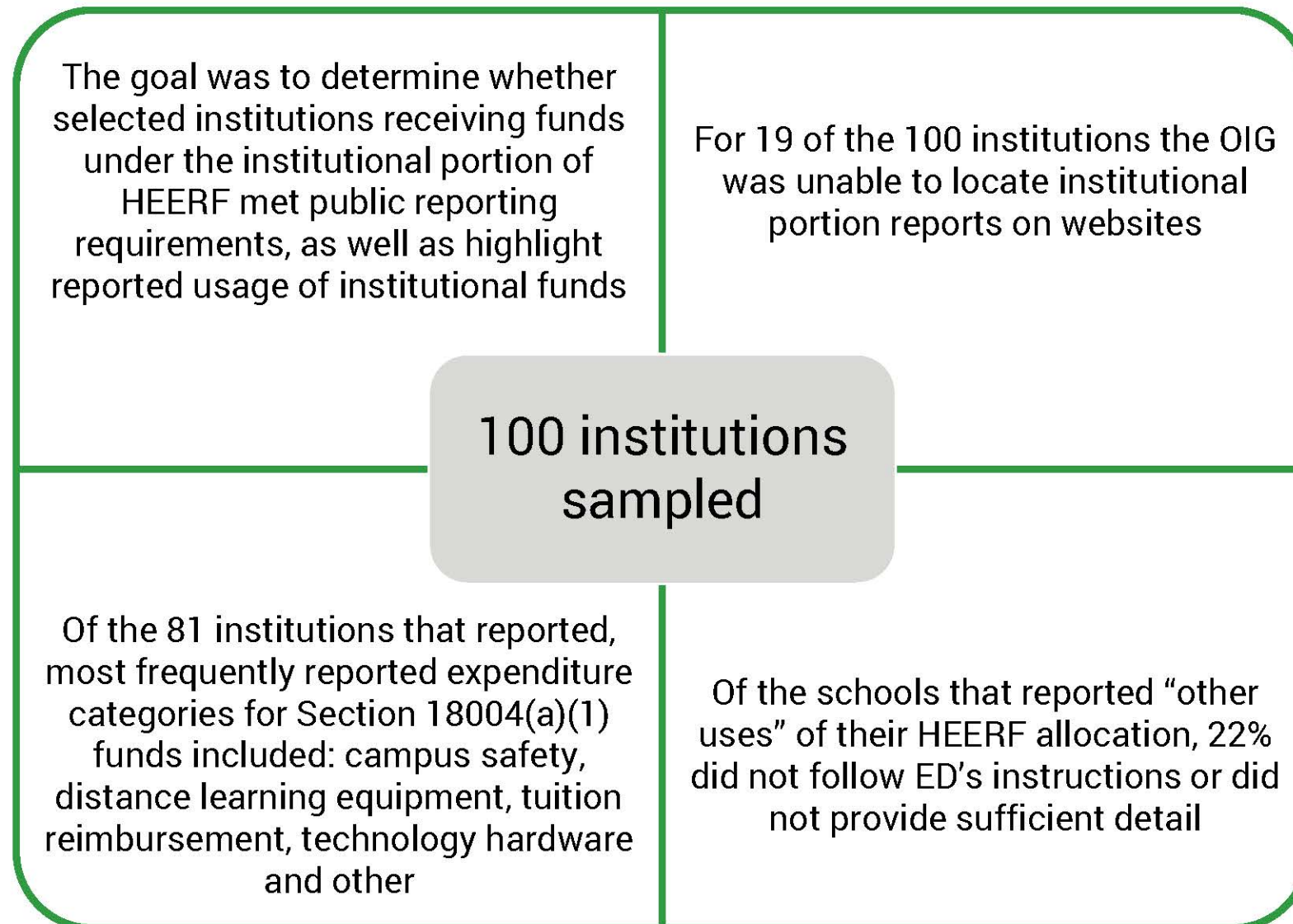
Sample and test student share expenditures

- Test against both allocation plan and compliance requirements
- Processes and internal controls were generally effective and aligned with plans/requirements
- Consider the need for better documentation on:
 - Decision-making on specific applications (e.g., thresholds, gray areas)
 - Calculated amounts for payments (e.g., all Pell eligible students receive \$1 500)
 - Exceptions granted
- Consider how to update policies for future rounds of funding for clarity/consistency

Sample and test institutional share expenditures

- Processes and internal controls were generally effective and institutions were in compliance; however, in the first round of funding institutional expenses were easy to identify
- Consider how future rounds of funding will be allocated to meet compliance requirements and avoid “double dipping”

Office of Inspector General (OIG) audit activity



ED plans to:

- Send follow-up to noncompliant institutions with a date by which a recipient must comply or face being placed in high-risk status or have its HEERF grant terminated
- Develop an office dedicated to overseeing spending of HEERF funds (currently being staffed)



Disclosure

The information provided here is of a general nature and is not intended to address the specific circumstances of any individual or entity. In specific circumstances, the services of a professional should be sought.

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