

# Audit Report

## CARES 2/HEERF II Audit

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September 2021

# Background – CARES 2/HEERF II Audit

## Higher Education Emergency Relief Funds

To provide fast and direct economic aid to the American people negatively impacted by the COVID-19 pandemic, Congress passed the Coronavirus Aid, Relief and Economic Security Act (CARES Act), and subsequently the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), which allotted approximately \$36.6 billion in Higher Education Emergency Relief Funds (HEERF) to institutions of higher education.

Requirements for the uses of these funds included covering costs associated with significant changes to the delivery of instruction due to the coronavirus, defraying expenses associated with coronavirus, carrying out student support activities authorized by the Higher Education Act that address needs related to coronavirus, and providing financial aid grants to students (SFA grants).

UTA received a combined \$61.4 million from these two Acts, of which over \$21 million was required to be used for SFA grants.

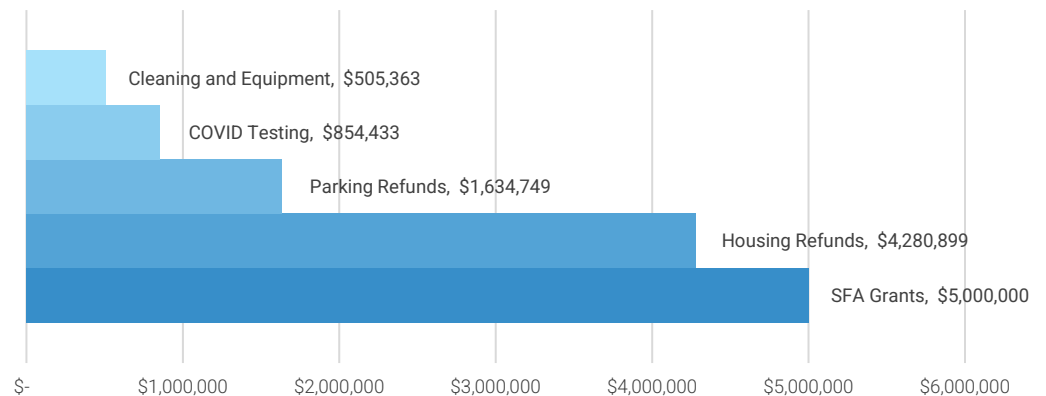
## Institutional Expenditures

Of the \$12,275,443 in Institutional funds expended as of June 11, 2021, UTA spent \$5,000,000 on additional SFA grants. Other institutional expenditures included housing and parking refunds, COVID testing, and cleaning and equipment.

### Higher Education Emergency Relief Funds (HEERF) as of June 11, 2021

	Allocation	Total Expenditures	Minimum Required towards SFA Grants	SFA Grant Expenditures
CARES Act (HEERF I)	\$22,868,223.00	\$22,864,037.04	\$10,588,594.00	\$15,588,594.00
CRRSAA (HEERF II)	\$38,549,079.00	\$6,178,996.57	\$10,588,594.00	\$6,178,883.00
Total	\$61,417,302.00	\$29,043,033.61	\$21,177,188.00	\$21,767,477.00

### Institutional Expenditures as of June 11, 2021



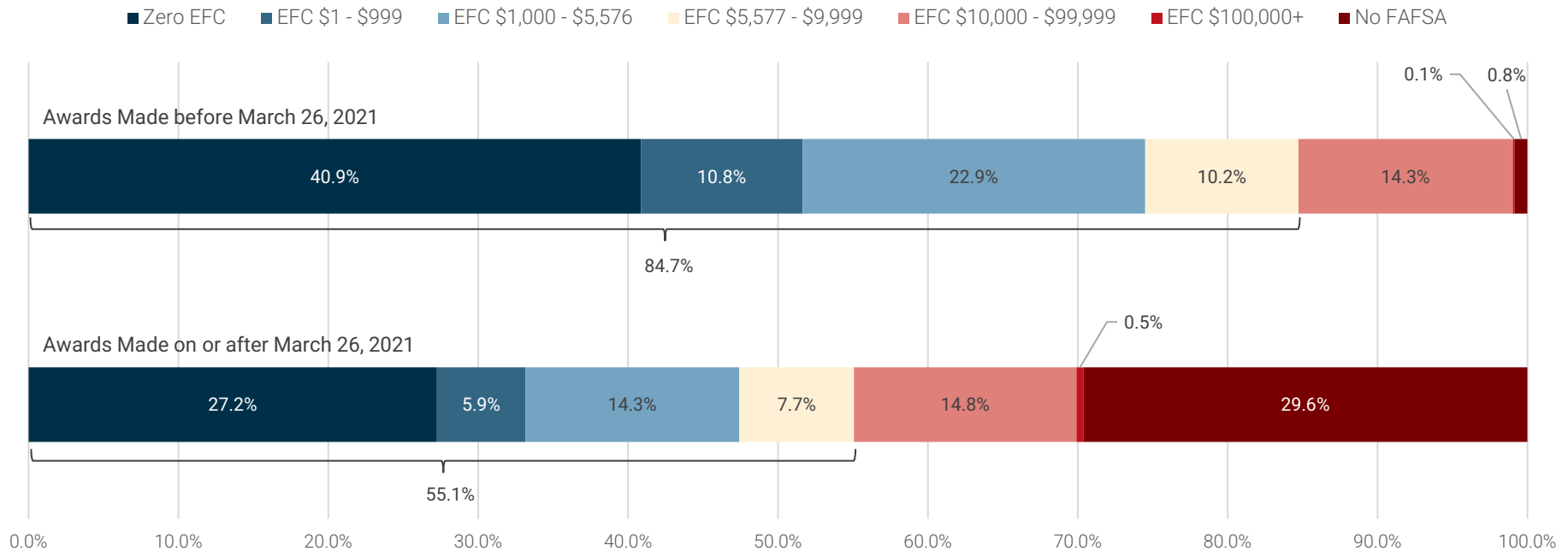
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## Financial Aid Grants to Students

In making SFA grants, the CRRSAA requires that institutions of higher education prioritize grants to students with exceptional need. To do this, UTA invited students who had an estimated family contribution (EFC) of less than \$10,000 as reported on their Free Application for Federal Student Aid (FAFSA) to apply first. Once awards were made to these students, an announcement was made to all students that applications were available for HEERF II SFA grants.

This resulted in 85% of SFA grants made prior to March 26, 2021, were awarded to students who had an EFC of less than \$10,000 and 41% had an EFC of \$0. For the students awarded a HEERF II SFA grant on or after March 26, 2021, 55% had an EFC of less than \$10,000 and 27% had an EFC of \$0.

### SFA Grants by Student EFC



# Audit Summary, Objective, and Scope and Methodology

## Audit Summary

Overall, our review disclosed the following:

- Expenses made with HEERF funds were allowable purchases under the CARES Act and CRRSAA and proposed projects were an allowable use of HEERF II Funds.
- UTA distributed more than the minimum required amount directly to students and sufficiently prioritized students with exceptional need in awarding SFA grants.
- Cash draws were made in compliance with the cash management requirement.

In summary, there were no reportable findings requiring follow-up in this audit. Minor opportunities were disclosed and discussed with management during the audit.

## Audit Objective

The objective of the audit was to determine whether the University complied with federal guidelines in the distribution and use of HEERF funds authorized by the CARES Act and the CRRSAA. Specifically, we were to determine whether:

- Institutional expenditures were made only for allowable purposes.
- Financial aid grants to students prioritized students with the greatest exceptional need.
- Project submissions for use of CRRSAA institutional funds would be allowable per the CRRSAA and UT System guidance.
- The minimum required amount of HEERF funds was distributed to students.

## Audit Scope and Methodology

The scope of the audit included expenditures made under the institutional portion of the CARES Act funding, distribution of grants and eligibility of students who received grants using CRRSAA funds, and proposals submitted for funding under the institutional portion of the CRRSAA as of June 11, 2021. Audit methodology included interviewing key personnel, reviewing processes, performing analytical procedures, and testing of supporting documentation.

Our examination was conducted in accordance with guidelines set forth in the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

We appreciate the courtesy and cooperation received from the Office of Financial Aid and Accounting Services.

## Distribution – CARES 2/HEERF II Audit

To: Teik Lim *President ad interim, UTA*  
Randal Rose *Audit Committee Chairman*

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