

# AUDIT REPORT

Higher Education Emergency Relief Fund (HEERF)

November 2023

OFFICE OF AUDIT AND CONSULTING SERVICES  
BOX 19112  
ARLINGTON TX 76019-0112  
817-272-0150  
[www.uta.edu/audit](http://www.uta.edu/audit)

# Audit Summary, Objective, and Scope & Methodology

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## Audit Summary

Overall, The University of Texas at Arlington (UTA) has complied with all the requirements set forth in the federal compliance supplement. 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 HEERF Funds audit was to determine whether UTA complied with federal guidelines in the distribution and use of the Higher Education Emergency Relief Funds (HEERF II and HEERF III) authorized by the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan Act (ARP). Specifically, we determined whether:

- Financial Aid grants to students prioritized students with the greatest exceptional need
- Institutional expenditures were made only for allowable purposes
- Cash Management of grant awards were disbursed timely
- Expenditures were properly earmarked for the HEERF Student Portion
- Expenditures were made during the period of performance
- Sole source awards for procurement were properly used with HEERF funds
- Quarterly and annual reports were completed timely

## Audit Scope and Methodology

The scope of the audit included all expenditures made from HEERF II and HEERF III funds since the previous HEERF audit from June 1, 2021, to June 30, 2023.

The audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Additionally, we conducted the audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Both standards are required by the Texas Internal Auditing Act, and they require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The Office of Audit and Consulting Services is independent in both standards for internal auditors.

We appreciate the courtesy and cooperation received from the Office of Financial Aid, the Office of Accounting Services and the Office of the Vice President for Research and Innovation.

## Background – HEERF Funds

### Higher Education Emergency Relief Funds (HEERF)

Congress passed a series of legislation which included the Coronavirus Aid, Relief and Economic Security Act (CARES/HEERF I), the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA/HEERF II) and the American Rescue Plan (ARP/HEERF III) to provide universities with additional funding during the coronavirus pandemic. This legislation allocated approximately \$76.2 billion to institutions of higher education and their students. UTA also received the HEERF Minority Serving Institution (MSI) grant. UTA received a combined \$137,328,449 from the HEERF funds, of which 41.7% were allocated to providing financial aid grants.

	Total Expenditures	Allocation	Student Aid Portion	Institutional Portion	MSI Portion
HEERF I	\$22,868,223	\$22,868,223	\$10,588,594	\$10,588,594	\$1,691,035
<b>HEERF II</b>	\$41,314,980	\$41,314,980	\$10,588,594	\$27,960,485	\$2,765,901
<b>HEERF III</b>	\$73,145,172*	\$73,145,256	\$36,188,810	\$32,209,302	\$4,747,144
Total	\$137,328,375	\$137,328,449	\$57,365,988	\$70,758,381	\$9,204,080

\* \$84 were unspent from the Student Aid Portion

HEERF I and part of HEERF II were previously audited in prior years. There were no prior findings related to these audits. For the current audit of HEERF funds, we focused on HEERF II and III. Nearly all of the HEERF funds were expended by June 30, 2023.

### Financial Aid Grants to Students

HEERF II and III Financial Aid awards were made available to all students. UTA required that students complete an application and demonstrate exceptional need based on the impact of the coronavirus. For HEERF II, the Office of Financial Aid administered the HEERF application, selected the students and determined the award amount. For HEERF III, UTA decided to split a portion of the student aid to be administered by a few departments on campus. These departments included the Office of the Provost, the Office of the Dean of Students and the Division of Student Success.

HEERF required the Student Aid portion to be disbursed as direct grant awards to students. The federal compliance supplement required that UTA document their determination for how it prioritized grants to students with exceptional need. To do so, UTA invited students who had an estimated family contribution (EFC) of less than \$10,000 to apply first. The HEERF application was made available to all students afterwards. The compliance supplement also restricted UTA from conditioning the award of student grants based on continued or future enrollment, use of the financial aid grant to satisfy a student's outstanding balance without the student's affirmative consent and requiring a minimum GPA or good standing requirement.

## Background – HEERF Funds (Continued)

### Institutional Expenditures

For the HEERF Institutional portion, UTA used funds to defray expenses associated with the coronavirus including lost revenues, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff training, and payroll.

The American Rescue Plan (HEERF III) added two additional requirements for the institutional portion. UTA was required to use a portion of the institutional funds to:

1. Implement evidence-based practices to monitor and suppress coronavirus in accordance with public health guidelines.
2. Conduct direct outreach to financial aid applicants about the opportunity to receive a financial aid adjustment due to the recent unemployment of a family member or other circumstances.

### Cash Management

The compliance supplement requires that UTA disburse the HEERF funds within 15 calendar days for the Student Aid portion and three calendar days for the Institutional Aid portion after funds are drawn down from the Department of Education's Grant Management System (G5). At UTA, all funds are disbursed accordingly before request for reimbursement is made in G5.

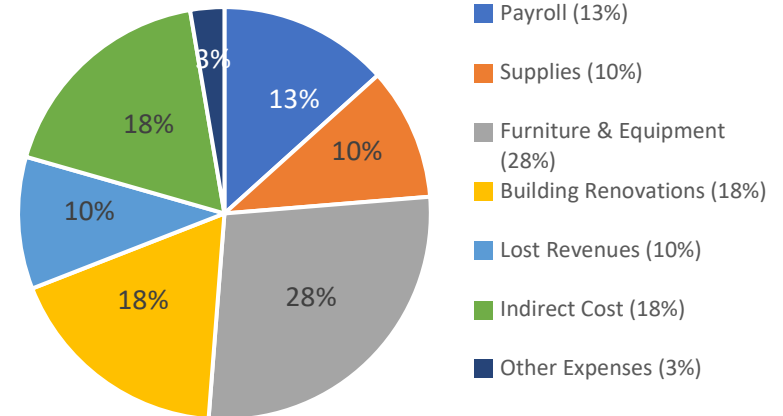
### Procurement

If UTA used sole source for purchases made with HEERF funds, the compliance requirements require that it must document its rationale and determination for the use of sole source.

### Reporting

UTA must post its HEERF quarterly reports timely and accurately to its website. This must be completed no later than 10 calendar days after each quarter, starting in the second quarter of 2022.

HEERF II & III Institutional Expenditures



## Distribution – HEERF Funds

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To: Jennifer Cowley *President, UTA*  
Helen Dickey *Audit Committee Chairman/Partner, Harris & Dickey LLC*

**Audit Committee:**

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Chris Mitchell *Managing Director, PwC*  
Jewel Washington *Vice President for Talent, Culture and Engagement, UTA*

From: David Price *Chief Audit Executive, UTA*



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cc: Raymond Brown *Interim Vice President, Enrollment Management, UTA*  
Lowell K. Davis *Vice President, Office of Student Affairs, UTA*  
Jeremy Forsberg *Associate Vice President for Research & Innovation, UTA*  
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Sarah Panepinto *Senior Director for Research Administration, UTA*  
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Andrea Wright *Executive Director, Office of Accounting Services, UTA*

**Auditor in Charge:**

Chinh Cao *Senior Auditor, UTA*