

**PORTLAND STATE UNIVERSITY  
SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED JUNE 30, 2018**

**PORTLAND STATE UNIVERSITY  
REPORT ON SINGLE AUDIT  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2018**

<b>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 <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>1</b>
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE</b>	<b>3</b>
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>6</b>
<b>NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>18</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	<b>19</b>



**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***

Members of the Board  
Portland State University  
Portland, Oregon

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 Portland State University (the University), a component unit of the State of Oregon, as of and for the years ended June 30, 2018 and June 30, 2017, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated March 15, 2019. Our report includes a reference to other auditors who audited the financial statements of the Portland State University Foundation, a discretely presented component unit, 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. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

**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 opinions 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.

**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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Greenwood Village, Colorado  
March 15, 2019



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND  
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

Members of the Board  
Portland State University  
Portland, Oregon

**Report on Compliance for Each Major Federal Program**

We have audited Portland State University'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 programs for the year ended June 30, 2018. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***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 programs 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 programs. However, our audit does not provide a legal determination of the University's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal programs for the year ended June 30, 2018.

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2018-001, 2018-002, and 2018-003. Our opinion on the major federal programs is not modified with respect to these matters.

The University's responses to the noncompliance findings identified in our audit are described in the accompanying Corrective Action Plan. The University's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

**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 programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2018-001 to be a material weakness.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2018-002 and 2018-003 to be significant deficiencies.

The University's responses to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. The University's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 business-type activities and the discretely presented component unit of the University as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated November 15, 2018, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the Portland State University Foundation. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 basic 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 basic 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 basic financial statements or to the basic 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 basic financial statements as a whole.



**CliftonLarsonAllen LLP**

Greenwood Village, Colorado  
March 15, 2019

**PORTLAND STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED JUNE 30, 2018**

Program Cluster	Federal CFDA #	Federal Funding Agency/Major Subdivision - Program Title	Federal Award Id	Pass Through Entity	Pass Through Identifying #	Total Expenditures	Pass through to Subrecipients
<b>Research and Development</b>							
<b>Department of Agriculture</b>							
10.001		Natural Resources Conservation Service - Agricultural Research Basic and Applied Research		City University of New York	49297-A	\$ 3,835 147	\$ - -
10.310		National Institute of Food and Agriculture - Agriculture and Food Research Initiative (AFRI)		Iowa State University	416-41-07D	15,464	-
10.675		US Forest Service - Urban and Community Forestry Program (B)				54,068	-
10.907		Natural Resources Conservation Service - Snow Survey and Water Supply Forecasting				45,304	-
10.912		Natural Resources Conservation Service - Environmental Quality Incentives Program				44,742	-
10.XXX		US Forest Service - Department of Agriculture Misc Awards					
			16-CS-11221637-119			138,652	-
			13-JV-11261979-059			115,111	-
			16-CR-11062754-028			113,594	-
			13-CR-11261900-083			89,056	-
			AG-04T0-P-17-0033			78,648	-
			2015-JV-11261979-051			64,179	-
			17-JV-11272138-007			45,929	-
			17-CR-11221636-113			43,556	-
			14-JV-11242313-112			29,282	-
			14-JV-11330136-138			27,558	-
			17-JV-11261985-068			25,036	-
			16-CR-11261975-093			17,582	-
			17-JV-11242309-033			11,553	-
			AG-04T0-P-16-0007			10,153	-
			2012-CR-11261985-084			9,958	-
			17-CR-11261985-091			9,778	-
			16-CR-11061500-001			4,865	-
			13-JV-11261985-084			4,553	-
			12-JV-11261985-079			3,563	-
			13-CR-11061800-030			2,602	-
			12-CR-11061800-043			2,358	-
			17-CR-11261975-066			2,231	-
			12-CR-11261907-100			1,610	-
			18-CR-11061800-015			38	-
			AG-04T0-P-14-0029			16	-
			12-CR-11261975-058			(745)	-
				North Carolina State University	2018-0567-01	58,602	-
<b>Department of Commerce</b>							
11.417		National Oceanic & Atmospheric Administration - Sea Grant Support		Oregon State University	NB325E-B	4,222	-
				Oregon State University	NA270M-F	(65)	-

See Accompanying Notes to Schedule of Expenditures of Federal Awards.



**PORTLAND STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED JUNE 30, 2018**

Program Cluster	Federal CFDA #	Federal Funding Agency/Major Subdivision - Program Title	Federal Award Id	Pass Through Entity	Pass Through Identifying #	Total Expenditures	Pass through to Subrecipients
	11.431	National Oceanic & Atmospheric Administration - Climate and Atmospheric Research		Oregon State University	NA277A-A	83,312	-
						30,092	-
	11.439	National Oceanic & Atmospheric Administration - Marine Mammal Data Program		Oregon State University	NA270C-C	92,083	-
	11.XXX	Other Department of Commerce Programs				10,946	-
<b>Department of Defense</b>							
	12.300	Office of Naval Research - Basic and Applied Scientific Research				96,787	-
						55,519	-
						33,422	-
						32,194	-
				University of California Woods Hole Oceanographic Institution	43019217 A101329	151,959	-
	12.420	U.S. Army Medical Command - Military Medical Research and Development		Oregon Health & Science Univ (OHSU)	1008360_PSU	294,597	-
				Oregon Health & Science Univ (OHSU)	1008990_PSU	137,022	-
	12.431	US Army - Basic Scientific Research				107,601	-
	12.550	Office of the Secretary of Defense - The Language Flagship Grants to Institutions of Higher Education		Institute of International Education	0054-PDX-7-TECH-280-PO4	54,683	-
	12.800	US Air Force - Air Force Defense Research Sciences Program				55,363	-
				The University of Texas at Austin	UTA16-001395	128,950	-
	12.910	Defense Advanced Research Projects Agency - Research and Technology Development		The University of Texas at Austin	UTA17-000001	235,696	-
	12.XXX	Other Department of Defense Programs		Regents of Univ of Michigan	3003408627	5,035	-
			W912HQ-18-C-0007			140,750	77,036
			W9127N-14-2-0015			98,853	54,510
			W912HZ-15-2-0008			87,505	-
			W912HZ-17-2-0005			64,006	59,631
				Pacific States Marine Fisheries Commission	18-11G	59,607	-
				Metron, Inc.	6F95-003	135,861	-
				Stanford University	61543292-116140	73,099	-
				Galois Inc.	2017-004	62,234	-
				Stanford University	61543292-116140	59,951	-
				The Charles Stark Draper Laboratory, Inc.	SC001-0000001191	34,932	-
				Universite Du Quebec A Montreal	W912HZ-17-2-0025	15,185	-
				Pacific States Marine Fisheries Commission	18-130P	1,820	-

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**PORTLAND STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED JUNE 30, 2018**

Program Cluster	Federal CFDA #	Federal Funding Agency/Major Subdivision - Program Title	Federal Award Id	Pass Through Entity	Pass Through Identifying #	Total Expenditures	Pass through to Subrecipients
<b>Department of the Interior</b>							
15.224		Bureau of Land Management - Cultural Resource Management				4,054	-
		Bureau of Land Management - Fish, Wildlife and Plant Conservation Resource Management				322,307	-
15.238		Bureau of Land Management Challenge Cost Share				18,266	-
15.560		US Bureau of Reclamation - SECURE Water Act - Research Agreements				138,452	-
15.615		US Fish & Wildlife Service - Cooperative Endangered Species Conservation Fund		Oregon Department of Fish and Wildlife	138-17	59,959	-
15.649		US Fish & Wildlife Service - Service Training and Technical Assistance (Generic Awards)				5,561	-
15.650		US Fish & Wildlife Service - Research Grants (Generic)				32,393	-
15.657		US Fish & Wildlife Service - Endangered Species Conservation				98,567	-
15.664		US Fish & Wildlife Service - Fish and Wildlife Coordination and Assistance Programs				2,843	-
15.807		US Geological Survey - Earthquake Hazards Research and Monitoring Assistance				7,909	-
15.808		US Geological Survey - Geological Survey Research and Data Acquisition				687,611	-
15.810		US Geological Survey - National Cooperative Geologic Mapping Program				17,030	-
15.945		National Park Service - Cooperative Research and Training Programs				583,874	-
15.XXX		Other Department of the Interior Programs					-
			F16PX01410			6,689	
<b>Department of Justice</b>							
16.021		Office on Violence Against Women's Office - Justice Systems Response to Families		State of Oregon 4th Judicial District	170065	4,623	-
16.026		Violence Against Women Office - Research and Evaluation				92,965	7,017
16.203		Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering and Tracking - Promoting Evidence Integration in Sex Offender Management Discretionary Grant Program				203,260	18,910
16.541		Office of Juvenile Justice & Delinquency Prevention - Juvenile Justice and Delinquency Prevention Special				(28,880)	-
16.560		National Institute of Justice - Justice Research Development and Evaluation Project				56,436	-
16.566		National Institute of Justice - National Institute of Justice W.E.B. DuBois Fellowship Program (B)				45,437	-
16.726		Office of Juvenile Justice & Delinquency Prevention - Juvenile Mentoring Program				35,365	3,479
16.751		Bureau of Justice Assistance - Edward Byrne Memorial Competitive Grant Program		City of Portland	30004383	117,892	-
16.XXX		Other Department of Justice Programs		American Institutes for Research	01064-03260 PO:13RRG10008	30,177	-

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**PORTLAND STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED JUNE 30, 2018**

Program Cluster	Federal CFDA #	Federal Funding Agency/Major Subdivision - Program Title	Federal Award Id	Pass Through Entity	Pass Through Identifying #	Total Expenditures	Pass through to Subrecipients
<b>Department of Transportation</b>							
20.200		Federal Highway Administration - Highway Research and Development Program		Oregon Department of Transportation	IGA NO. 31726	56,905	30,958
				University of Delaware	42119	4,292	-
				Oregon Department of Transportation		21,403	-
20.205		Federal Highway Administration - Highway Planning and Construction		Oregon Department of Transportation	30391	42,845	-
20.500		Federal Transit Administration - Federal Transit Capital Improvement Grants		Tri-Met	GC160064JF	44,139	-
20.507		Federal Transit Administration - Federal Transit Capital and Operating Assistance Formula		Westside Transportation Alliance		9,996	-
20.514		Federal Transit Administration - Public Transportation Research, Technical Assistance, and Training				448,251	267,238
20.701		Office of the Assistant Secretary For Research and Technology formerly RITA - University Transportation Centers Program				2,935,071	978,607
20.XXX		Other Department of Transportation Programs		Florida Atlantic Univ	PR-K68	28,941	-
						6,479	-
				Oregon Department of Transportation	WO#8/MASTER AGREEMENT 27085	142,958	-
				SW Washington Regional Transportation Council		54,058	-
				ICF Incorporated	17ANBO0009	48,200	-
				Oregon Department of Transportation	27085 WO#7	22,076	-
				Washington State Dept of Transp	T2258 TASK ORDER 1	15,997	4,528
				ICF Incorporated	16JGSK0021	12,420	-
				ICF Incorporated	16ABSK0162	11,592	-
<b>National Aeronautics and Space Administration</b>							
43.001		National Aeronautics & Space Administration - Aerospace Education Services Program				1,070,422	-
				University of Wisconsin System	775K821	28,105	-
43.007		National Aeronautics & Space Administration - Space Operations				62,717	-
43.008		National Aeronautics & Space Administration - NASA Education		Oregon State University	NS265D-E	1,200	-
				Oregon State University	NS265D-M	6,424	-
				Oregon State University	NS265D-F	(280)	-
				Oregon State University	NS265D-L	8,640	-
43.XXX		National Aeronautics & Space Administration - Department of Aeronautics & Space Administration Miscellaneous		California Inst of Technology	1593127	18,613	-

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**PORTLAND STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED JUNE 30, 2018**

Program Cluster	Federal CFDA #	Federal Funding Agency/Major Subdivision - Program Title	Federal Award Id	Pass Through Entity	Pass Through Identifying #	Total Expenditures	Pass through to Subrecipients
<b>National Science Foundation</b>							
47.041		National Science Foundation - Engineering Grants		Imagars LLC	160151	581,930	-
				Tangitek, LLC		91,725	-
				Washington State University	120962-G003571	26,593	-
				Diatomix Inc	180115	1,944	-
						5,482	-
47.049		National Science Foundation - Mathematical and Physical Sciences				318,861	5,538
47.050		National Science Foundation - Geosciences				1,645,947	99,289
47.070		National Science Foundation - Computer and Information Science and Engineering				916,563	65,831
				Case Western Reserve Univ	RES512453	4,544	-
				University of Alabama	A18-0170-S001	2,786	-
47.074		National Science Foundation - Biological Sciences				1,507,514	144,933
47.075		National Science Foundation - Social Behavioral and Economic Sciences					
				Arizona State University	16-820	96,550	-
				Pennsylvania State Univ	5461-PSU-NSF-7396	78,641	-
				University of Kentucky	3200000579-16-235	41,668	-
				University of Oregon	2003D0A	5,934	-
47.076		National Science Foundation - Education and Human Resources				697,093	21,071
				University of Washington	BPO22320	130,139	-
				Mathematical Assn of America	1430540	84,314	-
				Chemeketa Community College	10285500	27,145	-
				Teachers Development Group	04-DRL02	2,230	-
47.078		National Science Foundation - Polar Programs				22,267	-
<b>Environmental Protection Agency</b>							
66.708		Office of Chemical Safety and Pollution Prevention - Pollution Prevention Grants Program				4,815	6,357
<b>Department of Energy</b>							
81.049		Office of Science Financial Assistance Program - Basic Energy Sciences University and Science Education				(1,453)	-
81.087		Office of Energy Efficiency and Renewable Energy - Renewable Energy Research and Development				430,245	96,786
81.XXX		Other Department of Energy Programs					
				Electronic Power Research Institute	10006242	92,346	-
						114,261	-
				Pacific States Marine Fisheries Commission	17-118C	47,368	-
				Washington State University	128495_G003690	33,142	-
				Desert Research Institute	649.7543	22,353	-
				Washington State University	128496_G003689	15,475	-
				Pacific States Marine Fisheries Commission	18-91G	2,536	-
					659.4160-02/AC#6352-		
				Desert Research Institute	659-6232	(2,932)	-

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**PORTLAND STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED JUNE 30, 2018**

Program Cluster	Federal CFDA #	Federal Funding Agency/Major Subdivision - Program Title	Federal Award Id	Pass Through Entity	Pass Through Identifying #	Total Expenditures	Pass through to Subrecipients
<b>Department of Education</b>							
84.016		Office of Postsecondary Education - Undergraduate International Studies and Foreign Language				17,051	-
84.235		Office of Special Education and Rehabilitative Services - Rehabilitation Services Demonstration and Training Programs				127,016	-
84.325		Office of Special Education and Rehabilitative Services - Personnel Preparation to Improve Services and Results f/Children w/Disabilities				503,082	-
84.335		Office of Special Education and Rehabilitative Services - Child Care Access Means Parents in School				396,172	-
84.365		Office of Elementary and Secondary Education - English Language Acquisition State Grants				28,848	-
84.326M		Office of Special Education and Rehabilitative Services - Model Demonstration Projects to Improve Literacy Outcomes for English Learners with Disabilities in Grades Three through Five or Three through Six				255,368	30,331
<b>Department of Health and Human Services</b>							
93.077		National Institutes of Health - Family Smoking Prevention and Tobacco Control Act Regulatory Research		Regents of UC - Riverside	S-000752	638,374	18,864
93.087		Administration for Children & Families - Enhance Safety of Children Affected by Substance Abuse		Volunteers of America Oregon Inc	140132	88,077	-
93.113		National Institutes of Health - Biological Response to Environmental Health Hazards				145,796	-
93.121		National Institutes of Health - Oral Diseases and Disorders Research		Oregon Health & Science Univ (OHSU)	1008356_PSU	137,781	-
93.135		Centers for Disease Control & Prevention - Centers for Research and Demonstration for Health Promotion and Disease Prevention		Oregon Health & Science Univ (OHSU)	1004402-002_PSU	25,278	-
93.136		Centers for Disease Control & Prevention - Injury Prevention and Control Research and State Grants				23,510	-
93.173		National Institutes of Health - Research Related to Deafness and Communication Disorders		Oregon Health & Science Univ (OHSU)	1009985_PSU	42,813	26,708
93.242		National Institutes of Health - Mental Health Research Grants		Oregon Health & Science Univ (OHSU)	1008367	422,464	44,639
93.243		Substance Abuse & Mental Health Services Administration - Substance Abuse and Mental Health Services Projects of Regional and National Significance		Multnomah County Yellowhawk Tribal Health Center	4400003125/PSU CONTRACT#434200	56,533	-
						8,504	75,842
						8,845	-
						1,581	-

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**PORTLAND STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED JUNE 30, 2018**

Program Cluster	Federal CFDA #	Federal Funding Agency/Major Subdivision - Program Title	Federal Award Id	Pass Through Entity	Pass Through Identifying #	Total Expenditures	Pass through to Subrecipients
	93.262	Centers for Disease Control & Prevention - Occupational Safety and Health Program		University of Washington	UWSC9706	103,314	-
				Oregon Health & Science Univ (OHSU)		4,455	-
	93.286	National Institutes of Health - Discovery and Applied Research for Technological Innovations to Improve Human Health		Oregon Health & Science University	1008844_PSU 1008659_PSU/1R01EB0 213562-01A1	54,576 17,040	-
	93.307	National Institutes of Health - Minority Health and Health Disparities Research (B)		dfusion	R21MH112038	17,295 27,497	-
	93.310	National Institutes of Health - Trans-NIH Research Support Administration for Community Living - ACL National Institute on Disability, Independent Living, and Rehabilitation Research				5,219,453	-
	93.433			Temple University	300162-PSU	1,107,419 35,231	15,196 -
				Temple University	300104-PSU	11,365	-
				Temple University	300104-PSU	8,970	-
	93.670	Administration for Children & Families - Child Abuse and Neglect Discretionary Activities		Boston Children's Hospital	PO # 0000710299	59,430	-
	93.837	National Heart, Lung, and Blood Institute - Cardiovascular Diseases Research		Elex Biotech LLC	140322	47,181	-
	93.838	National Institutes of Health - Lung Diseases Research		Oregon Health & Science Univ (OHSU)	1008628_PSU/1R56HL1 30130-01	34,607	-
	93.847	National Institutes of Health - Diabetes, Digestive, and Kidney Diseases Extramural Research		Oregon Health & Science University	1005387_PSU	29,854	-
				Pacific Diabetes Technology	150903	16,477	-
	93.855	National Institutes of Health - Allergy and Infectious Diseases Research		DesignMedix Inc	130356	423,604 129,765	53,048 -
				The University of Montana	PG17-64595-01	28,447	-
				StoneStable	87007597.2	25,606	-
	93.859	National Institutes of Health - Pharmacology Physiology and Biological Chemistry		San Diego State University		296,216	-
				Research Foundation	SA0000497	140,287	-
				University of Florida	UFDSP00010949	77,640	-
	93.865	National Institutes of Health - Research for Mothers and Children		Seattle Children's Hospital	11323SUB	68,114	-
				University of Oregon	215730A	38,759 37,407	-
	93.866	National Institutes of Health - Aging Research		Oregon Health & Science Univ (OHSU)	1011170_PSU	30,974	-
				Oregon Health & Science Univ (OHSU)	1005142_PSU	29,598	-
				Brown University	00001191	12,243	-
				EmbedRF LLC	RA#140763	(131)	-
	93.867	National Institutes of Health - Vision Research		Johns Hopkins University	2002969753	37,316	-

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**PORTLAND STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED JUNE 30, 2018**

Program Cluster	Federal CFDA #	Federal Funding Agency/Major Subdivision - Program Title	Federal Award Id	Pass Through Entity	Pass Through Identifying #	Total Expenditures	Pass through to Subrecipients
	93.958	Substance Abuse & Mental Health Services Administration - Block grants for Community Mental Health Services		Oregon Health Authority	145213	1	-
	93.994	Health Resources Services Administration - Maternal and Child Health federal Consolidated Program		Oregon Health & Science University	1010448_PSU	37,915	-
	93.XXX	Other Department of Health and Human Services Programs		Yellowhawk Tribal Health Center	PO# 65597	94,340	-
				Research Triangle Institute	17-312-0213405-52174L	35,741	-
<b>Total Research and Development Cluster</b>						<b>29,998,695</b>	<b>2,206,347</b>
<b>Student Financial Aid</b>							
<b>Department of Education</b>							
	84.007	Office of Federal Student Aid - Federal Supplemental Educational Opportunity Grants				1,121,639	-
	84.033	Office of Federal Student Aid - Federal Work-Study Program				1,392,663	-
	84.038	Office of Federal Student Aid - Federal Perkins Loan				7,199,310	-
	84.063	Office of Federal Student Aid - Federal Pell Grant Program				36,680,324	-
	84.268	Office of Federal Student Aid - Federal Direct Student Loans				121,841,998	-
	84.379	Office of Federal Student Aid - Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)				865,660	-
<b>Total Student Financial Aid - Cluster</b>						<b>169,101,595</b>	<b>-</b>
<b>TRIO Cluster</b>							
<b>Department of Education</b>							
	84.042	Office of Postsecondary Education - TRIO Student Support Services				376,410	-
	84.044	Office of Postsecondary Education - TRIO Talent Search				335,776	-
	84.047	Office of Postsecondary Education - TRIO Upward Bound				442,359	-
	84.217	Office of Postsecondary Education - TRIO McNair Post-Baccalaureate Achievement				224,810	-
<b>Total TRIO Cluster</b>						<b>1,379,356</b>	<b>-</b>
<b>CCDF Cluster</b>							
<b>Department of Health and Human Services</b>							
	93.575	Administration for Children and Families - Child Care and Development Block Grant Administration for Children and Families		Oregon Department of Human Services	10487	656,509	-
				Oregon Department of Human Services	146205	2,687	-
	93.596	Administration for Children and Families - Child Care and Development Fund				1,200,933	-
<b>Total CCDF Cluster</b>						<b>1,860,128</b>	<b>-</b>

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**PORTLAND STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED JUNE 30, 2018**

Program Cluster	Federal CFDA #	Federal Funding Agency/Major Subdivision - Program Title	Federal Award Id	Pass Through Entity	Pass Through Identifying #	Total Expenditures	Pass through to Subrecipients
<b>Child Nutrition Cluster</b>							
<b>Department of Agriculture</b>							
	10.559	Food and Nutrition Service - Summer Food Service Program for Children		Oregon Department of Education	2608003	59,377	-
				Oregon Department of Education	26 16018	386	-
<b>Total Child Nutrition Cluster</b>						<b>59,763</b>	<b>-</b>
<b>Non Cluster Programs</b>							
<b>Department of Agriculture</b>							
	10.890	Rural Business-Cooperative Service - Rural Development Cooperative Agreement Program				33,873	8,145
<b>Department of Commerce</b>							
	11.XXX	Other Department of Commerce Programs		State of Washington	C1800087	9,652	-
<b>Department of Defense</b>							
	12.550	Office of the Secretary of Defense - The Language Flagship Grants to Institutions of Higher Education		Institute of International Education	NSEP-U631073-PDX-RUS	359,425	-
				Institute of International Education	0054-PDX-7-SSR-280-PO3	4	-
		Subtotal				359,429	-
	12.903	National Security Agency - GenCyber Grants Program				99,619	-
	12.XXX	US Army Corps of Engineers - Intergovernmental Personnel Act (IPA) Mobility Program				3,389	-
<b>Department of Housing and Urban Development</b>							
	14.218	Office of Community Planning and Development - Community Development Block Grants/Entitlement Grants		Institute of International Education	3760-04	416,742	-
				Portland Development Commission	3760-03	519	-
		Subtotal				417,261	-
<b>Department of the Interior</b>							
	15.649	US Fish & Wildlife Service - Service Training and Technical Assistance (Generic Awards)				37,826	-
	15.654	US Fish & Wildlife Service - Visitor Facility Enhancements - Vehicle Pullouts, Interpretive Trails, and Kiosks				42,797	-
	15.945	National Park Service - Cooperative Research and Training Programs - Resources of the National Park System				32,374	-
	15.XXX	Other Department of the Interior Programs				40,461	-
		Subtotal		Metro	934453	3,373	-
						43,834	-
<b>Department of Justice</b>							
	16.575	Office of Justice Programs - Crime Victim Assistance		Oregon Department of Justice	VOCA-FI-2018-PSU-005	4,017	-
	16.585	Office of Justice Programs - Drug Court Discretionary Grant Program		American University	SPA-31408-02	19,720	-
	16.835	Office of Justice Programs - Body-Worn Camera Policy and Implementation Program				3,780	-

See Accompanying Notes to Schedule of Expenditures of Federal Awards.



**PORTLAND STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED JUNE 30, 2018**

Program Cluster	Federal CFDA #	Federal Funding Agency/Major Subdivision - Program Title	Federal Award Id	Pass Through Entity	Pass Through Identifying #	Total Expenditures	Pass through to Subrecipients
<b>Department of State</b>							
	19.432	Bureau of Educational and Cultural Affairs - Academic Exchange Programs - Educational Advising and Student Service		Institute of International Education	IIE0136_PSU_3.15.2017	157,842	-
				Institute of International Education	FST1801_PSU_5.1.18	26,315	-
		Subtotal				184,157	-
	19.600	Bureau of Near Eastern Affairs		Georgetown University	PSU-GR205340	214,727	-
				Georgetown University	PSU-GR205768	29,678	-
		Subtotal				244,406	-
<b>Department of Transportation</b>							
	20.215	Federal Highway Administration - Highway Training and Education				43,785	-
	20.XXX	Federal Highway Administration (FHWA) - Department of Transportation Miscellaneous		Oregon Department of Transportation		50,457	-
<b>Office of Personnel Management</b>							
	27.011	Defense Advanced Research Projects Agency - Defense Advanced Research Projects Agency				201,592	-
	27.011	US Fish & Wildlife Service - Intergovernmental Personnel Act (IPA) Mobility Program				(92)	-
		Subtotal				201,500	-
<b>National Aeronautics and Space Administration</b>							
	43.008	National Aeronautics and Space Administration - Education				6,000	-
	43.012	National Aeronautics and Space Administration - Space Technology				54,922	-
<b>National Endowment for the Arts</b>							
	45.164	National Endowment for the Arts - Promotion of the Humanities Public Programs		American Library Assn/Association of College & Research Lib	LA106006	2	-
<b>National Science Foundation</b>							
	47.049	National Science Foundation - Mathematical and Physical Sciences				847	-
	47.050	National Science Foundation - Geosciences				499	-
	47.075	National Science Foundation - Social Behavioral and Economic Sciences				37,748	-
	47.076	National Science Foundation - Education and Human Resources				216,148	-
<b>Environmental Protection Agency</b>							
	66.XXX	Other Environmental Protections Agency Programs				9,747	-
<b>Department of Energy</b>							
	81.XXX	Other Department of Energy Programs		Desert Research Institute	GR05893	263,151	-
				Desert Research Institute	GR05923	29,816	-
		Subtotal				52,816	-
						345,783	-
<b>Department of Education</b>							
	84.021	Office of Postsecondary Education - Overseas Programs - Group Projects Abroad				38,906	36,030
	84.116L	Office of Postsecondary Education - Center for Best Practices to Support Single Parent Students		Endicott College	160214	986	-

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**PORTLAND STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED JUNE 30, 2018**

Program Cluster	Federal CFDA #	Federal Funding Agency/Major Subdivision - Program Title	Federal Award Id	Pass Through Entity	Pass Through Identifying #	Total Expenditures	Pass through to Subrecipients
	84.129	Office of Special Education and Rehabilitative Services - Rehabilitation Long-Term Training				178,623	-
	84.299	Office of Elementary and Secondary Education - Indian Education - Special Programs				538,519	-
	84.323A	Office of Special Education and Rehabilitative Services - Special Education - State Personnel Development		Oregon Department of Education	IGA No 11355	10,730	-
	84.325	Office of Special Education and Rehabilitative Services - Personnel Development to Improve Services and Results for Children with Disabilities				207,406	-
	84.325H	Office of Special Education and Rehabilitative Services - Leadership Consortia in Sensory Disabilities and Disabilities Associated with Intensive Service Needs		Salus University	PDX 88403 17-18 (Y2)	44,340	-
	84.367	Office of Elementary and Secondary Education - Supporting Effective Instruction State Grants		Western Oregon University	TRSUB17.03	22,226	-
				Western Oregon University	TRSUB18.03	2,145	-
				Western Oregon University	TRSUB15.02	(150)	-
		Subtotal				24,222	-
	84.372	Institute of Education Sciences - Statewide Longitudinal Data Systems		Rhode Island Department of Elementary & Secondary Education	151208	7,557	-
	84.407	Office of Postsecondary Education - Transition Programs for Students with Intellectual Disabilities into Higher Education				400,050	-
	84.412	Office of Early Learning - Race to the Top				734,000	-
<b>Department of Health and Human Services</b>							
	93.136	Centers for Disease Control & Prevention - Injury Prevention and Control Research and State and Community Based Programs		Oregon Health Authority	150363	220,303	-
	93.157	Health Resources Services Administration - Centers of Excellence Agency for Toxic Substances and Disease Registry - Substance Abuse and Mental Health Services Projects of Regional and National Significance		Oregon Health and Sciences University	1011045_PSU	42,358	-
	93.240	Substance Abuse and Mental Health Services Administration - Substance Abuse and Mental Health Services Projects of Regional and National Significance		Native American Rehabilitation Association	160427	16,543	-
	93.243			Oregon Health Authority	147636	413,211	-
				Outside In	140408	92,791	-
				Quartz Valley Indian Reservation	CONTRACT #405/2015-010-COC	79,451	-
				Oregon Health & Science University	1003942_PSU	16,640	-
				Georgetown University	RX4285-900-PSU	5,674	-
		Subtotal				607,161	-
	93.500	Office of the Secretary of Health and Human Services - Pregnancy Assistance Fund Program		Oregon Department of Justice	DOJ-DM #8093243	(30)	-

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**PORTLAND STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED JUNE 30, 2018**

Program Cluster	Federal CFDA #	Federal Funding Agency/Major Subdivision - Program Title	Federal Award Id	Pass Through Entity	Pass Through Identifying #	Total Expenditures	Pass through to Subrecipients
	93.648	Administration for Children and Families - Child Welfare Research Training or Demonstration		The Research Foundation of State Univ of New York	15-43	(30)	-
				The Research Foundation of State Univ of New York	16-28	101,490	-
				The Research Foundation of State Univ of New York	18-5-79280	318,459	-
		Subtotal				419,920	-
	93.732	Health Resources Services Administration - PPHF-2012 Mental and Behavioral Health Education and Training Grants				390,500	-
	93.944	Centers for Disease Control & Prevention - Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance		Oregon Health Authority	150865	367,251	-
	93.XXX	Other Department of Health and Human Services Programs		University of Maryland	1600258A	299,936	23,050
		<b>Corporation for National and Community Services</b>					
	94.003	State Commission		Oregon Housing & Community Services	4481	13,317	-
				Oregon Housing & Community Services	4364	(6,109)	-
				Oregon Housing & Community Services	4245	(83)	-
		Subtotal				7,124	-
	94.019	Social Innovation Fund		United Way of Lane County		120,603	-
		<b>Agency for International Development</b>					
	98.002	Cooperative Development Program (CDP)		Arizona State University	16-868	44,631	-
<b>Total Non Cluster Programs</b>						<b>7,225,210</b>	<b>67,225</b>
<b>Total Federal Awards Expended</b>						<b>\$ 209,624,746</b>	<b>\$ 2,273,572</b>

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**PORTLAND STATE UNIVERSITY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Portland State University under programs of the federal government of the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Portland State University, it is not intended to and does not present the financial position, changes in net position, or cash flows of Portland State University.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Portland State University has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 3 FEDERAL STUDENT LOAN PROGRAMS**

The federal student loan programs listed subsequently are administered directly by Portland State University, and balances and transactions relating to these programs are included in Portland State University's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2018 consists of:

Program Title	CFDA Number	Amount Outstanding
Perkins Loans	84.038	\$56,247

During the year ended June 30, 2018, the College liquidated its Perkins Loan Program. All loans were either assigned and accepted by the Department of Education or purchased by the College. The final capital distribution amount is in the process of being approved and finalized by the Department of Education.

**PORTLAND STATE UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018**

***Section I – Summary of Auditors’ Results***

***Financial Statements***

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified?  yes  no
  - Significant deficiency(ies) identified?  yes  none reported
3. Noncompliance material to financial statements noted?  yes  no

***Federal Awards***

1. Internal control over major federal programs:
- Material weakness(es) identified?  yes  no
  - Significant deficiency(ies) identified?  yes  none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  yes  no

***Identification of Major Federal Programs***

**CFDA Number(s)**

84.SFA  
R&D  
84.TRIO  
93.CCDF

**Name of Federal Program or Cluster**

Student Financial Aid Cluster  
Research and Development Cluster  
TRIO Cluster  
Child Care Development Fund Cluster  
(CCDF Cluster)

Dollar threshold used to distinguish between Type A and Type B programs:

\$1,215,694 / \$303,923

Auditee qualified as low-risk auditee?

yes  no

**PORTLAND STATE UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018**

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***Section II – Financial Statement Findings***

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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**2018-001**

Federal agency: U.S. Department of Education

Federal program title: Student Financial Aid Cluster

CFDA Number:

Federal Supplemental Educational Opportunity Grants (SEOG) – CFDA # 84.007

Federal Work Study Program (FWS) – CFDA # 84.033

Federal Perkins Loan (FPL) – CFDA # 84.038

Federal Pell Grant Program (PELL) – CFDA # 84.063

Federal Direct Student Loans (FDL) – CFDA # 84.268

Teacher Education Assistance for College and Higher Education Grants (TEACH) – CFDA # 84.379

Award Period: 2017-2018

Type of Finding:

- Compliance, Other Matter
- Material Weakness in Internal Control over Compliance

**Criteria or specific requirement:** The Federal Code of Regulations 34 CFR 668.22 requires nonfederal entities to determine the amount of Title IV aid earned by a student when they withdraw. When a student completes greater than 60 percent of a term, they are considered to have fully earned their aid. If a student completes less than 60 percent of the term, the nonfederal entity is required to return a portion of the aid to the Department of Education based on various criteria discussed. Additionally, 34 CFR 668.22(j) and 668.173(b)(1) require an institution to return amounts of unearned Title IV aid as soon as possible, but no later than 45 days after the date of the institution's determination that the student withdrew.

**Condition:** During our testing of return to Title IV, we noted multiple instances where the University had not returned funds within the required 45 days. Further, we noted an instance where the University incorrectly calculated a student's return and returned more funds than necessary to the Department of Education. The University failed to implement adequate controls over timely return of Title IV funds despite findings in the previous three audit periods.

**Questioned costs:** None

**Context:** We tested the return calculations and subsequent crediting of student accounts for a total of 60 students in a statistically valid sample. Of the 60 students tested, 46 students required a return of unearned aid. Of those 46, we noted the following:

- Untimely returns: 7 were returned beyond the 45 day timeframe.
- Incorrect calculations: 1 return was not calculated correctly by the University causing an over refund to the Department of Education.

**PORTLAND STATE UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018**

Additionally the University has received findings related to the return to Title IV process in the previous three audits.

**Cause:** The University did not have proper internal controls in place to ensure calculations were made accurately on a consistent basis. Further, the University failed to monitor that the returns were being made within the required timeframe. As a result, the University failed to correct prior year findings over this compliance requirement.

**Effect:** The University was not in compliance with federal regulations related to the return of Title IV aid.

**Repeat Finding:** Yes, prior year finding 2017-002.

**Recommendation:** We recommend the University implement an adequate control structure and training in the Student Financial Aid Department which ensure returns are completed accurately and timely. We recommend that the University implement procedures to ensure that unearned aid is returned timely to the Department of Education. In addition we recommend the University develop a process to track and implement corrective action plans related to federal findings.

**2018 – 002**

Federal agency: U.S. Department of Education

Federal program title: Student Financial Aid Cluster

CFDA Number:

Federal Supplemental Educational Opportunity Grants (SEOG) – CFDA # 84.007  
Federal Work Study Program (FWS) – CFDA # 84.033

Award Period: 2017-2018

Type of Finding:

- Compliance, Other Matter
- Significant Deficiency in Internal Control over Compliance

**Criteria or specific requirement:** 2 CFR 200.303 requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal statutes, regulations and the terms and conditions of the Federal award. Additionally, 2 CFR 200.302(b) requires nonfederal entities to maintain identification in its accounts of all Federal awards received and expended and the Federal program under which they were received as well as the source and application of funds.

**Condition:** During our testing over compliance related to cash management, we noted that the University's internal control over cash management failed to prevent a cash draw request being improperly prepared by drawing funds from an incorrect program for which they were awarded. This was later discovered and corrected, but internal controls are deemed ineffective due to improper request.

**Questioned costs:** None.

**PORTLAND STATE UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**Context:** We tested a statistically valid sample of 15 draws occurring during the fiscal year. Of the 15 draws tested, we found one instance where controls were not operating properly. The draw was requested from the SEOG allocation when it should have been for Federal Work Study funds. This was later resolved, but management review was not deemed effective due to inaccurate funding request.

**Cause:** The University did not have proper controls in place to ensure the cash request was proper.

**Effect:** Lack of effective controls in place can lead to noncompliance over cash management.

**Repeat Finding:** No.

**Recommendation:** We recommend that the University implement processes and controls to ensure cash management requirements are properly followed. Such controls should include review to ensure each request is being pulled from the proper award type allocation. This review should be performed by someone separate from the person processing the request.

**2018 – 003**

Federal agency: U.S. Department of Education

Federal program title: Student Financial Aid Cluster

CFDA Number:

Federal Supplemental Educational Opportunity Grants (SEOG) – CFDA # 84.007

Federal Work Study Program (FWS) – CFDA # 84.033

Federal Perkins Loan (FPL) – CFDA # 84.038

Federal Pell Grant Program (PELL) – CFDA # 84.063

Federal Direct Student Loans (FDL) – CFDA # 84.268

Teacher Education Assistance for College and Higher Education Grants (TEACH) – CFDA # 84.379

Award Period: 2017-2018

Type of Finding:

- Compliance, Other Matter
- Significant Deficiency in Internal Control over Compliance

**Criteria or specific requirement:** 2 CFR 200.303 requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal statutes, regulations and the terms and conditions of the Federal award. Additionally, 2 CFR 668.58 (a)(2)(iii)(B) states a nonfederal entity may originate direct lending provided they do not disburse proceeds, even if the entity believes the student's information is accurate despite being in the process of verification.

**Condition:** During our testing over compliance related to verification, we noted that the University's internal control failed to prevent an origination and disbursement of funds to a student selected for verification, despite not completing the verification procedures. Additionally, we noted one instance where the University failed to correctly identify a student as independent during the verification process. The student in question had been previously incarcerated and thus would be automatically considered independent at the age of 18.

**Questioned costs:** None.



**PORTLAND STATE UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**Context:** We tested a statistically valid sample of 40 verifications occurring during the fiscal year. Of the 40 verifications tested, we noted one instance where controls failed to prevent disbursement of aid when the verification process was not complete. Additionally, we noted one instance where improper determination of student dependency status was applied during verification.

**Cause:** The University did not have proper controls in place to ensure it met verification compliance requirements.

**Effect:** The University originated and disbursed loans to a student who had not provided previously requested verification documents. The University incorrectly awarded a student based on dependency status not corrected during verification.

**Repeat Finding:** Yes, prior year finding 2017-001

**Recommendation:** We recommend that the University provide training to staff to ensure that they are in compliance with the various verification requirements.

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## ***Section IV – Prior Year Findings***

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### **FINDINGS—FINANCIAL STATEMENT AUDIT**

There were no financial statement findings in the prior year.

### **FINDINGS— FEDERAL AWARD PROGRAMS AUDITS**

#### **2017 – 001 – Verification**

**Condition:** During our testing of compliance related to verification (Special Test), we noted in our sample that the University failed to update information obtained during verification of a student's calculation.

**Status:** This item was partially resolved during 2018. See current year finding 2018-003.

**Reason for finding's recurrence:** Recurrence was due to staff error during the time period of both audit years. Staff training and standard procedures have been created in 2018 to ensure compliance.

#### **2017 – 002 – Return of Title IV Funds**

**Condition:** During our testing of return to Title IV, we noted multiple instances where the University had not returned funds within the required 45 days. Further, we noted various instances where the University used the incorrect date of withdrawal, calculated the return incorrectly, and did not return funds in the correct order as prescribed. The University failed to implement adequate controls over timely return of Title IV funds despite findings in the previous audit periods.

**Status:** This item was partially resolved during 2018. See current year finding 2018-001. In addition, due to the 2017 finding and in response to the U.S. Department of Education's Preliminary Audit Determination Letter, during fiscal year 2018, the University performed a full file review of all of its withdrawn students from July 1, 2016 to June 30, 2017. As a result of this review, the University returned \$155,507.92 to the Federal Pell Grant program, plus \$1,470.02 in interest; \$2,040.61 to the Federal Supplemental Educational Opportunity Grant program, plus \$17.99 in interest; \$645.80 to the Teacher Education Assistance for College and Higher education Grant program, plus \$7.59 in interest; \$4,617.27 to the Federal Perkins Loan program, plus \$35.93 to the institutional account; and \$778,812 to the Federal Direct Loan program, plus \$7420 in interest for the incorrectly calculated and unpaid return of Title IV funds.

**Reason for finding's recurrence:** Changes in the structure of the Financial Aid Office were put in place in early 2018 to ensure all return to title IV calculations were being completed within the 45 day timeframe and to begin the business process analysis with the Office of Information Technology to put in place a system to detect and calculate returns.

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## Department of Health and Human Services

Portland State University respectfully submits the following corrective action plan for the year ended June 30, 2018.

Audit period: July 1, 2017 - June 30, 2018

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### **FINDINGS—FINANCIAL STATEMENT AUDIT**

Audit did not disclose any matters required to be reported in accordance with Government Auditing Standards.

## U.S. DEPARTMENT OF EDUCATION

2018-001      Student Financial Aid Cluster  
CFDA No. 84.063 - Federal Supplemental Educational Opportunity Grants (SEOG)  
CFDA No. 84.033 - Federal Work Study Program (FWS)  
CFDA No. 84.038 - Federal Perkins Loan (FPL)  
CFDA No. 84.063 - Federal Pell Grant Program (PELL)  
CFDA No. 84.268 - Federal Direct Student Loans (FDL)  
CFDA No. 84.379 - Teacher Education Assistance for College and Higher Education Grants (TEACH)

**Recommendation:** We recommend the University implement an adequate control structure and training in the Student Financial Aid Department which ensure returns are completed accurately and timely. We recommend that the University implement procedures to ensure that unearned aid is returned timely to the Department of Education. In addition we recommend the University develop a process to track and implement corrective action plans related to federal findings.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Beginning in early 2018 the Office of Student Financial Aid dedicated a team of staff to ensure the Return of Title IV calculations are completed within the regulatory timeline and are performed accurately. A complete business process analysis and process has been implemented to ensure compliance.

Name(s) of the contact person(s) responsible for corrective action: Amanda Bierbrauer  
Planned completion date for corrective action plan: February 2019

U.S. DEPARTMENT OF EDUCATION

2018-002 Student Financial Aid Cluster  
CFDA No. 84.063 - Federal Supplemental Educational Opportunity Grants (SEOG)  
CFDA No. 84.033 - Federal Work Study Program (FWS)

**Recommendation:** We recommend that the University implement processes and controls to ensure cash management requirements are properly followed.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Review of the request of fund process and implementation of proper internal controls will be established.

Name(s) of the contact person(s) responsible for corrective action: Amanda Bierbrauer  
Planned completion date for corrective action plan: April 2019

U.S. DEPARTMENT OF EDUCATION

2018-003 Student Financial Aid Cluster  
CFDA No. 84.063 - Federal Supplemental Educational Opportunity Grants (SEOG)  
CFDA No. 84.033 - Federal Work Study Program (FWS)  
CFDA No. 84.038 - Federal Perkins Loan (FPL)  
CFDA No. 84.063 - Federal Pell Grant Program (PELL)  
CFDA No. 84.268 - Federal Direct Student Loans (FDL)  
CFDA No. 84.379 - Teacher Education Assistance for College and Higher Education Grants (TEACH)

**Recommendation:** We recommend that the University provide training to staff to ensure that they are in compliance with the various verification requirements.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Office of Student Financial Aid will provide ongoing training to staff responsible and develop a mechanism to detect and review any discrepancies. Operating procedures are being documented to help ensure consistency between staff.

Name(s) of the contact person(s) responsible for corrective action: Amanda Bierbrauer  
Planned completion date for corrective action plan: March 15, 2019

If the Department of Health and Human Services has questions regarding this plan, please call Amanda Bierbrauer at 503-725-3793.