



# Higher Education Emergency Relief Fund

Internal Audit Report No. R2115  
August 3, 2021



---

## Executive Summary

**Audit Objective:** The primary objective of the audit was to determine whether UTD complied with the Higher Education Emergency Relief Fund (HEERF) in distributing funds to students in need, as well as distributing institutional funds tied to *the disruption of campus operations due to coronavirus*.

**Conclusion:** The University is ensuring compliance with the HEERF distributions.

**Observations by Risk Level:** Overall, based upon the audit procedures performed during the scope of this engagement, we did not identify any reportable issues to date within the institutional or student portion of the HEERF distributions.

A targeted follow-up audit will be conducted in FY22 regarding UTD's Lost Revenue methodology to ensure compliance with the [HEERF Lost Revenue FAQ](#) once university management finalizes their procedures.

*For details and engagement methodology, please see the attached report.*



## Background

The [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#) (HEERFI) was passed by Congress on March 27, 2020, to provide fast and direct economic aid to the American people negatively impacted by the COVID-19 pandemic. On December 27, 2020, the [Coronavirus Response and Relief Supplement Appropriations Act \(CRRSAA\)](#) (HEERFII) was authorized by Congress, which allocated an additional \$81.88B in support for education. Lastly, on March 11, 2021 Congress enacted a final HEERFIII under the [American Rescue Plan](#), in support to institutions of higher education (IHE) to serve students and ensure learning continues during the COVID-19 pandemic.

Below is a table of the monetary relief allocated to UT Dallas under these programs (HEERFI/II/III)<sup>1</sup>.

	HEERFI	HEERFII	HEERFIII <sup>2</sup>	Grand Total
<b>Institutional</b>	\$ 9,566,094	\$21,046,043	\$27,123,285	<b>\$ 57,735,422</b>
<b>Student</b>	\$ 9,566,094	\$ 9,566,094	\$27,123,287	<b>\$ 46,255,475</b>
<b>HEERF Total</b>	<b>\$19,132,188</b>	<b>\$30,612,137</b>	<b>\$54,246,572</b>	<b>\$103,990,897</b>

For the student portion of the HEERFI/II, UTD distributed \$9,566,094 in HEERFI and \$9,005,050 (to-date) in HEERFII grants to approximately 12,000 students impacted by the COVID-19 pandemic.<sup>3</sup>

The Department of Education’s objective was to get these funds to students in need as quickly as possible. Minimal distribution guidance was provided to colleges and universities at the onset of the HEERFI/HEERFII programs and are continued to be updated, routinely. As a result, UTD developed a methodology to award students with the emergency assistance and utilized existing internal controls and processes.

<sup>1</sup> The monetary amounts reported are the allocations to the University, based off the allocation tables from the Department of Education (ED), but do not reflect the actual allocation(s) performed by the University under these programs.

<sup>2</sup> \*HEERFIII was not evaluated during the scope of this engagement due to the observed governance, risk management, and internal controls reviewed as part of HEERFI/II though not final that an audit over this portion will not be conducted later based on any changes to the University processes and overall risk universe.

<sup>3</sup> [UTD CARES Reporting](#)



University HEERF institutional oversight is provided by the Vice President (VP) of Budget and Finance with day-to-day management over these funds provided by the Assistant VP for Accounting and Financial Reporting (AFR) and Manager of AFR. HEERF student oversight is provided by the VP for Academic Affairs and Provost with day-to-day management over these funds provided by the Senior Director of Financial Aid within the Office of Financial Aid.

## Controls and Strengths

Our audit work indicated that the day-to-day management and internal controls utilized over the HEERF funds are effective in ensuring compliance with the intended use of the funds.

## Scope and Procedures

The scope of this audit was FY20 to-date, and our fieldwork concluded July 6, 2021. To satisfy our objectives, we performed the following:

- Gained an understanding of the processes and procedures and tested for compliance with the following:
  - Institutional and Student Public Reporting (use of funds)
  - HEERFI/II Institutional Expenses compliance
  - HEERFI Title IV Eligibility for Emergency Financial Aid Grants (EFAGs) provided to impacted students.
  - HEERFI exceptional need eligibility compliance for EFAGs provided to impacted students.
  - G5 Drawdowns<sup>4</sup>
- Interviewed key stakeholders within the Offices of Financial Aid and Budget and Finance regarding their controls and processes.
- Provided insights/confirmations to client inquiries regarding HEERF Allowability.
- Tested for compliance with CARES Act requirements for selected students.

We conducted our examination in conformance with the Texas Internal Auditing Act and in conformance with the guidelines set forth in The Institute of Internal Auditor's *International Standards for the Professional Practice of Internal Auditing*. The *Standards* are statements of core requirements for the professional practice of internal auditing.

---

<sup>4</sup> [G5 Portal](#) G5 is the *Department of Education's grants management system designed to achieve the following objectives: Enhance and increase program performance monitoring, improve communications with system users, fast-track grant award processing, Link dollars to results, and promote technical and financial stewardship.*

---



## Follow-up Procedures

A targeted follow-up audit will be conducted in FY22 regarding UTD's Lost Revenue methodology to ensure compliance with the [HEERF Lost Revenue FAQ](#) once university management finalizes their procedures.

## Thank You

We appreciate the courtesies and considerations extended to us from the Offices of Financial Aid and Budget and Finance during our engagement. Please let me know if you have any questions or comments regarding this audit.

A handwritten signature in blue ink that reads "Toni Stephens". The signature is written in a cursive, flowing style.

Toni Stephens, CPA, CIA, CRMA  
Chief Audit Executive



## Appendix B: Report Distribution

<p style="text-align: center;"><b>Members of the UT Dallas Institutional Audit Committee</b></p> <p><i>External Members</i></p> <ul style="list-style-type: none"> <li>• Ms. Lisa Choate, Chair</li> <li>• Mr. Gurshaman Baweja</li> <li>• Mr. John Cullins</li> <li>• Mr. Bill Keffler</li> <li>• Ms. Julie Knecht</li> </ul> <p><i>UT Dallas Members</i></p> <ul style="list-style-type: none"> <li>• Dr. Richard Benson, President</li> <li>• Dr. Rafael Martin, Vice President and Chief of Staff</li> <li>• Dr. Kyle Edgington, Vice President for Development and Alumni Relations</li> <li>• Mr. Frank Feagans, Vice President and Chief Information Officer</li> <li>• Dr. Gene Fitch, Vice President for Student Affairs</li> <li>• Dr. Calvin Jamison, Vice President for Facilities and Economic Development</li> <li>• Dr. Inga Musselman, Provost and Vice President for Academic Affairs</li> <li>• Ms. Sanaz Okhovat, Chief Compliance Officer</li> <li>• Dr. Joseph Pancrazio, Vice President for Research</li> <li>• Mr. Terry Pankratz, Vice President for Budget and Finance</li> <li>• Mr. Timothy Shaw, University Attorney, ex-officio</li> </ul>	<p style="text-align: center;"><b>UT Dallas Responsible Parties</b></p> <p><i>Responsible Vice President (VP)</i></p> <ul style="list-style-type: none"> <li>• Terry Pankratz, VP for Budget and Finance</li> <li>• Dr. Inga Musselman, Provost and VP for Academic Affairs</li> </ul> <p><i>Persons Responsible for Cares Act</i></p> <ul style="list-style-type: none"> <li>• Greg Argueta, AVP for Accounting and Financial Reporting</li> <li>• Sarah Dorsey, Interim Director of Financial Aid</li> <li>• Franklin Foxworthy, Director of Financial Aid</li> </ul> <p style="text-align: center;"><b>External Agencies</b></p> <p><i>The University of Texas System</i></p> <ul style="list-style-type: none"> <li>• System Audit Office</li> </ul> <p><i>State of Texas Agencies<sup>5</sup></i></p> <ul style="list-style-type: none"> <li>• Legislative Budget Board</li> <li>• Governor’s Office</li> <li>• State Auditor’s Office</li> </ul>
<p><b>Engagement Team</b></p> <p>Project Leader: Jesson Gil, Internal Auditor II</p> <p>Staff: Chris Robinette, Internal Auditor III, Caitlin Cummins, Internal Auditor II, Julia Lawshae, Internal Auditor II</p>	

<sup>5</sup> Per Texas Internal Auditing Act Requirements