



UNIVERSITY INTERNAL AUDIT

Newsletter Issue No. 6, August 2021

This newsletter is used to communicate news and items of interest to the campus management. If you have any suggestions or topics you would like us to address in future issues, please contact us at InternalAudit@calstatela.edu with "Newsletter" as the subject.

In this issue:

- Higher Education Emergency Relief Funds
- In the News

Contact

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REMINDERS

Notify University Internal Auditor if:

- ◆ There is an actual or suspected fiscal impropriety.
- ◆ You are contacted by an external agency of an audit or investigation.
- ◆ You see improper Governmental Activity and/or a Significant Threat to Health or Safety on campus.

HIGHER EDUCATION EMERGENCY RELIEF FUNDS (HEERF)

In response to the economic hardships caused by the coronavirus pandemic, the federal government authorized three separate stimulus packages.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law to provide fast and direct economic aid to the American people negatively impacted by the COVID-19 pandemic. The Higher Education Emergency Relief Fund (HEERF I) in the amount of \$14 billion was allotted to the U.S. Department of Education (ED) to distribute to U.S. institutions of higher education. Cal State LA received funding of \$18,957,083 for institution, \$2,834,964 for Minority Serving Institution (MSI) program, and \$18,957,083 for students. (See <https://www2.ed.gov/about/offices/list/ope/caresact.html> from ED for HEERF I information.)

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) was signed into law giving ED an additional \$22.7 billion through the Higher Education Emergency Relief Fund (HEERF II) to distribute to higher education in order to prevent, prepare for and respond to the coronavirus. Cal State LA was allocated HEERF II funding of \$42,948,478 for institution, \$4,037,818 for MSI, and \$18,957,083 for students. (See <https://www2.ed.gov/about/offices/list/ope/crrsaa.html> from ED for HEERF II information.)

On March 11, 2021, the American Rescue Plan Act of 2021 (ARP) was signed into law and provided \$39.6 billion under the Higher Education Emergency Relief Fund (HEERF III) to ensure student learning continues during the COVID-19 pandemic. Cal State LA received \$108,113,372 through HEERF III. Federal guidelines earmarked at least \$54,097,891 of \$108,113,372 for our students. (see <https://www2.ed.gov/about/offices/list/ope/arp.html> from ED for more information on HEERF III)

The National Association of Student Financial Aid Administrators (NASFAA) developed a helpful comparison chart of HEERF I, HEERF II, and HEERF III. https://www.nasfaa.org/uploads/documents/HEERF_Funds_Comparison_Chart.pdf. Some differences between HEERF I, II and III are allocation formula distribution to students and the allowable uses of student and institution portions.

The U.S. Department of Education, Office of Inspector General (ED-OIG) in its year 2020 oversight plan anticipates performing a series of audits and reviews of programs, grants, requirements, and flexibilities established under the CARES Act. <https://www2.ed.gov/about/offices/list/oig/misc/cares-act-plan.pdf>. Much ED-OIG COVID-19 funding audits are ongoing.

In addition, the California State Auditor (CSA) has identified COVID-19 Funding - HEERF as high-risk area and announced that it will audit the University of California and California State University. (See <http://www.auditor.ca.gov/reports/scope/2021-611> for audit scope and objectives)

IN THE NEWS

- A woman accused of stealing more than \$300,000 from UCLA while working as a fund manager at the school's history department. - July 26, 2021
<https://ktla.com/news/local-news/carson-woman-pleads-no-contest-to-stealing-336000-from-ucla/>
- Former West Greene High School Bookkeeper Indicted for Theft. - July 21, 2021
<https://comptroller.tn.gov/news/2021/7/21/former-west-greene-high-school-bookkeeper-indicted-for-theft.html>
- College's CFO Accused of Fraud With \$10M Gift.—July 15, 2021.
<https://www.insidehighered.com/quicktakes/2021/07/15/colleges-cfo-accused-fraud-10m-gift>