

Transmittal of External Audit Report

Instructions: Per Department of Finance & Management Policy #7.0: **External Audit Reports**, departments are required to complete and submit this **coversheet** with a copy of the external audit report to the Commissioner of Finance & Management within 30 days of issuance of the final audit report. This coversheet must be submitted by the department's business office to ensure their awareness and acknowledgment of any potential financial impact. Official department responses to the audit report, including corrective action plans (*if required*), must also be submitted to Commissioner of Finance & Management upon completion.

Department	DCF/Office of Child Support (OCS)
Business Office Contact	Robin Arnell Director
Program/Activity Audited	Limited Cost
Audit Agency	US ACF-Office of Child Support Enforcement
Audit Report Date	03/12/2021

1. Does the audit report contain any findings or recommendations?

YES NO

➤ If YES continue to question #2; otherwise coversheet is complete.

2. Does the report contain any repeat audit findings?

YES NO

3. Please rate the findings and/or recommendations contained in the audit report using the following scale; for reports with multiple findings, this overall rating should be based on the most critical finding:

Insignificant: Nominal violation of policies, procedures, rules, or regulations. Corrective action suggested but not required.

Notable: Minor violation of policies, procedures, rules, or regulations and/or weak internal controls; and/or opportunity to improve effectiveness and efficiency. Corrective action may be required.

Significant: Significant violation of policies, procedures, rules, regulations or laws; and/or poor internal controls; and/or significant opportunity to improve effectiveness and efficiency. Corrective action required.

Major: Major violation of policies, procedures, rules, regulations or laws; and/or unacceptable internal controls; and/or high risk for fraud, waste or abuse; and/or major opportunity to improve effectiveness and efficiency. Immediate corrective action required.

4. Is the department required to develop a corrective action plan (or similar) to address the audit findings and/or recommendations?

YES NO

➤ If YES continue to next question; otherwise skip to question #8.

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5. Has the corrective action plan been developed?

YES NO [provide status below]

❖ Status of corrective action plan:

6. Does the department anticipate any inability or delay in implementing its corrective action plan?

YES NO,

➤ If YES continue to next question; otherwise skip to question #8.

7. What fiscal and programmatic impact is this inability or delay likely to have?

8. Does the report contain any disallowed costs¹?

YES NO

➤ If YES list the amount(s) and page reference(s) below; otherwise skip to question #11.

Disallowed Amount \$	Audit Report Page #
\$424,647.00	12-13

Disallowed Amount \$	Audit Report Page #

9. Has the method and timing of repayment for all disallowed costs been agreed upon with the applicable organization?

YES NO

10. Assess the impact this disallowance will have on the:

- a. Program/Activity: Major Significant Minimal None
 b. Dept Overall Budget: Major Significant Minimal None

11. Does the report contain any questioned costs²?

YES NO

➤ If YES list the amount(s) and page reference(s) below; otherwise form is complete.

Questioned Amount \$	Audit Report Page #

Questioned Amount \$	Audit Report Page #

12. Assess the likelihood that the questioned costs will result in disallowances and/or reductions in future revenues:

Very Likely Likely Somewhat Likely Not Likely

¹ Costs determined as unallowable under the applicable program/activity and not eligible for financial assistance; generally disallowed costs must be reimbursed to the awarding organization.

² Costs identified as potentially unallowable for financial assistance under the applicable program/activity.



ADMINISTRATION FOR
CHILDREN & FAMILIES

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March 12, 2021

Robin Arnell
Director
Office of Child Support
280 State Drive
Waterbury, VT 05671-1060

Re:	Audit Report No.:	VT-07-LC
	Audit Period:	September 1, 2007 through December 31, 2007
	Auditor:	Office of Child Support Enforcement (Office of Audit)
	Audit Type:	Limited Cost
	Program:	Office of Child Support Enforcement (3 findings)

Dear Director Arnell:

This letter contains the Department of Health and Human Services (HHS), Administration for Children and Families' (ACF) decisions regarding the Office of Child Support Enforcement (OCSE) audit findings, contained in the OCSE, Office of Audit Report report for the period September 1, 2007 through December 31, 2007, for Audit Report Number VT-07-LC. Included in the ACF's review are responses from grantee officials and corrective actions planned or taken by the grantee.

In summary, **\$424,647** has been disallowed resulting from finding number 13.1. Repayment and appeal information is included at the end of this letter.

The audit findings and the ACF decisions are described below.

OCSE, Office of Audit Recommendation Codes: 1, 2, and 3
Interest earned is not being properly reported as program income:

The auditors reported, "Our review disclosed that child support collections were deposited into the general fund of the State Treasurer's Office. These collections were maintained in this account until they could be identified, distributed and forwarded to the intended recipients for deposit. While these funds were being held in this account, they were earning interest. However, the interest earned was not properly calculated or completely reported as program income and offset against IV-D expenditures as required. This resulted in \$109,359 of earned interest not being reported. According to 45 CFR 304.50, OCSE-AT-89-16, "Treatment of income earned by States from interest, investments or other income producing activities resulting from fees and child support collections received in the administration of the Child Support Enforcement Program," dated August 15, 1989, and OCSE-PIQ-88-04, dated March 25, 1988, any interest earned on child support collections are to be considered program income and must be reported on the OCSE-396A "Quarterly Report of Expenditures" as an offset to IV-D expenditures.

Our review determined that interest was not calculated the entire period the collections were maintained in this interest-bearing account. OCSE-AT-89-16 requires interest to be calculated from the date that the collection is placed in an income earning account until the funds are either transferred to another agency or cashed by the intended recipient. In addition, the State was also using undistributed collections from other cases to cover the amounts from checks returned for insufficient funds, as well as checks sent to an incorrect individual. Although the State attempts to recoup these bad debts, it was determined the State had an un-recouped bad debt balance totaling \$176,763, which resulted in interest not being earned on an equivalent amount of undistributed collections used to replace these funds. Federal regulations 2 CFR Part 225, Appendix B, Section 5, OCSE-AT-97-13, “Collection and Disbursement of Support Payments,” dated September 15, 1997, and PIQ-97-03, dated May 20, 1997, indicate that bad debts are not an allowable cost eligible for FFP. Additionally, we believe the State cannot temporarily use undistributed collections from other cases to cover these costs. Consequently, Vermont needs to establish and implement a process to replace these bad debts and to begin reporting interest income on all collections while deposited in this account, as well as report any amounts not previously reported.

The VT-04-LC audit report, dated February 7, 2006, found that the State was not reporting any interest as program income and recommended disallowance of \$323,806 for the period July 1, 2001 through June 30, 2005. Although the State processed a decreasing adjustment for the unreported interest income disclosed in the VT-04-LC, our review disclosed that a process of properly calculating interest earned, based on deposited account balances, was never established as recommended in our report. The method that Vermont implemented actually charged \$5,895 FFP as an interest expense on the June 30, 2007 OCSE-396A quarterly report. As a result of this audit, the State has recalculated the amount. We have verified that the amount of interest not properly reported for the period July 1, 2005 through September 30, 2008 was \$109,359.

The IV-D agency did not begin reporting interest on the OCSE-396A until the quarter ended September 30, 2006. They did not report any of the \$40,986 interest earned from July 1, 2005 through June 30, 2006. Additionally, the State’s improper method for calculating interest during July 1, 2006 through September 30, 2008 resulted in \$68,373 of interest being underreported.”

OCSE, Office of Audit, Auditor’s Recommendation:

The auditors recommended:

1. “Report on the OCSE-396A as program income the \$109,359 in interest income for the July 1, 2005 through September 30, 2008 reporting period and reimburse to the Federal government the Federal share of \$72,177.
2. Replace the \$176,763 of bad debts with State funds and develop a process to regularly adjust the bank balance of any future bad debts and/or subsequent recoupments; and
3. Ensure that the amount of interest earned on all IV-D collections deposited in interest-bearing accounts are calculated and reported as program income on the OCSE-396A report and make the necessary adjustments for all prior quarters not properly reported.”

Post-Audit Comments and OCSE, Office of Audit Evaluation

The OCSE, Office of Audit stated, “Responding to our first recommendation, Vermont officials indicated that they agreed with this finding. However, they indicated that the State’s calculations were slightly lower. They further indicated that a correcting entry of \$109,359 would be made on the OCSE-396A report for the quarter ending December 31, 2009.

Regarding our second recommendation, State officials commented that the State had not replaced the bad debts with State funds. They will be monitoring the outstanding bad debts on a quarterly basis to determine if there are any trends or changes in these amounts, and if needed, take appropriate action.

Finally, Vermont officials indicated that the current method to calculate interest includes interest on both the amounts reported as Undistributed Collections on the OCSE-34A report and child support checks that have been issued and not cashed. The interest rate used is the rate for the Small Fund Interest reported to them by the Treasurer's office each month.

Regarding the State's comments that their calculations were slightly lower than the amounts reported in our draft report, upon further review, we verified that the amount we reported for the recomputed interest not reported and due to OCSE was actually based on data provided to our auditors in January 2009 by a financial official with DCF's Business office. We verified their data and reported the exact amounts in our draft report. The State has never provided us adjusted data. However, Vermont officials appear to be accepting the amount shown in the report since they have indicated that they plan to perform a correcting entry for the reported amount. Additionally, the State needs to ensure that when the amount is adjusted, it is properly shown as a "Prior Quarter Adjustment" on the OCSE-396A report.

Regarding the State's comments on the bad debts, we believe that Vermont should be replacing undistributed child support collections, which have been used to pay off the bad debts in the past, as well as regularly adjusting their bank balances as a result of any future bad debts and/or subsequent recoupments. As discussed in our report, Federal regulations prohibit bad debts as an allowable cost. Therefore, bad debts are not eligible for FFP. We also do not believe that held child support collections can be used for this purpose.

Finally, regarding the third recommendation, Vermont needs to ensure that the interest earned on their undistributed collections and child support checks that have not been cashed is reported on the OCSE-396A report on a quarterly basis. Additionally, the State should ensure that they have reported the correct amounts of interest for all prior quarters since October 1, 2008."

ACF Decision:

The ACF sustains its OCSE, Office of Audit, audit finding and recommendation. The Vermont Office of Child Support (OCS) submitted the OCSE-396A Quarterly Expenditure Report in which they did a decreasing adjustment of \$72,177 to reimburse the federal government for improperly reporting interest earned on undistributed collections and child support checks. The revised financial report was submitted by state Child Support Office on December 2, 2011, for the quarter ended December 31, 2009, and reflects the decreasing adjustments. Corrective actions taken by the state were appropriate and resolved the audit finding.

**OCSE, Office of Audit Recommendation Codes: 4 and 5
Costs incorrectly allocated to IV-D for community partnership grants**

The auditors reported: Our review disclosed that \$73,090 was incorrectly allocated to the IV-D agency for community Partnership Grants. Agency of Human Services (AHS) was funding a number of Community Partnerships and the costs associated with these partnerships were allocated to individual programs within AHS, based on each program's active caseload. The Office of Child Support has claimed for FFP the amount allocated for these partnership costs for the period July 1, 2005 through September 30, 2008 totaling \$73,090. The mission of these partnerships is to work with local, State and national partners to improve the well-being of Vermont's children, families, individuals and communities. However, we found that partnerships are not providing any activities or services under Title IV-D State plan, or actual

benefit to the child support agency. Therefore, these costs are not eligible for FFP under title IV-D of the Social Security Act and implementing regulations at 45 CFR Part 304.

Additionally, according to the OMB Cost Principles at 2 CFR 225, Appendix A, Section C.3, allocable costs are only allowable to the extent the agency is actually receiving a relative benefit from the goods and services being provided. Consequently, these amounts cannot be claimed by the IV-D agency for reimbursement. An adjustment should be made for any amounts previously claimed. This issue was also identified and reported during our VT-04-LC audit, where we recommended disallowances of \$88,092, as well as recommended that the Office of Child Support ensure that these costs are not claimed in the future. Although the \$88,092 was refunded to the Federal government, a process to ensure that future Community Partnership costs are not claimed for Federal reimbursement was never implemented as recommended.

OCSE, Office of Audits, Auditors' Recommendation:

The auditors recommended:

4. The \$73,090 claimed for the ineligible costs of these Community Partnerships be disallowed and the Federal share totaling \$48,239, be refunded to the Federal government; and
5. The OCS take action to ensure that only eligible costs are claimed for FFP and ensure that costs associated with these Community Partnerships are not claimed for reimbursement in the future.”

Post-Audit Comments and OCSE, Office of Audit Evaluation

The OCSE, Office of Audit stated, “Responding to these recommendations, Vermont officials agreed with the substance of this finding, but disagreed with the amount claimed. They believe that the amount that should have been recommended for disallowance is \$29,669 (rather than \$73,209) because they made a correcting entry of \$43,421 for the charges incurred from September 2006 through December 2007 on March 3, 2008, and reported this adjustment on the OCSE-396A report for the quarter ended March 31, 2008. The State further explained that supporting documentation for these corrections were provided to and reviewed with the auditors during their site visits. Consequently, the State believes the outstanding refund to resolve the finding is \$29,669 for the claimed costs from September 2005 through March 2006. They further commented that an adjustment would be made to the OCSE-396A report for the quarter ended December 31, 2009 in the amount of \$29,699.

State officials commented that they corrected the programming coding procedures to properly record all of the expenses of the OCS Community Partnership payments. According to officials, since February 2008, these payments have been properly posted to a program code, which is funded 100 percent with State dollars. Additionally, when these payments are made under the cost allocation plan, they are now excluded from costs eligible for Federal funding. All OCS cost allocation plan, they are now excluded from costs eligible for Federal funding. All OCS Accounts Payable data input has also been consolidated into the DCF Business office and a coding structure put in place to ensure that the Community Partnership Grants are coded in a manner that ensures these payments do not draw down any Federal IV-D funds.

Regarding the differences in our figures, the auditor attempted to verify that the negative adjustment was taken on the OCSE-396A report for the quarter ended March 31, 2018. As required by the OCSE-396A reporting instructions, we found no “Prior Quarter Adjustments” or associated supporting documentation to support the State’s assertion. Properly documenting this “Prior Quarter Adjustment” will also be

necessary for the ACF and OCSE officials responsible for clearing this recommendation. Therefore, we have not revised our recommendation.”

ACF Decision:

The ACF sustains the audit finding and recommendation. The Vermont Office of Child Support submitted documentation to support general ledger adjustments made internally for \$43,421.56 on March 8, 2008 as well as submitted the OCSE-396A to reflect the balance of its decreasing adjustment for \$19,445 completed for the quarter ended December 31, 2009. Corrective actions taken by the state were appropriate and resolved the audit finding.

**OCSE, Office of Audits, Auditors’ Recommendation Code: 6, 7, and 8
Equipment costs incorrectly claimed:**

The auditors reported, “Our review disclosed that \$69,554 of equipment purchases was incorrectly claimed for FFP by the IV-D agency. During the period July 2007 through June 2008, AHS purchased and submitted claims for IV-D reimbursement for 31 laptop computers. During our review, we found AHS was unable to locate or provide us with information as to who in the IV-D agency was assigned 22 of these computers, with a total cost \$36,422. They could not be certain that all 31 laptops purchases were actually assigned to the IV-D agency and due to an incomplete inventory process, they were not sure to whom the computers were actually assigned. We also found that two additional computer purchases made in 2003 and 2004 totaling \$33,132 were incorrectly claimed for reimbursement in the quarter they were purchased, rather than being depreciated over time. Also, the State did not perform annual inventories of equipment as required.

According to 2 CFR 225, Appendix B, Section 11, equipment acquisitions exceeding \$5,000 must be depreciated, and these depreciation costs must be supported by adequate property records. Physical inventories must be taken at least once every two years to ensure that assets exist, and are in use, and that Governmental units manage equipment in accordance with State laws and procedures. When the depreciation method is followed, depreciation records indicating the amount of depreciation taken each period must also be maintained. In addition, OCSE AT-06-03, “Policy Clarifications Relating to Planning, Design, Development, Installation, and Operation of Automated Systems in Title IV-D Child Support Enforcement Program,” dated August 11, 2006, and ACF-AT-94-05, dated July 22, 1994, require States to depreciate or charge a use allowance for all ADP equipment acquired at a unit cost greater than \$5,000, in accordance with Statewide accounting practices.

Because the State’s accounting procedures allow for a three-year depreciation for computer equipment, we are not recommending a disallowance for the two computer equipment purchases made 2003 and 2004. However, future purchases exceeding purchases exceeding \$5,000 must be depreciated and that inventories be performed, as well as usages be determined in accordance with the above cited regulation.”

OCSE, Office of Audits, Auditors’ Recommendation:

The auditors recommended:

6. “Make appropriate adjustments to refund the Federal share (\$24,039) of the \$36,422 for the 22 laptop computers claimed for Federal reimbursement that the State was unable to identify as benefiting the IV-D program;
7. Develop and utilize a methodology for determining, claiming, depreciating, and tracking all IV-D agency equipment that is consistent with all State and Federal requirements; and

8. Take action to be more involved in the purchasing process to ensure that only eligible purchases are claimed for the FFP.”

Post-Audit Comments and OCSE, Office of Audit Evaluation

The OCSE, Office of Audit stated, “Vermont officials responded that during the audit fieldwork, the auditor was provided with an outdated inventory, which did not correspond to OCS equipment in use. The proper documentation has been located that now substantiates that 29 laptops were ordered for a cost of \$36,666.08 on June 3, 2008 and submitted for IV-D reimbursement. Of these laptops, 25 were provided to IV-D staff and a recent inventory confirmed that IV-D staff was still in possession and using these laptops for their work. The remaining 4 [four] laptops were not provided to IV-D staff and cost \$4,326.79 (Federal share \$2,856). State officials indicated that an adjustment for \$2,856 would be made on the OCSE-396A report for the quarter ended December 31, 2009.

In addition, officials commented that the AHS Information Technology Division has implemented an inventory tracking system for new and existing IT equipment. The State has also requested approval for a new cost allocation method from the Federal Department of Health and Human Services, Division of Cost Allocation (HHS-DCA) to better administer and manage IT purchases. The State is still awaiting a response from HHS-DCA on the revised methodology.

Regarding the revised inventory, since full documentation was not provided to us, we have not been able to verify the State’s claim that 25 of the 29 laptops were assigned to IV-D workers, or that the costs associated with the State’s revised data is accurate and supportable. The Regional office or the audit staff will need to verify that the laptops have been assigned to the child support staff for the entire period, and also ensure that the proposed adjusted amount is accurate and includes any peripheral hardware (i.e., docking stations) that have not been assigned to child support staff.”

ACF Decision:

The ACF sustains its OCSE, Office of Audit, audit finding and recommendation. The Vermont Office of Child Support submitted the OCSE-396A Quarterly Expenditure Report in which they did a decreasing adjustment of \$2,856. Based on the OCSE, Office of Audit, verification was obtained for 25 of the 29 laptops; leaving four laptops that were not assigned to the child support staff. Therefore, the decreasing adjustment is appropriate. The revised financial report was submitted by state Child Support Office on December 2, 2011 for the quarter ended December 31, 2009. Corrective actions taken by the state department’s IT Division to implement inventory tracking system for new and existing IT equipment was appropriate and strengthens its internal controls.

OCSE, Office of Audits, Auditors’ Recommendation Codes: 9 and 10

Payments to employees retiring or terminating employment were not properly claimed:

The auditors reported, “Our review also disclosed that costs associated with an employee discontinuing State service were directly charged to the program where the employee last worked. According to 2 CFR Part 225, Appendix B, Section 8.d. and g, payments in addition to regular salaries and wages made to employees either retiring or terminating employment, such as payments for unused leave, severance, or other approved lump-sum type payments are allowable in the year the payment is made provided they are allocated as a general administrative expense to all activities of the governmental unit as an indirect cost. This was identified and reported in our VT-04-LC audit report, where we recommend that all future payments be properly allocated as a general administrative expense to all activities of the governmental unit as required. The State provided documentation that demonstrated that during July 2004 through July 2008, \$9,863 (Federal share \$6,509) was over claimed by the IV-D agency.”

OCSE, Office of Audits, Auditors' Recommendation:

The auditors recommended that the IV-D agency:

9. "Make appropriate adjustments on the OCSE-396A to refund the Federal share (\$6,509) of the \$9,863, over-reported for payments made at retirement or termination of employment; and
10. Develop and implement a process which would ensure that all future payments made at retirement or termination of employment be allocated as a general administrative expense to all activities of the governmental unit as required by 2 CFR Part 225, Appendix B, Section 8.d and g."

Post-Audit Comments and OCSE, Office of Audit Evaluation

The OCSE, Office of Audit stated, "The State concurs with this finding and it has made an adjustment in VISION, its accounting system which will be documented on the OCSE-396A report for the quarter ending December 31, 2009. The gross adjustment amount of \$9,863 was credited to IV-D for payments mad at retirement or termination of employment during the audited period (SFY'05 thru SFY'08). At the same time and adjustment was made in VISION using the same methodology for SFY'09 which amounted to a gross under claim to IV-D in the amount of \$7,670. The net effect of both adjustments is a gross credit to IV-D in the amount of \$2,193 which will be reflected on the OCSE-396A report for the quarter ending December 31, 2009.

For the period of July 1, 2009 (SFY'10), the State implemented a process in which leave time payouts made to retired or terminated staff are spread to all funding streams within DCF. Leave payout costs paid on retirement or termination are re-coded to a separate program code 40777 (Benefits Paid on Termination) which is charged proportionately on the Cost Allocation Report to all funding streams in DCF. The DCF Business Office will be monitoring leave pay out costs on a quarterly basis, to ensure costs are coded properly."

ACF Decision:

The ACF sustains its OCSE, Office of Audit, audit finding and recommendation. The Vermont Office of Child Support submitted the OCSE-396A Quarterly Expenditure Report in which they did a decreasing adjustment of \$6,511 to reimburse the federal government for not properly claiming payments to employees retiring of terminated. The revised financial report was submitted by state Child Support Office on December 2, 2011 for the quarter ended December 31, 2009 reflects the decreasing adjustments. Corrective actions taken by the state were appropriate and resolved the audit finding. No further action is required.

OCSE, Office of Audit Recommendation Codes: 11, 12, 13, 14, 15, 16, 17, and 18

The auditors reported:

Court Costs Were Not Properly Claimed

"Child support costs totaling \$9,438,976, claimed for Federal reimbursement under Cooperative Agreement between the Vermont Courts and the IV-D agency from June 1, 2004 to September 30, 2008, require additional recalculation before the costs claimed can be accepted as allowable. We have categorized these costs as "questioned costs." These costs were based on court employee's personnel activity reports and included costs not allowed for Federal reimbursement under the IV-D program."

Employees Activity Reports Not Accurately or Properly Implemented

“Court time and activity reports did not account for the total activity for which the employee was compensated and were only completed once each year. Personnel activity reports must meet all requirements outlined 2 CFR Part 225, Appendix B, Section 8.h.(5)(b) and (c). They must account for the total activity (i.e., the full 80 hours per pay period) for which each employee is compensated and must be prepared at least monthly and must coincide with one or more pay periods.

We met with various court personnel working throughout the State and found that most of the employees filling out these yearly activity reports had little knowledge on how to properly account for their time. Most did not understand the difference between IV-D related activities and regular court activities on IV-D cases that would not be eligible for IV-D reimbursement. Court employees were incorrectly counting as IV-D related time spent on most divorce and family matter involving children, including dissolution of marriages and civil unions, legal separations, determining custody, parent child contact, establishing and negotiating visitation schedules, physical allocation of time, and matters involving relief from abuse filings involving a child. Some employees even included time spent on juvenile matters and the allocation of marital assets as IV-D related activities. Federal regulations at 2 CFR Part 225, Appendix A, Section C.1.a includes basic guidelines for allowable costs under Federal awards, stating that they must be necessary and reasonable for proper and efficient performance and administration of Federal awards. Consequently, we determined that the court personnel activity reports did not properly reflect the actual time attributed to the IV-D program, were not completed each month, and cannot be used to calculate the court costs eligible for Federal reimbursement.

Inconsistently Applied and Unallowable Courtwide Costs Were Included

The personnel services and operating costs, which may have been allowable, were not being consistently allocated and charged to all user components of the Courts. According to 2 CFR Part 225, Appendix A, Section C.1.e, allowable costs must be consistent with policies, regulations and procedures that apply uniformly to both Federal awards and other activities of the governmental unit. In addition, 2 CFR Part 225, Appendix A, Section E.3. provides that any direct costs of a minor amount may be treated as an indirect cost for reasons of practicality where such accounting treatment for that item of cost is consistently applied to all cost objectives.

We also reviewed the personnel services and operating costs billed to the IV-D agency and found that they included premise security, Guardians Ad Litem and other unallowable costs. Federal regulation 2 CFR Part 225, Appendix B, Section 19 does not allow Federal funding for general government expenses and those general costs of government considered unallowable. This includes costs of the Judiciary Branch and all costs of other general types of government services that are normally provided to the general public. Also, Federal regulations at 45 CFR 304.23(j), prohibits Federal funding for the costs of Guardians Ad Litem in IV-D actions.

In addition, Federal regulations at 45 CFR 304.21(a) also allow Federal reimbursement for court costs under cooperative agreement subject to certain conditions and limitations in accordance with the requirements of 45 CFR 302.34. Under paragraph (b), Federal funding is not available for service of process and court filing fees unless the court or law enforcement agency would normally be required to pay the cost of such fees; costs of compensation (salary and fringe benefits) of judges; costs of travel and training related to the judicial determination process incurred by judges; office-related costs, such as space, equipment, furnishings and supplies, incurred by judges; and compensation (salary and fringe benefits), travel and training, and office-related costs incurred by administrative and support staffs of judges.

Agreement with the Court Did Not Conform to All Requirements

Cooperative Agreement that the State provided us was dated September 9, 1991. The agreement did not fulfill the requirements of 45 CFR 303.107. It was more general in nature and did not include specific duties and functions of the court, did not address the reimbursement requirements and limitations, and did not specify each type expenditure. It also did not clearly detail how costs would be determined. In order for court costs to be eligible for IV-D funding, the cooperative agreement must meet the requirements of 45 CFR 303.107. These provisions include requiring all cooperative arrangements to contain clear descriptions of the specific duties, functions and responsibilities of each party; and specify that the parties will comply with title IV-D of the Social Security Act, implementing Federal regulations and any other applicable Federal regulations and requirements. Further, the financial arrangements must include budget estimates, covered expenditures, methods of determining costs, procedures for billing the IV-D agency, and any relevant Federal and State reimbursement requirements and limitations.

Paternity Acknowledgments Were Not Recognized as Establishments of Paternity

During our court review, we also found that some court personnel did not recognize legally established voluntary acknowledgements of paternity as valid paternity establishments under State law. As a result, the court personnel required the parties to either sign a stipulation of paternity or have the parties submit to genetic testing in an attempt to re-establish the already established paternity. Federal regulations at 45 CFR 302.70(a)(5)(vii) and PIQ-03-01, “Paternity Disestablishment,” dated April 28, 2003, Q&A #4, requires States to have procedures under which a voluntary acknowledgement must be recognized as a basis for seeking a support order without requiring any further proceedings to establish paternity. In addition, 2 CFR Part 225, Appendix A, Section C, includes basic guidelines for the allowability of costs under Federal awards, including that they must be necessary and reasonable for proper and efficient performance and administration of the program. Therefore, re-establishing an already legally established paternity is not only a violation of the Federal regulations, it is not reasonable or necessary and would not be allowable under the IV-D program. Consequently, all prior court activities and costs associated with having the parties sign these stipulations or submit to genetic testing for a child that already had paternity established, are not eligible for IV-D funding. In addition to the costs claimed by the courts, IV-D agency has researched the paternity fees submitted for Federal reimbursement from July 1, 2004 through September 30, 2008 to determine if the costs included any fees for children, which an acknowledgement was previously filed. They had determined that \$27,867 (\$23,165 Federal share) in genetic testing fees were claimed for cases already containing a valid establishment of paternity.

Court Filing Fees Were Not Used to Reduce Expenditures As Required

We also found the courts collected filing fees for private Pro Se and/or attorney-initiated filings where the parties were actually IV-D clients. Although normally the costs of those private filings in IV-D cases would not be eligible for funding under the IV-D program, a number of them are combined with other previously filed IV-D actions and moved to the IV-D block time calendar. Some of the costs incurred would be eligible for FFP and were billed to the IV-D agency. However, the fees collected were not refunded or used to offset the costs incurred in those cases as required. Federal regulations at 2 CFR Part 225, Appendix A, Section D state that the total cost of Federal awards are to be comprised of the allowable direct cost of the program, plus its allocable portion of allowable indirect costs, less applicable credits.”

Summary

Because of the discrepancies discussed above, we are questioning the \$9,438,976 claimed by the court for all costs during this period. All or some portion of this amount will be allowed if the State reconstructs these costs using an acceptable method consistent with the terms contained in the cooperative agreement. We are also recommending that \$27,867 be disallowed and \$23,165 be refunded for genetic testing fees claimed for Federal reimbursement by the IV-D agency that were considered unnecessary and unreasonable.”

OCSE, Office of Audit, Auditors' Recommendations:

The auditors recommended that the IV-D agency:

11. “Develop and implement an acceptable time reporting process of reporting employee activity to be used for determining allowable IV-D Court costs that accurately identifies and is reflective of the actual IV-D expenditures;
12. Review the court costs claimed totaling \$9,438,976 for Federal reimbursement from June 1, 2004 to September 30, 2008 that are questioned until an accurate method consistent with the cooperative agreement for reporting court costs can be developed, implemented, and used to determine the actual amount of IV-D expenditures. Such process must be undertaken promptly to prevent a disallowance of all questioned costs;
13. Refund to the Federal government the share of any difference between the \$9,438,976 in claimed court costs and the actual court costs once an accurate amount of IV-D court costs can be documented;
14. Use the process addressed in the above recommendation to determine the actual IV-D court costs claimed after September 30, 2008 and make any necessary refund to the Federal government;
15. Only claim costs that are allowable and reimbursable under the IV-D program, and that are properly determined under Federal rules and regulations and specifically identified as reimbursable costs within the Child Support cooperative agreement with the Courts;
16. Make appropriate adjustments to refund the Federal share (\$23,165) of the \$27,867 incorrectly claimed for Federal reimbursement for unnecessary genetic testing fees in the future;
17. Use any fees collected on eligible activities being charged to the IV-D program to credit the courts expenditures and reported as an offset to any claim for Federal reimbursement as required; and
18. Conduct its own recurring evaluations and assessments of the Court's method for claiming costs because they are ultimately responsible for ensuring all costs are properly claimed for FFP.”

Post-Audit Comments and OCSE, Office of Audit Evaluation

The OCSE, Office of Audit stated, “The State recognized that the court cost allocation methodology needs additional specificity and additional documentation to support claims. A new reimbursement methodology is outlined below. Once an acceptable reimbursement methodology is implemented the new methodology will be incorporated into a new cooperative agreement and used to recalculate the questioned costs claimed from June 1, 2004 forward and submitted to OCSE for further review and consideration.

a. Employees Activity Reports Not Accurately or Properly Implemented

The State is implementing changes to address this finding. Court staff is now positively reporting their time each pay period during the year. In addition, court staff has received training on what constitutes reimbursable IV-D activity and additional training is currently being developed that will be provided to staff in the near future. Further, the new cooperative agreement will require that AHS audit staff confirm that court staff are accurately accounting IV-D reimbursable activity by periodically conducting site visits and meeting with court staff across the state.

b. Inconsistently Applied and Unallowable Courtwide Costs Were Included

AHS audit staff is currently working to identify the total costs for Vermont's Family Courts and then to isolate those courts costs eligible for IV-D reimbursement. The final cooperative agreement will outline which court costs are eligible for IV-D reimbursement and only those eligible for reimbursement will be

paid. The final cooperative agreement will also identify court costs that are not eligible for reimbursement and specifically exclude them from reimbursement.

c. Agreement with the Court Did Not Conform to All Requirements

The State recognizes the 1991 Cooperative Agreement did not conform to all requirements. The Vermont Office of Child Support and Vermont Court Administrator subsequently entered into an Interim Cooperative Agreement in April 2008 to comply with the requirements of 45 CFR 303.107. A final cooperative agreement is being developed that will more clearly identify the services to be provided by the court, the reimbursement requirements and limitations, how costs will be calculated and procedures for billing the IV-D agency.

d. Paternity Acknowledgments Were Not Recognized as Establishment of Paternity

The State is developing new policies and procedures that will be incorporated into the final cooperative agreement that require voluntary acknowledgements of paternity to be recognized as final judgments of paternity. The final cooperative agreement will also specifically exclude from IV-D reimbursement all court costs or genetic testing costs in cases where parentage is required to be redetermined despite the absence of good cause shown to rebut an existing statutory presumption of parentage. The State will make an adjustment in the amount of \$23,165 on OCSE-396A report for the quarter ending December 31, 2009.

e. Court Filing Fees Were Not Used to Reduce Expenditures as Required

The final cooperative agreement will include a provision that will require the Court to offset its claim for IV-D reimbursement by any fees collected as program income that were intended to compensate the court for providing services it billed to the IV-D agency. The recalculation of the questioned costs claimed from June 1, 2004 forward will be offset by any fees collected as program income by the court during that period of time.

OCSE, Office of Audit, auditors commented, “Child Support costs totaling \$9,438,976, claimed for Federal reimbursement under the Cooperative Agreement between the Vermont Courts and the IV-D agency from June 1, 2004 to September 30, 2008, require additional recalculation before the costs claimed can be accepted as allowable. We have categorized these costs as “questioned costs.” [sic] These costs were based on court employee’s personnel activity reports and included costs not allowed for Federal reimbursement under the IV-D program.”

Updated Corrective Actions

In an updated response submitted by the Department for Children and Families, Office of Child Support, dated December 29, 2020, in which they provided additional corrective actions taken, the grantee stated, “...audits uncovered deficiencies in the way the court salary costs have been allocated to reimburse IV-D activities. Specifically, the allocation used was based upon unsupported percentages obtained from the individual supervising court operations managers. There has been a lack of documentation demonstrating how the court operations managers determined the percentages allocated. Without any support, including personnel activity reports, the audits found that OCS lacked independent corroboration and internal control over the segregation of court staff duties.

The following step-by-step instruction represent the corrective action plan for allocating salaries for court personnel. The solution requires that employees positively report work actively when completing their

time report for each pay period. Reports will be accessible to Vermont OCS and provide an internal control when needed to support any claimed expenses.

See below, instructions for Vermont Judiciary’s Business Office relative to employee time reporting:

1. All court staff will positively report their daily in VTHR, Vermont’s payroll accounting system, to task profiles that describe what court activities they were supporting at that time (Family, non-Family or Admin/overall). These task profiles will use a program code to delineate the separate court activities.
2. To ensure that all staff are positive reporting appropriately the Judiciary will run VTHR reports on a monthly basis (for the first year) and will pivot for IV-D reimbursable costs in accordance with the costing methodology. Any Blank program codes, or inaccurate program codes, will be evaluated by the Court Operations Managers (COMs) and a certification as to their correct coding will signed and be submitted to a staff person appointed by the Judiciary for correction in the annual VTHR query used for MPR rate setting.
3. All employee expense reports will also be associated with a program code at the time the expense report is filed. The program code will delineate if the expense was for Family, non-Family or Admin/overall.
4. At the end of the state fiscal year, the Judiciary will run a VTHR query for all court staff salary and fringe and will pivot the data.
5. The Judiciary will run a Vision Query for all expenditure data. Any expenditure type that is unallowable for federal reimbursement per 2 CFR 200, will be removed through the procedure set forth in the costing methodology.
6. All time and expenses associated with Admin/Overall shall be allocated based on the percent reported to Family for that individual. Time and expenses allocated in this manner will be considered a direct cost and will, under no circumstances, be additionally claimed in an administrative rate.
7. All costs associated with family court following this methodology are considered IV-D allowable and eligible. Actual allocations to the IV-D MPR rate will be determined by the percent of Magistrate OCS MPRS/Total Family Court MPRS on a court-by-court basis. The Judiciary will maintain backup data to justify the total number of all MPRS used in this percentage calculations and will provide them upon request.

....

The focus of this memorandum is to address the questioned court costs in two outstanding audits (1) the \$9,438,976 (\$6,229,724 Federal share) in the VT-07-LC audit...The extended lapse of time, the lack of records and other ambiguities mark just a few of the many challenges in replicating a precise method for justifying the questioned costs. Nonetheless, the current Vermont team made a sincere effort to analyze the questioned costs with the information and data available. For the VT-07-LCA, Vermont estimates that up to \$643,404.26, resulting in a Federal share overpayment to Vermont of \$424,646.81...A conversation relative to next steps would be appreciated given the circumstances and the current fiscal environment precipitated by the pandemic.”

ACF Decision:

The ACF sustains its OCSE, Office of Audit, audit finding and recommendation. The Vermont Office of Child Support submitted the OCSE-396A Quarterly Expenditure Report in which they did a decreasing adjustment of \$23,165 for unallowable costs for genetic testing fees; to reimburse the federal government for improperly reporting interest earned on undistributed collections and child support checks. The revised financial report was submitted by state Child Support Office on December 2, 2011 for the quarter

ended December 31, 2009, reflects the decreasing adjustments. Corrective actions taken by the state were appropriate and resolved the audit finding.

The corrective actions taken by the Vermont Office of Child Support Enforcement and the Vermont Child Support Courts to establish a Memorandum of Understanding to address internal controls exist for allocations of individual family court costs are supported and accurately reflect the relative benefits received to address the concerns of this finding appear adequate to prevent recurrence of this finding in future audits. We strongly encourage ongoing monitoring to ensure policies and procedures are being followed by both parties. Per your corrective action plan, there remains a balance of \$424,647 that was determined by your administration as an overpayment. Therefore, we are adjusting the recommended questioned costs and disallowing \$424,647.

Basis for Disallowance

45 CFR 75.403 Factors affecting allowability of costs.

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

45 CFR 75.405 Allocable costs.

- (a) A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:
 - (1) Is incurred specifically for the Federal award;
 - (2) Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and
 - (3) Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles in this subpart.

OCSE, Office of Audit, Auditors' Summary Recommendation Code: 19 Abandoned Collections Untimely Claimed as Program Income

The auditors reported, "During our review, we found that collections totaling \$64,380 from January 2002 through December 2003 were determined by the State to be abandoned and forwarded to the Abandoned Property Unit of the State Treasurer's Office during May and June of 2007. However, we found that these collections were not properly claimed as program income on the OCSE-396A in a timely manner because they were not reported as an offset to program expenditures until October 2007. According to OCSE-AT-03-04, "Implementation of Revised Financial Reporting Forms: Form OCSE-396A and Form OCSE-34A," dated September 26, 2003, any child support collections which are classified by the State as abandoned property are considered program income and must be reported on Line 2b of Form OCSE-396A. The AT further indicates that these funds are required to be reported as program income in the quarter in which they are considered to be "abandoned" under State law.

Previously, the VT-04-LC audit report found that abandoned child support collection were not being reported as program income. We recommend the State start reporting all past and future collections classified as abandoned and forwarded to the State Treasurer's Office, Abandoned Property Unit, as an offset to program expenditures, as required by OCSE-AT-03-04. Although Vermont took corrective

action to report previous abandoned property as program income, we believe that they need to ensure that the program income is being claimed in the quarter that the monies have been escheated.”

OCSE, Office of Audit, Auditors’ Recommendation:

The auditors recommended, “Vermont’s Office of Child Support timely report on the OCSE-396A all future collections that are classified as abandoned under State law and forwarded to the State Treasurer’s Office, Abandoned Property Unit, as an offset to program expenditures in the quarter the funds are transferred.”

Post-Audit Comments and OCSE, Office of Audit Evaluation

The OCSE, Office of Audit stated, “As noted in the audit report, this finding was previously reported in VT-04-LC audit report as well. The State has taken action to resolve this finding. Programming changes to Vermont’s IV-D ACCESS computer system have been implemented so that each January the ACCESS system identifies, and forwards abandoned child support collections the State Treasurer’s Office. Procedures have been implemented to assure the abandoned collections will be reported as program income on the OCSE-396A report and OCSE-34A report for the quarter ending in March of each year.

Vermont officials commented that as noted in the audit report, this finding was also previously reported in the VT-04-LC report. They indicated that they have taken action to resolve this finding. Programming changes to Vermont’s IV-D ACCESS computer system have been implemented so that each January the ACCESS system will identify and forward abandoned child support collections to the State Treasurer’s Office. They further explained that procedures have been implemented to ensure that the abandoned collections will be reported on the OCSE-396A and the OCSE-34A report for the quarter ending in March of each year.”

ACF Decision:

The ACF sustains its OCSE, Office of Audit, audit finding and accepts the corrective action taken by the Vermont Office of Child Support Enforcement to establish and implement internal controls for reporting abandoned child support collections on the Federal Financial Report, OCSE-396A and OCSE-34A. No further actions are required.

**OCSE, Office of Audits Recommendation Code: 20
Certification of Salaries and Wages:**

The auditors reported, “Periodic certifications of salary charges were not completed by IV-D employees as required by 2 CFR Part 225, Appendix B, Section 8.h(3), which states that for employees who work solely on a single Federal award or cost objective, charges for their salaries and wages must be supported by periodic certifications indicating that they worked solely on that program for the period covered by the certification. These certifications must be prepared at least semi-annually and must be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

Once this requirement was brought to the State’s attention, they immediately implemented a system of having the certifications completed by the immediate supervisor of the full-time IV-D employees as required by 2 CFR Part 225. We verified that this process was properly performed for 100-percent funded Office of Child Support employees by reviewing the certifications signed in November 2007, April 2008, and again in October 2008.”

OCSE, Office of Audits, Auditors’ Recommendation:

The auditors recommended, “The IV-D agency establish procedures to ensure these semi-annual certifications are completed in the future as required by 2 CFR Part 225, Appendix B, Section 8.h(3).”

Post-Audit Comments and OCSE, Office of Audit Evaluation

The OCSE, Office of Audit stated, “As noted in the audit report, the State immediately implemented a system to bi-annually certify that IV-D staff solely worked for the IV-D program during the time period covered by the certification. An automated reminder process has been implemented to assure the certifications occur in the future. In addition to the certifications listed in the report, certifications occurred in April 2009 and October 2009. The certifications are scheduled to occur again April 2010. The original certifications are retained and available for review.

Finally, State officials responded that as discussed in the audit report, Vermont immediately implemented a system to bi-annually certify all IV-D staff working solely on the IV-D program during the period covered by the certification. An automated reminder process has been implemented to ensure that these certifications occur in the future. In addition to the certifications listed in the report, State officials informed us that certifications occurred in April an October 2009. The certifications are scheduled to occur again in April 2010. They commented that the original certifications have been retained and are available for review.”

ACF Decision

The ACF sustains its OCSE, Office of Audit, audit finding and accepts the corrective action taken by the Vermont Office of Child Support Enforcement to establish and implement internal controls that established and implemented automated processes to ensure that certifications occur timely. No further action is required.

REPAYMENT AND APPEAL INFORMATION

Repayment:

Within 30 days of the date of this letter, you must initiate the return of the disallowed funds (**\$424,647**) via one of the following actions:

- Submit an original or revised financial report which includes decreasing adjustments in Part 2, Prior Quarter Expenditure Adjustments, totaling the full amount of disallowed funds by finding. The ACF will issue a negative grant award recouping the full amount of the disallowance.

Or

- Submit a request to the ACF to recoup the disallowed funds via the issuance of a negative grant award. The ACF will issue a negative grant award recouping the full amount of the disallowance.

An extended repayment plan may be requested in accordance with Title 45 of the Code of Federal Regulations (CFR), §30.17, *Collection in installments*. Such request and approval must be received within 15 days of the date of this letter. Interest may be charged in accordance with 45 CFR 30.18, *Interest, penalties, and administrative costs*. Requests should be forwarded to the following:

HHS Program Support Center
Accounting Services – Debt Collection Center
7700 Wisconsin Avenue, Suite 8-8110D
Mail Stop 10230B
Bethesda, MD 20857
(Zip Code is 20814 for UPS/FedEx mail)

In addition, please send a copy of your request for an extended repayment plan to Teneisha Nelson, Financial Management Specialist, Division of Risk Management and Compliance, at teneshia.nelson@acf.hhs.gov.

Appeal:

This is the final decision of the Administration for Children and Families. It shall be the final decision of the Department unless, within 30 days after receiving this decision, you submit a written notice of appeal to the Departmental Appeals Board (DAB), in accordance with 45 CFR Part 16, *Procedures of the Departmental Grant Appeals Board*. The notice of appeal should note that you intend an appeal, state the amount in dispute, and briefly state why you think the decision is incorrect. Appeals may be filed electronically using the Departmental Appeals Board’s e-filing system, DAB-E-File, at <https://dab.efile.hhs.gov>. In order to use E-File, you or your representative must become a registered user. Detailed instructions can be found on the DAB E-File homepage. Submissions are considered made on the date successfully transmitted via DAB E-File. The DAB will notify you or other further procedures. Please attach a copy of this decision to your notice of appeal.

When you submit your appeal to the DAB, please send your notice of appeal to Kristanya Knutsen, Audit Resolution Manager, Office of Grants Management, at kristanya.knutsen@acf.hhs.gov.

Interest and Penalties

If you appeal, you may repay the amount at issue pending a decision or you may retain the funds pending a decision. If you retain the funds and all or part of the disallowance is sustained, interest and penalties will be assessed as of the date of this disallowance letter on funds determined as properly disallowed in accordance with 45 CFR 30.18. The current interest rate is 9.375%. No interest will be assessed on amounts repaid in full as described above.

Audit Conclusion

Decisions of the ACF are based upon the corrective actions taken or planned by your entity. However, if additional information is brought to our attention or is discovered we reserve the right to act upon it in the future. If you have any questions or need further information, please contact Karen Claxton, Audit Resolution Team Lead, Office of Grants Management, at 312-886-3379 or karen.claxton@acf.hhs.gov.

Sincerely,



Linda Boyer
Acting Commissioner

cc: David Lamir, Regional Inspector General, Office of Inspector General, HHS
Melissa Johnson, Director, Division of Regional Operations, Office of Child Support Enforcement, ACF
Michael Ginns, Regional Program Manager, Region 1, Office of Child Support Enforcement, ACF
Deanne Meyer, Grants Management Officer, Economic Independence, ACF
Kristanya Knutsen, Audit Resolution Manager, Office of Grants Management, ACF



Department for Children and Families
Office of Child Support
280 State Drive
Waterbury, VT 05671-1060

[phone] 1-800-786-3214
[fax] (802) 244-1483
[website] www.dcf.vermont.gov\ocs

Agency of Human Services

April 8, 2021

Linda Boyer
Acting Commissioner
Administration for Children and Families
Office of Child Support Enforcement
330 C Street, S.W., 5th Floor
Washington, D.C. 20201

Re: Audit Report No.: VT-07-LC
Audit Period: September 1, 2007 through December 31, 2007
Auditor: Office of Child Support Enforcement (Office of Audit)
Audit Type: Limited Cost
Program: Office of Child Support Enforcement

Dear Acting Commissioner Boyer:

The Vermont Office of Child Support (OCS) is in receipt of the Office of Child Support Enforcement's (OCSE) March 12, 2021 final decision relative to the VT-07-LC audit, which included repayment and appeal information. Vermont OCS accepts the Administration for Children and Families' (ACF) responses to the findings and corresponding corrective action plans and will be paying back the \$424,627.00 by electing to use the second option outlined in the March 12, 2021 letter. Specifically, we request that ACF recoup the disallowed funds via the issuance of a negative grant award.

Because Vermont OCS concurs with ACF's final decision, which includes ACF's acceptance of all corrective actions and determination that no further action is required relative to the VT-07-LC audit, Vermont OCS does not intend to appeal.

Thank you very much for your assistance.

Sincerely,

/s/ Robin Arnell, Director
Vermont Office of Child Support

cc: David Lamir, Regional Inspector General, Office of Inspector General, HHS
Melissa Johnson, Director, Division of Regional Operations, Office of Child Support Enforcement, ACF
Michael Ginns, Regional Program Manager, Region I, Office of Child Support Enforcement, ACF
Deanne Meyer, Grants Management Officer, Economic Independence, ACF
Kristanya Knutsen, Audit Resolution Manager, Office of Grants Management, ACF

Sean Brown, Commissioner, Vermont Department for Children and Families
Christine Cassel, Deputy Director, Vermont Office of Child Support
Sarah Truckle, Financial Director, Vermont Department for Children and Families
Peter Moino, Director of Internal Audit, Vermont Agency of Human Services

Check Date: 04/19/2021

STATE OF VERMONT

Check No. 0000486980

HC	Department:	Invoice Number:	Invoice Date	Voucher ID	Paid Amount
DP	Children and Families	VT-07-LC	04/16/2021	01725883	424,647.00

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Check Number	Date	Name	Supplier Number:	Total Paid
0000486980	04/19/2021	United States Dept of Health & Human	0000073930	\$424,647.00

REMOVE DOCUMENT ALONG THIS PERFORATION

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 Montpelier, VT 05609-6200

People's United Bank, N.A.
 112 Main St.
 Montpelier, VT 05601
 51-7218/2211

0000486980
 Void After 120 Days

Date 04/19/2021 Paid Amount *****\$424,647.00**

Pay **FOUR HUNDRED TWENTY-FOUR THOUSAND SIX HUNDRED FORTY-SEVEN AND XX/100 DOLLARS**

To The
 Order Of **United States Dept of Health & Human
 Services
 Payment Management Services
 7700 Wisconsin Ave, 10th Floor
 Bethesda, MD 20814**

Elizabeth Rose
 Authorized Signature

⑈0000486980⑈ ⑆221172186⑆ 88777044⑈

Forme 50V-5147-F001



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WATERBURY, VT 05676-9998
(800) 275-8777

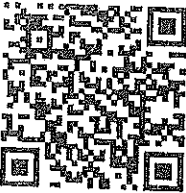
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Product	Qty	Unit Price	Price
PM Express 1-Day Flat Rate Env	1		\$26.35

Rockville, MD 20857
Flat Rate Signature Requested
Scheduled Delivery Date
Thu 04/22/2021 12:00 PM
Money Back Guarantee
Tracking #: EJ609295167US

Insurance \$0.00
Up to \$100.00 included
Total \$26.35
Grand Total: \$26.35
Credit Card Remitted
Card Name: VISA
Account #: XXXXXXXXXXXXX6139
Approval #: 039471
Transaction #: 170

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You may contact the Postal Service before these regulations or grant exceptions. A mailer's of insurance, conditions of payment, and The DMH sets forth the specific types of once only in accordance with postal contents at the time of mailing or the items at the time of purchase. Additional fees are available for purchase. Additional unless a signature is required.

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arrange for military or DPO shipments delayed an APO/FPO/DPO that was closed on the date of the shipment in DMH 604.9.5.5. Consult the DMH 604.9.5.5, which is available at ps.usps.com, # 703.2.6, which is available at ps.usps.com. Mailer must sign a signature and the Postal Service cannot deliver a notice for the address. If days, the Postal Service returns the item to the addressee.

Express "merchandise" items (with contents, or missing contents. The fee is at no additional charge. Additional fees are available for purchase. Additional unless a signature is required.