

# OFFICE OF INSPECTOR GENERAL

U.S. Election Assistance Commission

## AUDIT OF THE HELP AMERICA VOTE ACT

## GRANTS AWARDED TO THE STATE OF MISSOURI

Report No. G22MO0023-23-08  
August 25, 2023



# HIGHLIGHTS

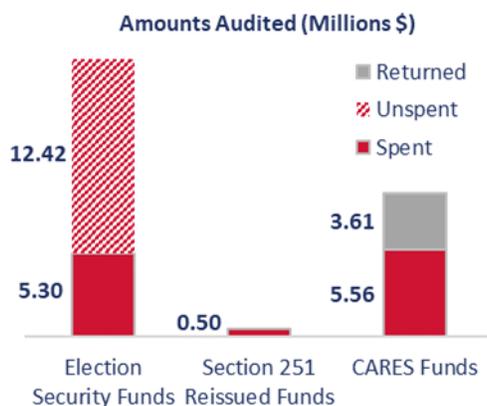
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Report No. G22MO0023-23-08

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### What OIG Audited

The Office of Inspector General, through the independent public accounting firm of McBride, Lock & Associates, LLC, audited funds received by the State of Missouri under the Help America Vote Act (HAVA), including state matching funds and interest earned, totaling \$27.4 million. This included Election Security, reissued Section 251, and Coronavirus Aid, Relief, and Economic Security (CARES) Act grants.



The **objectives** of the audit were to determine whether the State of Missouri:

- (1) used funds for authorized purposes in accordance with Sections 101 and 251 of HAVA and other applicable requirements;
- (2) properly accounted for and controlled property purchased with HAVA payments; and
- (3) used funds in a manner consistent with the informational plans provided to EAC

The audit also determined if proper closeout procedures were followed for the CARES Act funds.

### What OIG Found

OIG found that the Missouri Office of Secretary of State generally accounted for HAVA funds in accordance with applicable requirements, accounted for and controlled property purchased, used funds in a manner consistent with the informational plans that they had submitted, and followed proper closeout procedures for CARES Act funds.

However, there were four exceptions (1) \$3,703 of subaward CARES Act expenditures were unsupported or unallowable; (2) one county did not keep a compliant property record and one county provided a property record after the audit; (3) auditors weren't provided sufficient documentation to support the amount of interest earned on the election fund; and (4) the state's Schedule of Expenditures of Federal Awards differed from the state's financial management system.

### What OIG Recommended

OIG made seven recommendations to improve grant administration:

- 1 Return the non-match portion of \$3,703 for unallowable CARES Act expenditures.
- 2 Implement procedures and training to ensure that subawards are adequately monitored.
- 3 Implement procedures to ensure subrecipients are properly monitored.
- 4 Ensure property purchased with federal funds is placed on a compliant property record.
- 5 Provide support for interest earned on HAVA funds from the date of deposit to the date of close-out.
- 6 Provide support that interest income earned on HAVA funds was deposited into the election fund.
- 7 Implement procedures to ensure expenditures are accurately identified in the Schedule of Expenditures of Federal Awards.



## OFFICE OF INSPECTOR GENERAL

U.S. Election Assistance Commission

**DATE:** August 25, 2023

**TO:** U.S. Election Assistance Commission, Executive Director, Steven Frid

**FROM:** U.S. Election Assistance Commission, Inspector General, Brianna Schletz

**SUBJECT:** Audit of the Help America Vote Act Grants Awarded to the State of Missouri  
(Report No. G22MO0023-23-08)

This memorandum transmits the final report on Help America Vote Act grants awarded to the state of Missouri. The Office of Inspector General contracted McBride, Lock & Associates, LLC, an independent certified public accounting firm, to conduct the audit. The contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards. We monitored the firm's work to ensure that it adhered to those standards.

Please keep us informed of the actions taken on the report's seven recommendations, as we will track the status of their implementation.

We appreciate the assistance you and your staff provided to us during this audit.

cc: Commissioner Christy McCormick, Chair  
Commissioner Benjamin W. Hovland, Vice Chair  
Commissioner Donald L. Palmer  
Commissioner Thomas Hicks

# McBRIDE, LOCK & ASSOCIATES, LLC

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Certified Public Accountants

Established 1980

## **Performance Audit Report**

**Administration of Payments Received Under the Help America Vote Act by  
the Missouri Office of the Secretary of State**

Prepared for

**The United States Election Assistance Commission (EAC)  
Office of Inspector General**

By

**McBride, Lock & Associates, LLC**

June 2023

4151 N. Mulberry Drive, Suite 275 p. 816-221-4559  
Kansas City, Missouri 64116 f. 816-221-4563

admin@mcbriodelock.com  
www.mcbriodelock.com

**Performance Audit Report**  
**Administration of Payments Received Under the Help America Vote Act by**  
**the Missouri Office of the Secretary of State**

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**U.S. Election Assistance Commission**  
**Performance Audit Report**  
**Administration of Payments Received Under the Help America Vote Act by**  
**the Missouri Office of the Secretary of State**

**EXECUTIVE SUMMARY**

McBride, Lock & Associates, LLC was engaged by the United States Election Assistance Commission (EAC) Office of the Inspector General to conduct a performance audit of the of the administration of payments received under the Help America Vote Act (HAVA or the Act) by the Missouri Office of the Secretary of State (Office). The payments received by the Office are identified as Election Security, Section 251 Reissued, and the CARES Act. The scope of the audit includes: Election Security administration from inception on May 10, 2018 through March 31, 2022; Section 251 Reissued administration from inception on October 1, 2018 through June 9, 2020; CARES Act administration from inception on April 16, 2020 through closeout at March 31, 2021. The objective of the audit was to determine whether the Office used payments authorized by Sections 101 and 251 of the Help America Vote Act of 2002 (the HAVA) in accordance with HAVA and applicable requirements; properly accounted for and controlled the funds and property purchased with HAVA payments; used the funds in a manner consistent with the budget plan provided to EAC. The audit also determined if proper closeout procedures were followed for the CARES Act funds.

In addition, the Commission requires states to comply with certain financial management requirements, specifically:

- Expend payments in accordance with Federal cost principles established by the Office of Management and Budget (OMB) – (2 CFR 200).
- Submit detailed annual financial reports on the use of Title I and Title II payments.
- Maintain documents and records subject to audit to determine whether payments were used in compliance with HAVA.

We conducted this performance audit in accordance with *Generally Accepted Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

Based on the audit procedures performed, except for the matters discussed below, we concluded that the Office generally accounted for and expended the Grant funds in accordance with the requirements mentioned above and for the periods mentioned above. The exceptions are as follows:

1. Three of the 34 county subawards selected for testing (\$3,703 of \$1,173,211) were determined to have costs that were either unsupported or unallowable. There was one instance (\$2,201) of the state reimbursing the county in excess of the amount requested by the county. There were two instances (\$1,502) of "I Voted" stickers being purchased with CARES Act funds.
2. The Office's monitoring of subrecipients did not ensure that subrecipient property records were maintained in compliance with 2 CFR 200. Two counties (Callaway and Audrain), of 34 counties selected for testing, were determined to have made equipment purchases totaling \$14,530, which included items in excess of \$5,000. and were selected for observation of equipment. Callaway County did not provide an inventory listing prior to the report date and Audrain County's inventory listing did not comply with 2 CFR 200.313(d)(1). Both counties provided evidence of the physical existence of the asset.
3. The Office did not provide sufficient documentation to support the interest earned on the HAVA funds placed in the election fund. The Office provided accounting records detailing the interest income reporting on the Federal Financial Report. However, when asked for documentation to support the calculation of a sample of 20 interest income transactions, no support was provided.
4. The June 30, 2021 Schedule of Expenditures of Federal Awards (SEFA) for the State of Missouri reported expenditures which differed from the amounts reported in the State of Missouri's financial management system.

We have included in this report as Appendix A, the Missouri Office of the Secretary of State's written response to the draft report. Such response has not been subjected to audit procedures and, accordingly, we do not provide any form of assurance on the appropriateness of the response or the effectiveness of the corrective actions described therein.

## **BACKGROUND**

The Help America Vote Act of 2002 (HAVA) created the U.S. Election Assistance Commission (Commission) to assist States and insular areas (hereinafter referred to as States) with improving the administration of federal elections and to provide funds to States to help implement these improvements. The Commission administers grants to States authorized by HAVA under Title I and Title II, as follows:

- Title I, Section 101 payments are for activities such as complying with Title III of HAVA for uniform and nondiscriminatory election technology and administration requirements; improving the administration of elections for Federal office; educating voters; training election officials and poll workers; developing a state plan for requirements payments; improving, acquiring, leasing, modifying, or replacing voting systems, and methods for casting and counting votes; improving the accessibility and quantity of polling places; and establishing toll-free telephone hotlines that voters may use.

- Title II, Section 251 requirements payments are for complying with Title III requirements for voting system equipment; and addressing provisional voting, voting information, Statewide voter registration lists, and voters who register by mail.

The HAVA Election Security, Section 251 Reissued, and CARES Act grants also require that states must:

- Maintain funds in a state election fund (as described in Section 104 (d) of HAVA).
- Expend payments in accordance with Federal cost principles established by the Office of Management and Budget (OMB) – (2 C.F.R. § 200).
- Submit detailed annual financial reports on the use of Title I and Title II payments. Reports must include a summary of expenditures aligned with budget categories in the grantee’s plan, a list of equipment obtained with the funds, and a description of how the funded activities met the goals of the plan.
- Provide matching funds of the Federal funds within a period stipulated by the award to be documented on the annual SF-425 submission
- Maintain documents and records subject to audit to determine whether payments were used in compliance with HAVA.

### **The Awardee – The Missouri Office of the Secretary of State**

The HAVA funds were awarded to the Missouri Office of the Secretary of State. The Elections Division of the Office of the Secretary of State is responsible for administering all statewide elections, initiative petitions, and making known the rules governing elections and electronic voting systems.

Missouri’s elections are decentralized, and the state is composed of 116 local election jurisdictions. Each jurisdiction is led by an elected county clerk or a board of election commissioners, which are appointed by the Governor. In addition to conducting local, state and federal elections, local election authorities are responsible for the registration of voters and maintenance of voter registration records.

### **Help America Vote Act State of Missouri State Plans**

The Missouri Office of the Secretary of State’s HAVA budget narratives were prepared by the Secretary of State.

### Election Security 2018 and 2020

The main objectives of the 2018 project funded by HAVA, as set forth in the budget letter, were to facilitate election security training for chief election officials and local election authorities (LEAs), modernize the centralized voter registration system, enter into a multi-year contract for a managed defense solution for the centralized voter registration system, upgrade election-related computer systems, bolster physical and electronic election security, develop and implement a dual-factor authentication for permitted users to access the centralized voter registration system, assist with training and self-monitoring of LEAs, and enhance state IT staff assistance for LEAs.

Additionally, the state awarded grants to LEAs to upgrade/enhance computer systems and equipment in order to improve the security of elections, perform election security audits, perform training for post-election procedures and improvement of election security, link LEAs with state and national resources to mitigate security threats, and enhance communications with LEAs.

The objectives of the 2020 project funded by HAVA, as set forth in the budget letter, were to provide grants to the LEAs to assist in mitigating any security risk identified and updating equipment that was needed to ensure elections are conducted fairly and accurately, to modernize, secure and pay for annual maintenance on the centralized voter registration system, provide training on post-election procedures and improve election security.

#### Section 251 Reissued

On November 12, 2019, the Office was informed of an interim administrative closeout of the HAVA Section 251 grant through September 30, 2018. On that date, the unexpended state match and program income/interest earned were carried forward and reissued as a new grant. The funds were to be spent in accordance with Section 251. On June 11, 2020, the Office was informed of a final administrative closeout of the grant through June 9, 2020.

#### CARES Act

The objective of the 2020 CARES Act project funded by HAVA, as set forth in the budget letter, is to use the funds to prevent, prepare for, and respond to coronavirus domestically or internationally, for the 2020 Federal election cycle. The state plan was to work in partnership with LEAs to mitigate the spread of COVID-19 so the voters could exercise their right to vote. The Missouri Office of the Secretary of State planned to provide the LEAs with items that will help mitigate the spread of the coronavirus such as absentee ballot boxes, gloves, masks and protective face shields for the poll workers, hand sanitizer, disinfectant wipes and social distancing markers for the floors. Additionally, the Office was to provide grants to the 116 LEAs/boards that will be specific to their individual needs as a result of concerns that the coronavirus has generated in their particular area. On November 19, 2021, the Office was informed of a final closeout of the grant through March 31, 2021.

### **AUDIT OBJECTIVES**

The objectives of our audit were to determine whether the Office:

1. Used funds for authorized purposes in accordance with Section 101 and Section 251 of HAVA and other applicable requirements;
2. Properly accounted for and controlled property purchased with HAVA payments; and
3. Used the funds in a manner consistent with the informational plans provided to EAC.

The audit also determined if proper closeout procedures were followed for the CARES Act funds.

In addition to accounting for Grant payments, the Grant requires states to maintain records that are consistent with sound accounting principles that fully disclose the amount and disposition of the payments, that identify the project costs financed with the payments and other sources, and that

will facilitate an effective audit. The Commission requires states receiving Grant funds to comply with certain financial management requirements, specifically:

- Expend payments in accordance with Federal cost principles established by the Office of Management and Budget (OMB) – (2 CFR 200).
- Submit detailed annual financial reports on the use of Title I and Title II payments.
- Maintain documents and records subject to audit to determine whether payments were used in compliance with HAVA.

### **SCOPE AND METHODOLOGY**

We audited the Election Security grant funds received and disbursed by the Office from May 10, 2018 through March 31, 2022. These funds are related to the appropriation of \$380 million under the Consolidated Appropriations Act (CAA), 2018 (P.L. 115-151), \$425 million under the CAA, 2020 (P.L. 115-141), and \$75 million in 2022. We audited the Section 251 grant funds reissued to and disbursed by the Office from October 1, 2018 through June 9, 2020. We audited the CARES Act grant funds received and disbursed by the Office from April 16, 2020, through March 31, 2021. These funds are related to the \$400 million authorized by the U.S. Congress under the Coronavirus Aid, Relief and Economic Security Act (P.L. 116-136). The scope of activity audited is shown in the following table:

<u>Description</u>	<u>Election Security</u>	<u>Section 251 Reissued</u>	<u>CARES Act</u>
Funds Received from EAC	\$ 15,365,191	\$ -	\$ 7,628,763
State Matching Funds	1,988,444	7,616	1,525,753
Interest Income	368,252	489,082	7,824
Total Funds	\$ 17,721,887	\$ 496,698	\$ 9,162,340
Less Disbursements	(5,303,712)	(496,698)	(5,556,547)
Funds Returned	-	-	(A) (3,605,793)
Fund Balance	<u>\$ 12,418,175</u>	<u>\$ -</u>	<u>\$ -</u>

Note (A): CARES Grant funding was made available to LEA's as subgrants upon receipt. Due to the short time-frame of March 28, 2020 through December 31, 2020, the LEA's did not spend \$3,605,793 of the provided funds.

The Office's Election Security expenditures detailed by budget and program category, Section 251 Reissued Expenditures detailed by spending category, and CARES Act expenditures detailed by cost category are included as Appendix C.

In planning and performing our audit, we identified the following internal control components and underlying internal control principles as significant to the audit objective:

Objective	Component	Principle
1	Control Activities	Selects and develops control activities Selects and develops general controls over technology Deploys through policies and procedures
	Information and Communication	Uses Relevant Information Communicates Internally Communicates Externally
2	Control Activities	Selects and develops control activities Selects and develops general controls over technology Deploys through policies and procedures
	Information and Communication	Communicates Externally
3	Control Activities	Selects and develops control activities Selects and develops general controls over technology Deploys through policies and procedures

We assessed the design, implementation, and operating effectiveness of these internal controls and identified deficiencies that we believe could affect the Office’s ability to use funds for authorized purposes, and properly account for and control property. The internal control deficiencies we found are discussed in the Audit Results section of this report.

Additionally, for the components and principles which we determined to be significant, we assessed the internal controls and compliance with laws and regulations necessary to satisfy the audit objective.

However, because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

## **AUDIT RESULTS**

We conducted this performance audit in accordance with *Generally Accepted Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

Based on the audit procedures performed, we concluded that the Office generally accounted for HAVA funds in accordance with the requirements mentioned above, accounted for and controlled property purchased, used the funds in a manner consistent with informational plans submitted during the audit period, and followed proper closeout procedures for CARES Act funds. The exceptions to applicable compliance requirements are described below.

## **Finding No. 1 – Unsupported and Unallowable Costs**

The Office’s monitoring of subrecipients did not ensure that purchases were for only allowable costs and did not ensure that property records were maintained in compliance with 2 CFR 200.

Three of the 34 county subawards selected for testing (\$3,703 of \$1,173,211) were determined to have costs that were either unsupported or unallowable. The subawards were made to the counties on an advance basis with the counties required to submit a final financial status report and copies of invoices supporting their expenditures.

There was one instance (\$2,201) of the state reimbursing the county in excess of the amount requested by the county.

There were two instances (\$1,502) of “I Voted” stickers being purchased with CARES Act funds.

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) at 2 CFR 200.332(d) states that all pass-through entities must: “Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.”

The Uniform Guidance at 2 CFR 200.403 states that, “Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: (g) Be adequately documented.” Further, Section VII.A. of the 2020 HAVA Coronavirus Aid, Relief and Economic Security (CARES) Act Grant Agreement signed by each County required that the county must complete a Final Financial Status Report and submit it to the Secretary of State with a copy of invoices, proof of payment, and any other payment documentation.

As stated in the Notice of Grant Award, the purpose of the HAVA CARES grant funding was to “prevent, prepare for, and respond to coronavirus, domestically or internationally, for the 2020 Federal election cycle.”

The Office provided advances to the counties and had a reporting process in place, but did not adequately monitor the process to ensure that the subaward was used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward.

The audit noted \$2,201 of costs which lacked adequate documentation and \$1,502 of costs which did not meet the stated purpose of the award per the terms and conditions.

## **Recommendation**

We recommend that the EAC require the Office to:

1. Return the non-match portion of the \$3,703 to the EAC for the unallowable CARES Act grant expenditures noted.

2. Implement procedures and training to ensure that subawards are adequately monitored.

**Missouri Office of the Secretary of State’s Response:**

The Missouri Secretary of State understands the auditor’s finding. Two jurisdictions purchased “I Voted” stickers with the CARES Act sub-grant. The SOS office reviewed and approved this purchase as an allowable cost in our normal desk audit procedures. This was an allowable cost under the Supplies category. The supplies category was defined by the EAC and our office on the sub-grant as guidance, below is what was provided in the sub-grant agreement:

Allowable uses include, but are not limited to:

- *Supplies – electronic poll books, additional voting equipment (including high speed or central count tabulators), additional computers and/or laptops, installation of absentee ballot boxes, protective shields (example: Plexiglass type of screen between voter and poll worker on a table top), cleaning and disinfecting supplies, hand sanitizer, plastic bottles for hand sanitizer, gloves, masks, stylus pens for electronic poll books, or pens for each voter that are dropped in a container after use for sanitizing, costs specific to rental of buildings, supplies, and/or additional needs.*

COVID preparations resulted in some jurisdictions increasing the number of polling places for social distancing which increases the supplies needed to provide for each polling location and “I Voted” stickers would be an additional supply need to conduct the elections. The EAC Office of Grants Management (OGM) confirmed with the SOS that the expense for additional “I Voted” stickers were in fact an allowable cost and a permitted use for funds under the CARES Act and HAVA Section 101(b)(1)(C).

In regard to future allowable costs as they relate to specific grant qualifications, the SOS will make sure due diligence when approving such allowable costs which could include consulting with the EAC to ensure compliance and then formally documenting the approval based on the information received and the outcome of the decision.

The Missouri Secretary of State agrees with the auditor’s finding regarding the overpayment to Gasconade County. The SOS will work with the EAC on the proper process in which to remit \$2,201. The SOS will ensure that each category of grant fund is separated for allowable expenses when conducting the internal desk audit review to ensure allowable grant expenses are not combined and are reported separately.

**Auditor’s Response:**

In EAC’s response (See Appendix A-2), they agreed with the Office that the “I Voted” stickers are an allowable cost based on a July 2023 EAC Office of General Counsel opinion that “These stickers can be classified as a voter education expenditure because they inform the voter that they, as an individual, have completed the voting process in a federal election.” We disagree with the management decision as this appears to differ from guidance posted on EAC’s website, which says

that items purchased for voter education purposes “must provide information on voting procedures, rights, or technology” and a sticker with “I Voted” on it does not reasonably meet this definition.

The EAC will ensure that the \$2,201 from the overpayment to the County is returned or other allowable costs will be substituted. The EAC should ensure that the Office implements procedures and training over monitoring of subrecipients to prevent future instances of this condition.

### **Finding No. 2 – Subrecipient Monitoring**

The Office’s monitoring of subrecipients did not ensure that subrecipient property records were maintained in compliance with 2 CFR 200. Two counties (Callaway and Audrain), of 34 counties selected for testing, made equipment purchases totaling \$14,530, which included items in excess of \$5,000. Callaway County did not provide an inventory listing and Audrain County’s inventory listing did not comply with 2 CFR 200.313(d)(1). Both counties provided evidence of the physical existence of the asset.

The Uniform Guidance at 2 CFR 200.332(d) states that all pass-through entities must: “Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.” 2 CFR 200.313(d)(1) requires that “property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.”

The Office did not perform sufficient activity monitoring to ensure that subrecipients were maintaining property records in compliance with Federal statutes and the terms and conditions of the subaward resulting in the following:

- Callaway County did not provide an inventory listing prior to the report date.
- Audrain County’s inventory listing consisted of description of property, serial number, value, and ultimate disposition data, but it did not provide the source of the funding, title holder, acquisition date, federal participation, location or condition.

Proper monitoring of subrecipients ensures that equipment purchased with Federal funds is being used and disposed of in accordance with Federal regulations.

### **Recommendation**

We recommend that the EAC require the Office to:

3. Implement procedures to ensure that all subrecipients are properly monitored in accordance with Federal statutes and the terms and conditions of the subaward.

4. Ensure all property purchased with Federal funds is placed on a compliant property record.

**Missouri Office of the Secretary of State’s Response:**

The Missouri Secretary of State agrees with the auditor’s finding. Callaway and Audrain counties did submit a fixed asset inventory list at the end of the audit process. Missouri SOS office acknowledges existing procedures can be updated to ensure access to the fixed asset list for sub-grant federal funds spent on assets can be produced more timely.

Missouri SOS office has created a document in our existing procedure for our sub-grant desk audit process. When a local election authority submits their Final Financial Status Report for their federally funded sub-grant we will require a Fixed Asset List to be filed with their documentation to ensure that the office is in compliance with 2 CFR 200.313(d)(1). Missouri SOS will provide a fixed asset list that must be returned with the local election authorities Final Financial Status Report.

**Auditor’s Response:**

The corrective action proposed by the Office to address the recommendations, if implemented, should be sufficient to prevent future findings.

**Finding No. 3 – Interest Earned on the Election Fund**

The Office did not provide sufficient documentation to support the interest earned on the HAVA funds placed in the election fund. The Office received the following amounts to be deposited in the Election Fund and reported the following amounts of interest income:

	<u>Election Security</u>	<u>Section 251 Reissued</u>	<u>CARES Act</u>
Funds Awarded/Carried Forward	\$ 15,365,191	\$ 475,477	\$ 7,628,763
Interest Income	368,252	13,605	7,824

The Office provided accounting records detailing the interest income reported on the Federal Financial Report. However, no support was provided to support the calculation of a sample of 20 interest income transactions.

HAVA Section 254(b)(1) requires that the following monies be deposited into an election fund:

- a) Amounts appropriated or otherwise made available by the State for carrying out the activities for which the requirements payment is made to the State under this part.
- b) The requirements payment made to the State under this part.
- c) Such other amounts as may be appropriated under law.
- d) Interest earned on deposits of the fund.

The Office of the Missouri State Treasurer was asked to provide documentation of the calculation of a sample of interest income transactions deposited to the election fund. The Office of the Missouri State Treasurer responded that they cannot provide their calculation documentation. Further, they stated that the interest calculation process is audited annually as part of the audit of their Office by the Missouri State Auditor's Office (SAO) and that any further questions should be directed to the SAO.

Without documentation of how the interest income was calculated, the Office has not supported that interest was earned during the entire period of the grants or that all interest earned on deposits of the funds have been deposited into its election fund in compliance with the HAVA requirements.

### **Recommendation**

We recommend that the EAC require the Office to provide sufficient supporting documentation to demonstrate that:

5. Interest was earned on the HAVA funds from the date of deposit to the date of close-out for each HAVA grant.
6. All interest income earned on the HAVA funds was deposited into the election fund.

### **Missouri Office of the Secretary of State's Response:**

The Missouri Secretary of State agrees with the auditor's finding in part.

Art. IV Section 15 of the Missouri constitution states in part; *The state treasurer shall be custodian of all state funds and funds received from the United States government.* The secretary of state's office (SOS) has no authority to compel the state treasurer (STO) to provide documentation as the constitution assigns the authority to invest funds to the treasurer... *The state treasurer shall determine by the exercise of his best judgment the amount of moneys in his custody that are not needed for current expenses and shall place all such moneys on time deposit, bearing interest, in banking institutions in this state selected by the state treasurer and approved by the governor and state auditor or in obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than five years from the date of purchase. The investment and deposit of state, United States and nonstate funds shall be subject to such restrictions and requirements as may be prescribed by law.*

Missouri law states in part *the state treasurer shall hold all state moneys, all deposits thereof, time as well as demand, and all obligations of the United States government in which such moneys are placed for the benefit of the respective funds to which they belong and disburse the same as authorized by law.* (RSMo 30.240). To the best of our ability the secretary of state's office has provided all documentation showing that interest was earned on all deposited funds.

SOS provided all documentation available showing interest was earned on monies held by the state treasurer. Those monies have been reported on our financial reports with the EAC.

Every year the state auditor audits the state treasurer's office. The last audit of the state treasurer's office, August 2022; stated these findings, *"The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from this audit."*

Our office knows of no information indicating that we did not receive an appropriate allocation of interest proportionate to the average daily balance of monies held. SOS will work in the future with the STO to see if they can "show their work". SOS will pursue an interoffice agreement with STO to provide supporting documentation for interest calculations on monthly bases or upon request.

### **Auditor's Response:**

The audit was able to determine that interest was earned on HAVA funds, but without more information, was not able to determine the balances on which the State Treasurer's Office was using to calculate the interest earnings. Obtaining more information from the State Treasurer's Office will allow the Office to ensure that all HAVA funds (and the interest earned on these funds) are earning interest.

### **Finding No. 4 – Errors in Reporting of Expenditures on the SEFA**

The June 30, 2021 Schedule of Expenditures of Federal Awards (SEFA) for the State of Missouri reported expenditures which differed from the amounts reported in the State of Missouri's financial management system. The SEFA for the state fiscal year ended June 30, 2021 reported total HAVA expenditures of \$4,655,898 under Assistance Listing number 90.404. The state's financial management system reported total HAVA expenditures during the state fiscal year of \$1,050,105, which included \$820,954 of Election Security grant funds and \$229,151 of CARES funds. The variance between the SEFA and the financial management system of \$3,605,793 was equal to the amount of unspent CARES funds that were returned to EAC during the fiscal year.

The Uniform Guidance at 2 CFR 200.302(b) states that, "The financial management system of each non-Federal entity must provide for the following (1) Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the Assistance Listings title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any."

The Office prepares the financial information which is used in the SEFA. The Office included the amount of HAVA CARES Act funds returned to the grantor as an expenditure on the SEFA.

Proper identification of all Federal awards expenditures increases the likelihood that the entity complies with the requirements of that program.

### **Recommendation**

We recommend that the EAC require the Office to:

7. Implement procedures to ensure Federal expenditures are accurately identified in the Schedule of Expenditures of Federal Awards going forward.

**Missouri Office of the Secretary of State's Response:**

The Missouri Secretary of State agrees with the finding and will take the necessary steps to implement the U.S. EAC recommendations. SOS has already taken the steps to modify its past reporting methodology to conform with the recent changes in U.S. Election Assistance Commission's HAVA reporting requirements. Our Corrective Action Plan includes:

1. Add instructions to our Intranet Financial Procedures under "Grants/Federal Aid Procedures" regarding the SEFA (Schedule of Expenditures of Federal Awards) Agency Survey.
2. SOS will report correct federal grant expenditures on the form received from the Office of Administration (OA).
  - SOS will report total expenditures from the Federal Program on the appropriate line. SOS will analyze reports to determine the total amount paid to subrecipients and report that total on the appropriate line per OA's SEFA instructions.
  - Return of unspent funds should be noted and backed out from total expenditures reported on the appropriate line of the SEFA. If there is a return of funds, add a note on the SEFA, but do not include it on the expenditure line items.
  - Supporting documentation should be attached to the SEFA when returned back to OA. Supporting documentation will show the total grant award, less expenditures, less subrecipient expenditures, and any return of grant funds.

**Auditor's Response:**

The corrective action proposed by the Office to address the recommendations, if implemented, should be sufficient to prevent future findings.

The Office responded on July 28, 2023, and generally agreed with the report's Findings. The EAC responded on July 27, 2023, and stated that they will work with the Missouri Office of the Secretary of State to implement and complete appropriate corrective action on the findings by October 15, 2023. The Office's complete response is included as Appendix A-1 and the EAC's complete response as Appendix A-2.

McBride, Lock & Associates, LLC performed the related audit procedures between October 13, 2022, and June 27, 2023.

*McBride Lock & Associates, LLC*

McBride, Lock & Associates, LLC  
Kansas City, Missouri  
June 27, 2023

**APPENDIX A-1**

**Response of the  
Missouri Office of the Secretary of State  
to the Draft Report**

### Finding No. 1-

The Missouri Secretary of State understands the auditor's finding. Two jurisdictions purchased "I Voted" stickers with the CARES Act sub-grant. The SOS office reviewed and approved this purchase as an allowable cost in our normal desk audit procedures. This was an allowable cost under the Supplies category. The supplies category was defined by the EAC and our office on the sub-grant as guidance, below is what was provided in the sub-grant agreement:

*Allowable uses include, but are not limited to:*

- *Supplies – electronic poll books, additional voting equipment (including high speed or central count tabulators), additional computers and/or laptops, installation of absentee ballot boxes, protective shields (example: Plexiglass type of screen between voter and poll worker on a table top), cleaning and disinfecting supplies, hand sanitizer, plastic bottles for hand sanitizer, gloves, masks, stylus pens for electronic poll books, or pens for each voter that are dropped in a container after use for sanitizing, costs specific to rental of buildings, supplies, and/or additional needs.*

COVID preparations resulted in some jurisdictions increasing the number of polling places for social distancing which increases the supplies needed to provide for each polling location and "I Voted" stickers would be an additional supply need to conduct the elections. The EAC Office of Grants Management (OGM) confirmed with the SOS that the expense for additional "I Voted" stickers were in fact an allowable cost and a permitted use for funds under the CARES Act and HAVA Section 101(b)(1)(C).

In regard to future allowable costs as they relate to specific grant qualifications, the SOS will make sure due diligence when approving such allowable costs which could include consulting with the EAC to ensure compliance and then formally documenting the approval based on the information received and the outcome of the decision.

The Missouri Secretary of State agrees with the auditor's finding regarding the overpayment to Gasconade County. The SOS will work with the EAC on the proper process in which to remit \$2,201. The SOS will ensure that each category of grant fund is separated for allowable expenses when conducting the internal desk audit review to ensure allowable grant expenses are not combined and are reported separately.

### Finding No. 2-

The Missouri Secretary of State agrees with the auditor's finding. Callaway and Audrain counties did submit a fixed asset inventory list at the end of the audit process. Missouri SOS office acknowledges existing procedures can be updated to ensure access to the fixed asset list for sub-grant federal funds spent on assets can be produced more timely.

Missouri SOS office has created a document in our existing procedure for our sub-grant desk audit process. When a local election authority submits their Final Financial Status Report for their federally funded sub-grant we will require a Fixed Asset List to be filed with their documentation to ensure that the office is in compliance with 2 CFR 200.313(d)(1). Missouri

SOS will provide a fixed asset list that must be returned with the local election authorities Final Financial Status Report.

Finding No. 3-

The Missouri Secretary of State agrees with the auditor's finding in part.

Art. IV Section 15 of the Missouri constitution states in part; ***The state treasurer shall be custodian of all state funds and funds received from the United States government.*** The secretary of state's office (SOS) has no authority to compel the state treasurer (STO) to provide documentation as the constitution assigns the authority to invest funds to the treasurer...***The state treasurer shall determine by the exercise of his best judgment the amount of moneys in his custody that are not needed for current expenses and shall place all such moneys on time deposit, bearing interest, in banking institutions in this state selected by the state treasurer and approved by the governor and state auditor or in obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than five years from the date of purchase. The investment and deposit of state, United States and nonstate funds shall be subject to such restrictions and requirements as may be prescribed by law.***

Missouri law states in part ***the state treasurer shall hold all state moneys, all deposits thereof, time as well as demand, and all obligations of the United States government in which such moneys are placed for the benefit of the respective funds to which they belong and disburse the same as authorized by law.*** (RSMo 30.240). To the best of our ability the secretary of state's office has provided all documentation showing that interest was earned on all deposited funds. SOS provided all documentation available showing interest was earned on monies held by the state treasurer. Those monies have been reported on our financial reports with the EAC. Every year the state auditor audits the state treasurer's office. The last audit of the state treasurer's office, August 2022; stated these findings, "*The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from this audit.*"

Our office knows of no information indicating that we did not receive an appropriate allocation of interest proportionate to the average daily balance of monies held. SOS will work in the future with the STO to see if they can "show their work". SOS will pursue an interoffice agreement with STO to provide supporting documentation for interest calculations on monthly bases or upon request.

Finding No. 4-

The Missouri Secretary of State agrees with the finding and will take the necessary steps to implement the U.S. EAC recommendations. SOS has already taken the steps to modify its past reporting methodology to conform with the recent changes in U. S. Election Assistance Commission's HAVA reporting requirements. Our Corrective Action Plan includes:

1. Add instructions to our Intranet Financial Procedures under “Grants/Federal Aid Procedures” regarding the SEFA (Schedule of Expenditures of Federal Awards) Agency Survey.
2. SOS will report correct federal grant expenditures on the form received from the Office of Administration (OA).
  - SOS will report total expenditures from the Federal Program on the appropriate line. SOS will analyze reports to determine the total amount paid to subrecipients and report that total on the appropriate line per OA’s SEFA instructions.
  - Return of unspent funds should be noted and backed out from total expenditures reported on the appropriate line of the SEFA. If there is a return of funds, add a note on the SEFA, but do not include it on the expenditure line items.
  - Supporting documentation should be attached to the SEFA when returned back to OA. Supporting documentation will show the total grant award, less expenditures, less subrecipient expenditures, and any return of grant funds.

**APPENDIX A-2**

**Response of the  
U.S. Election Assistance Commission  
to the Draft Report**



U.S. ELECTION ASSISTANCE COMMISSION  
633 3rd St. NW, Suite 200  
Washington, DC 20001

TO: Brianna Schletz, Inspector General

FROM: Kinza Ghaznavi  
Grants Director

*Kinza Ghaznavi*

DATE: July 27, 2023

RE: Response to Draft Audit Report of Grants Awarded to the Missouri Office of the Secretary of State, OIG Report G22MO0023-23-0X

This is the U.S. Election Assistance Commission (EAC)'s response to the Office of Inspector General (OIG) draft audit of Help America Vote Act (HAVA) funds awarded to Missouri Office of the Secretary of State (the Office) and serves as the EAC's management decision. The scope of the audit included HAVA Section 251, 101 Election Security, and 101 CARES grants. The EAC agrees with the recommendations and describes our management decisions related to each one below.

**Finding and Recommendation #1, Unsupported and Unallowable Costs:** Three of the 34 county subawards selected for testing (\$3,703 of \$1,173,211) were determined to have costs that were either unsupported or unallowable. There was one instance (\$2,201) of the state reimbursing the county in excess of the amount requested by the county. There were two instances (\$1,502) of "I Voted" stickers being purchased with CARES Act funds.

The auditors recommend that the EAC require the Office to:

1. Return the non-match portion of the \$3,703 to the EAC for the unallowable CARES Act grant expenditures noted.
2. Implement procedures and training to ensure that subawards are adequately monitored.

**Management Decision:** The EAC reviewed the questioned costs and the justification provided by the Office and has the following determinations for each finding.

The EAC confirmed with the Office that an overpayment was made to a county, and the county did not have sufficient expenditures to use the excess CARES funds. CARES funding was issued to support elections offices in responding to and recovering from the COVID-19 pandemic. Therefore, only expenses that would otherwise qualify under HAVA Section 101 and were incurred as a result of the pandemic would be considered allowable. The total amount of CARES funds that was paid to the county and could not be expended for eligible grant activities was \$2,201. The funds will be returned to the EAC, or other allowable costs will be identified. The Office also plans to draft a policy and procedure for seeking and documenting prior EAC approval for novel and/or unique grant expenditures.



U.S. ELECTION ASSISTANCE COMMISSION  
633 3rd St. NW, Suite 200  
Washington, DC 20001

The EAC will review the Office's planned actions and determine if they are sufficient to ensure HAVA expenditures are in line with the stated purpose of the grant.

The EAC reviewed the use of CARES funds for the purchase of "I Voted" stickers and the justification provided by the Office. The Office explained that additional "I Voted" stickers were required during the 2020 election cycle due to an increase in polling places to improve capabilities for social distancing in response to the pandemic. The EAC determined that the cost of the stickers (\$1,502) is allowable under HAVA Section 101 as a voter education expenditure, and therefore, is also an allowable CARES expenditure per the Office's explanation.

**Finding and Recommendation #2, Subrecipient Monitoring:** The Office's monitoring of subrecipients did not ensure that subrecipient property records were maintained in compliance with 2 CFR 200. Two counties (Callaway and Audrain), of 34 counties selected for testing, were determined to have made equipment purchases totaling \$14,530, which included items in excess of \$5,000, and were selected for observation of equipment. Callaway County did not provide an inventory listing and Audrain County's inventory listing did not comply with 2 CFR 200.313(d)(1). Both counties provided evidence of the physical existence of the asset.

The auditors recommend that the EAC require the Office to:

3. Implement procedures to ensure that all subrecipients are properly monitored in accordance with Federal statutes and the terms and conditions of the subaward.
4. Ensure all property purchased with Federal funds is placed on a compliant property record.

**Management Decision:** The EAC reviewed the basis of the finding and additional documentation provided by the Office including inventory from Callaway County, which was provided to the auditors after the final date to provide all supporting documentation. The EAC agrees that sufficient subrecipient monitoring was not performed to ensure all inventories satisfy the standards of 2 CFR 200.313(d)(1) and are available immediately upon request. The Office has developed a new policy and procedure to ensure federal standards for collecting and maintaining subgrantee inventory data will be implemented moving forward, including a template fixed asset list conforming with 2 CFR 200.313(d)(1). The EAC will review the Office's new procedure and determine if it is sufficient to address the identified issue with subrecipient monitoring.

**Finding and Recommendation #3, Interest Earned on the Election Fund:** The Office did not provide documentation to support the interest earned on the HAVA funds placed in the election fund. The Office provided accounting records detailing the interest income reporting on the Federal Financial Report. However, when asked for documentation to support the calculation of a sample of 20 interest income transactions, no support was provided.



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633 3rd St. NW, Suite 200  
Washington, DC 20001

The auditors recommend that the EAC require the Office to provide sufficient supporting documentation to demonstrate that:

5. Interest was earned on the HAVA funds from the date of deposit to the date of close-out for each HAVA grant.
6. All interest income earned on the HAVA funds was deposited into the election fund.

**Management Decision:** The Office explained to the auditors and to the EAC that interest calculations are completed by a separate state office. As noted in the audit report, this separate state office would not provide sufficient documentation to support the selected sample interest transactions per the standards of HAVA. The EAC would like to note the good faith effort performed by the Office to obtain the requested documentation in the timeframe requested by the auditors. The Office will attempt to establish an agreement with the separate state office responsible for performing interest calculations to share sufficient information to support inquiries on interest transactions upon request and at standard intervals. The EAC will review the Office's planned actions and determine if they are sufficient to ensure earned interest on HAVA funding can be verified.

**Finding and Recommendation #4, Errors in Reporting of Expenditures on the SEFA:** The June 30, 2021 Schedule of Expenditures of Federal Awards (SEFA) for the State of Missouri reported expenditures which differed from the amounts reported in the State of Missouri's financial management system.

The auditors recommend that the EAC require the Office to:

7. Implement procedures to ensure Federal expenditures are accurately identified in the Schedule of Expenditures of Federal Awards going forward.

**Management Decision:** The Office informed the EAC that SEFA development and updates are maintained by a separate state office. This separate office recorded the return of CARES funds to the EAC as a novel expense rather than a reduction in program revenue. The Office has already developed and implemented a new policy and procedure of reporting accurate revenue and expense data to the separate state office during the annual SEFA development period. The Office will develop a new policy and procedure to attach explanatory memos supporting proper classification to any future transactions returning funds to the EAC. The EAC will review the Office's planned actions and determine if they are sufficient to ensure HAVA revenues and expenditures are appropriately tracked in future audit periods. The EAC will also track the resolution of the State of Missouri Single Audit.

The EAC expects to review the actions and documentation provided by the state by October 15, 2023.

## AUDIT SCOPE AND METHODOLOGY

Our audit methodology included:

- Assessing audit risk and significance within the context of the audit objectives.
- Obtaining an understanding of internal control that is significant to the administration of the HAVA funds and of relevant information systems controls as applicable.
- Identifying sources of evidence and the amount and type of evidence required.
- Determining whether other auditors have conducted, or are conducting, audits of the program that could be relevant to the audit objectives.

As part of our audit, we gained an overall understanding of the internal control environment at the Office. Based on this understanding, we identified certain internal controls that we considered to be significant (or key controls) to achieving each objective. All components of internal control are relevant, but not all may be significant. Significance is defined as the relative importance of a matter within the context in which it is being considered, and is a matter of professional judgment. We made the following determination as to the significance of the underlying internal control principles:

	Objective		
	1	2	3
<b>Control Environment</b>			
1 Demonstrates Commitment to integrity and ethical values	No	No	No
2 Exercises oversight responsibility	No	No	No
3 Establishes structure, authority, and responsibility	No	No	No
4 Demonstrates commitment to competence	No	No	No
5 Enforces accountability.	No	No	No
<b>Risk Assessment</b>			
6 Specifies suitable objectives	No	No	No
7 Identifies and analyzes risk	No	No	No
8 Assesses fraud risk	No	No	No
9 Identifies and analyzes significant change	No	No	No
<b>Control Activities</b>			
10 Selects and develops control activities	Yes	Yes	Yes
11 Selects and develops general controls over technology	Yes	Yes	Yes
12 Deploys through policies and procedures	Yes	Yes	Yes
<b>Information and Communication</b>			
13 Uses relevant information	Yes	No	No
14 Communicates internally	Yes	No	No
15 Communicates externally	Yes	Yes	No
<b>Monitoring</b>			
16 Conducts ongoing and/or separate evaluations	No	No	No
17 Evaluates and communicates deficiencies	No	No	No

The significance was determined as follows:

Objective 1: Control Activities and its underlying principles were deemed to be significant to our determination of the awardee’s compliance with the objective. The Control Activities component includes the design and implementation of specific tasks performed by individuals within the entity to fulfill their duties and responsibilities and to respond to identified risks. These principles address the design and implementation of activities related to management review, segregation of duties (including restriction of access with the information system), and documentation of internal controls and transactions. We determined these principles to be the most significant to the state’s proper use of funds and compliance with award requirements.

The Information and Communication principles of Use Relevant Information, Communicate Internally and Communicate Externally were deemed to be significant to our determination of the awardee’s compliance with the federal financial reporting portion of this objective. These principles address the relevance of the information, the internal communication processes used to compile the data necessary to meet the state’s reporting objectives and the external communication processes used to inform the Local Election Authorities (LEA’s) about grant requirements.

Objective 2: Control Activities and its underlying principles were deemed to be significant to our determination of the awardee's compliance with the objective. The Control Activities component includes the design and implementation of specific tasks performed by individuals within the entity to fulfill their duties and responsibilities and to respond to identified risks. These principles address the design and implementation of activities related to management review, segregation of duties (including restriction of access with the information system), and documentation of internal controls and transactions. We determined these principles to be the most significant to the state's proper accounting and control over equipment purchased with HAVA funds.

The Information and Communication principle of Communicate Externally was deemed to be significant to our determination of the awardee's compliance with the objective because the state communicated with and relied on information from the LEA's where the equipment is located as part of the control system for accounting and controlling equipment purchased with HAVA funds.

Objective 3: Control Activities and its underlying principles were deemed to be significant to our determination of the awardee's compliance with the objective. The Control Activities component includes the design and implementation of specific tasks performed by individuals within the entity to fulfill their duties and responsibilities and to respond to identified risks. These principles address the design and implementation of activities related to management review, segregation of duties (including restriction of access with the information system), and documentation of internal controls and transactions. We determined these principles to be the most significant to the state's use of funds in a manner consistent with the plans provided to EAC.

To implement our audit methodology, below are some of the audit procedures we performed.

- Interviewed appropriate Office employees about the organization and operations of the HAVA program.
- Reviewed prior single audit reports and other reviews related to the State's financial management systems and the HAVA program for the period under review.
- Reviewed policies, procedures and regulations for the Office management and accounting systems as they relate to the administration of the HAVA program.
- Tested major purchases and the supporting documentation.
- Tested randomly sampled payments made with HAVA funds.
- Evaluated compliance with the requirements for accumulating financial information reported to the Commission on the financial status reports and progress reports, accounting for property, purchasing HAVA related goods and services, and using funds in a manner consistent with the budget plan provided to EAC.
- Verified the establishment and maintenance of an election fund.
- Observed the physical security/safeguards of selected equipment purchased with HAVA funds and ensure compliance with federal regulation.
- Verified whether the matching requirement was met and, if so, that matching expenditures met the prescribed criteria and allowability requirements of HAVA.
- Verified interest income was properly accounted for and not remitted to the State's general fund.

**ELECTION SECURITY EXPENDITURES BY BUDGET CATEGORY AND PROGRAM CATEGORY  
MAY 10, 2018 TO MARCH 31, 2022**

<b>Budget Categories</b>	<b>Program Categories</b>					<b>Total</b>
	Voting Equipment	Election Auditing	Voter Registration Systems	Cyber Security	Communications	
Personnel (Including Fringe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment	-	-	73,887	49,178	-	123,065
Subgrants	-	-	-	30,795	-	30,795
Training	-	-	-	75,729	-	75,729
All Other Costs	-	-	-	3,085,679	-	3,085,679
<b>Total Direct Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 73,887</b>	<b>\$ 3,241,381</b>	<b>\$ -</b>	<b>\$ 3,315,268</b>
Indirect Costs (if applied)	-	-	-	-	-	-
<b>Total Federal Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 73,887</b>	<b>\$ 3,241,381</b>	<b>\$ -</b>	<b>\$ 3,315,268</b>
Non-Federal Match	-	-	1,988,444	-	-	1,988,444
<b>Total Program Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$2,062,331</b>	<b>\$ 3,241,381</b>	<b>\$ -</b>	<b>\$ 5,303,712</b>

**Appendix C-1 (Cont'd)**

<b>County (A)</b>	<b>Subgrant Spending by Program Categories</b>					<b>Total</b>
	Voting Equipment	Election Auditing	Voter Registration Systems	Cyber Security	Communications	
County A	\$ -	\$ -	\$ -	\$ 6,050	\$ -	\$ 6,050
County B	-	-	-	1,855	-	1,855
County C	-	-	-	1,725	-	1,725
County D	-	-	-	2,648	-	2,648
County E	-	-	-	2,769	-	2,769
County F	-	-	-	5,134	-	5,134
County G	-	-	-	1,628	-	1,628
County H	-	-	-	8,986	-	8,986
<b>Total Direct Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,795</b>	<b>\$ -</b>	<b>\$ 30,795</b>
<b>Indirect Costs (if applied)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Federal Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,795</b>	<b>\$ -</b>	<b>\$ 30,795</b>

Note (A): County names have been removed due to confidentiality clauses in the cybersecurity subgrant agreements.

**SECTION 251 REISSUED EXPENDITURES BY SPENDING CATEGORY  
OCTOBER 1, 2018 TO JUNE 9, 2020**

<u>Spending Category</u>	<u>Section 251</u>
Voter Registration System	<u>496,698</u>
Total Direct Costs	\$ 496,698
Total Program Expenditures	<u><u>\$ 496,698</u></u>

**CARES ACT EXPENDITURES BY COST CATEGORY  
APRIL 16, 2020 TO MARCH 31, 2021**

<b>Cost Categories</b>	<b>Expenditure Type</b>		<b>Total</b>
	Federal	Match	
Voting Processes	\$ 384,797	\$ 13,658	\$ 398,455
Staffing	-	-	-
Security and Training	-	-	-
Communications	-	854,327	854,327
Supplies	55,310	11,065	66,375
Sub Grants to LEAs	3,590,687	646,703	4,237,390
<b>Total CARES Expenditures</b>	<b>\$ 4,030,794</b>	<b>\$ 1,525,753</b>	<b>\$ 5,556,547</b>

**MONETARY IMPACT AS OF MARCH 31, 2022 FOR ELECTION SECURITY, AS OF JUNE 9, 2020 FOR SECTION 251 REISSUED, AND AS OF MARCH 31, 2021 FOR CARES ACT GRANT**

<u>Description</u>	<u>Questioned Costs</u>	<u>Unsupported Costs</u>	<u>Additional Funds for Program</u>
CARES	\$ 1,502	\$ 2,201	\$ -
Total	<u>\$ 1,502</u>	<u>\$ 2,201</u>	<u>\$ -</u>



Visit our website at [eac.gov/inspector-general](https://eac.gov/inspector-general)

U.S. Election Assistance Commission  
Office of Inspector General  
633 3rd Street, NW, Second Floor  
Washington, DC 20001

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