



The Howard University
Consolidated Financial Statements and Reports and Schedules
Required by *Government Auditing Standards* and the Uniform Guidance
For Fiscal Years Ended June 30, 2024 and 2023

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Management's Responsibility for the Consolidated Financial Statements

The administration of The Howard University is responsible for the preparation, accuracy, integrity and objectivity of the consolidated financial statements contained herein. Such consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and, accordingly, include certain amounts that represent our best estimates and judgments. Actual amounts could differ from those estimates.

These consolidated financial statements have been prepared under my supervision. Based on my knowledge, these financial statements present fairly, in all material respects, the financial position, changes in net assets and cash flows of The Howard University for the periods presented herein.

Furthermore, I hereby certify that The Howard University, as Borrower under separate agreements with certain banks and lending institutions, is in compliance with the respective financial covenants as of June 30, 2024, as described in Note 14 of the accompanying consolidated financial statements.

Ben Vinson, III, PhD
President

John D. Gordon, Jr. MS, CPA, CGMA
Controller and Chief Accounting Officer

December 5, 2024



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Independent Auditor's Report

Board of Trustees
The Howard University
Washington, DC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of The Howard University (the "University" or "Howard"), which comprise the consolidated statements of financial position as of June 30, 2024, and the related consolidated statement of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University as of June 30, 2024, and the changes in its net assets and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on Summarized Comparative Information

We have previously audited the University's 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 11, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent in all material respects with the audited consolidated financial statements from which it has been derived.



Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, this information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2024 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

BDO USA, P.C.

December 5, 2024

The Howard University
Consolidated Statements of Financial Position
June 30, 2024 and 2023
(In thousands)

	2024	2023
Current Assets:		
Cash and cash equivalents	\$ 95,789	\$ 205,693
Operating investments	9,632	7,719
Deposits with trustees	14,093	1,310
Receivables, net	141,783	178,349
Healthcare contract assets, net	2,730	2,401
Inventories, prepaids and other assets	50,131	47,738
Restricted investments	57,611	50,046
Total Current Assets	371,769	493,256
Long Term Assets:		
Deposits with trustees	26,818	25,858
Receivables, net	32,506	37,801
Inventories, prepaids and other assets	10,679	9,211
Unexpended bond proceeds	315,096	340,386
Restricted investments	9,374	8,580
Endowment investments	1,032,497	926,633
Operating lease right of use assets	69,491	39,346
Finance lease right of use assets, net	31,118	23,441
Overfunded defined benefit pension plan	21,390	20,602
Long-lived assets, net	816,298	710,730
Total Long Term Assets	2,365,267	2,142,588
Total Assets	<u>\$ 2,737,036</u>	<u>\$ 2,635,844</u>
Current Liabilities:		
Accounts payable and accrued expenses	\$ 192,053	\$ 157,123
Deferred revenue	123,599	123,613
Other liabilities	32,256	29,381
Accrued post-retirement benefits	4,130	3,932
Reserve for self-insured liabilities	19,426	9,160
Notes payable	605	869
Operating lease obligations	15,542	8,903
Finance lease obligations	5,094	3,817
Bonds payable, net	13,617	12,966
Total Current Liabilities	406,322	349,764
Long Term Liabilities:		
Other liabilities	2,545	1,951
Accrued post-retirement benefits	35,100	35,063
Reserve for self-insured liabilities	41,100	52,035
Operating lease obligations	53,581	25,374
Finance lease obligations	22,532	17,531
Bonds payable, net	797,404	808,762
Refundable advances under Federal Student Loan Program	4,583	4,037
Total Long Term Liabilities	956,845	944,753
Total Liabilities	1,363,167	1,294,517
Net Assets:		
Without donor restrictions	464,799	512,874
With donor restrictions	909,070	828,453
Total Net Assets	1,373,869	1,341,327
Total Liabilities and Net Assets	<u>\$ 2,737,036</u>	<u>\$ 2,635,844</u>

The accompanying notes are an integral part of these consolidated financial statements.

The Howard University
Consolidated Statements of Activities
For the years ended June 30, 2024 and 2023
(In thousands)

For the year ended June 30, 2024 (with summarized comparative information for fiscal year ended June 30, 2023)	Without Donor Restrictions	With Donor Restrictions	Total 2024	Summarized 2023
Operating				
Revenues, support and reclassifications:				
Academic services:				
Tuition and fees, net of financial aid	\$ 255,535	\$ —	\$ 255,535	\$ 222,416
Grants and contracts	108,661	—	108,661	92,439
Auxiliary services	51,648	—	51,648	48,970
Clinical services:				
Patient service - Hospital, net	269,687	—	269,687	294,595
Patient service - Faculty Practice Plan, net	23,118	—	23,118	23,087
Patient service - Dental clinic, net	1,595	—	1,595	1,621
Public support:				
Federal appropriation	250,757	28,839	279,596	251,604
Contributions of cash and other financial assets	32,866	32,654	65,520	74,268
Endowment returns made available for operations	15,696	12,884	28,580	21,533
Operating investment income, net	25,436	—	25,436	16,580
Real property	3,102	—	3,102	5,298
Other income	25,735	863	26,598	17,880
Total revenues and support	1,063,836	75,240	1,139,076	1,070,291
Net assets released from restrictions	37,882	(37,882)	—	—
Total revenues, support and reclassifications	1,101,718	37,358	1,139,076	1,070,291
Expenses:				
Academic and student support	360,346	—	360,346	359,143
Research	95,067	—	95,067	81,871
Healthcare services	318,571	—	318,571	305,856
Auxiliary enterprises	56,700	—	56,700	46,084
Administrative and support services	343,363	—	343,363	253,043
Total operating expenses	1,174,047	—	1,174,047	1,045,997
(Deficiency) excess of operating revenue over expenses	(72,329)	37,358	(34,971)	24,294
Non-operating				
Investment income in excess of amount designated for operations	48,615	58,219	106,834	59,244
Endowment returns made available for operations	(14,528)	(14,052)	(28,580)	(21,533)
Net unrealized gain in beneficial interest trust	—	466	466	393
Net periodic benefit cost other than service cost	800	—	800	3,002
Change in funded status of defined benefit pension plan	(1,648)	—	(1,648)	(4,042)
Change in obligation for post-retirement benefit plan	(1,373)	—	(1,373)	786
Change in funded status of supplemental retirement plan	(6)	—	(6)	13
Other non-operating items, net	(7,606)	(1,374)	(8,980)	(10,743)
Increase in non-operating activities	24,254	43,259	67,513	27,120
Change in net assets	(48,075)	80,617	32,542	51,414
Net assets, beginning of year	512,874	828,453	1,341,327	1,289,913
Net assets, end of year	\$ 464,799	\$ 909,070	\$ 1,373,869	\$ 1,341,327

The accompanying notes are an integral part of these consolidated financial statements.

The Howard University
Consolidated Statements of Cash Flows
For the years ended June 30, 2024 and 2023
(In thousands)

For the years ended	2024	2023
Cash flows from operating activities		
Change in net assets	\$ 32,542	\$ 51,414
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation and amortization	42,528	42,241
Amortization of premiums and discount on debt, including issuance cost	988	962
Net realized (gain) loss on sale of investments	(38,820)	7,673
Net unrealized gain on investments	(48,532)	(16,824)
Impairment of net investment in lease	21,988	—
Stock distributions	(13,015)	(3,932)
Contributions restricted in perpetuity	(29,265)	(24,765)
Loss on sale/disposal of long-lived assets	130	4,787
Pension/post-retirement benefits	(553)	(2,251)
Reserve for self-insured liabilities	(669)	(2,301)
Changes in operating assets and liabilities:		
(Increase) Decrease in assets:		
Deposits with trustees	(13,743)	2,115
Receivables (excluding notes), net of reserve for doubtful accounts	18,189	24,758
Healthcare contract assets	(329)	(248)
Inventory, prepaids and other assets	(3,947)	(5,209)
Operating lease right of use assets	21,833	29
Increase (Decrease) in liabilities:		
Accounts payable and accrued expenses	11,355	(22,007)
Deferred revenue	(14)	39,302
Other liabilities	3,469	(603)
Operating lease obligation	(17,132)	(2,755)
Refundable advances under Federal Student Loan Program	546	9
Net cash provided by operating activities	<u>(12,451)</u>	<u>92,395</u>
Cash flows from investing activities		
Proceeds from investment sales	1,474,004	895,238
Purchases of investments	(1,489,773)	(948,791)
Return on unexpended bond proceeds	25,290	7,329
Purchases and renovations of long-lived assets	(120,363)	(63,346)
Lease restructuring disbursement	(22,510)	—
Net cash used in investing activities	<u>(133,352)</u>	<u>(109,570)</u>
Cash flows from financing activities		
Contributions restricted in perpetuity	29,265	24,765
Payments on notes payable	(264)	(252)
Proceeds from bonds payable	1,271	2,491
Payments on bonds payable	(12,966)	(12,593)
Bond issuance costs	—	(2,491)
Principal payments on finance lease obligations	(5,601)	(4,514)
Change in finance lease right of use assets and finance lease obligation	—	(727)
Change in student loans collected	1,684	777
Sales-type lease proceeds	22,510	—
Net cash provided by financing activities	<u>35,899</u>	<u>7,456</u>
Decrease in cash and cash equivalents	(109,904)	(9,719)
Beginning cash and cash equivalents	205,693	215,412
Ending cash and cash equivalents	<u>\$ 95,789</u>	<u>\$ 205,693</u>

Supplemental cash flow information continued on the next page

The Howard University
Consolidated Statements of Cash Flows
For the years ended June 30, 2024 and 2023
(In thousands)

For the years ended	<u>2024</u>	<u>2023</u>
Supplemental cash flow information:		
Cash paid for interest	\$ 37,748	\$ 36,124
Supplemental non-cash investing and financing activities:		
Acquisition of equipment under financing leases	11,878	3,885
Acquisition of equipment and office space under operating leases	51,978	11,912
Accrued capital expenditures	23,575	11,310
Stock distributions	13,015	3,932

Refer to Footnote 13 for supplemental disclosure of cash flow information for leases.

The accompanying notes are an integral part of these consolidated financial statements.

The Howard University
Notes to the Consolidated Financial Statements
June 30, 2024 and 2023
(In thousands)

1. University Organization

The Howard University (hereafter referred to as Howard or the University) is a private, nonprofit institution of higher education which also operates Howard University Hospital (the Hospital) located in Washington, DC. The University provides academic services in the form of education and training, primarily for students at the undergraduate, graduate, and postdoctoral levels, and performs research, training and other services under grants, contracts, and similar agreements with sponsoring organizations, primarily departments and agencies of the United States government. Howard also provides patient healthcare services at the Hospital and by certain members of the University's faculty as part of its academic clinical activities.

Under Public Law 87-262 (75 stat. 542), enacted on September 21, 1961, Freedmen's Hospital was transferred to Howard University to support its mission in medical training and community healthcare. On January 1, 2024, Howard University Hospital Inc. (HUH), became a fully incorporated entity and still wholly-owned subsidiary of the University, and operating as the wholly-owned Howard University Hospital.

The consolidated financial statements also include the activities of wholly-owned subsidiaries Howard University International (HUI), Howard University Global Initiative – Nigeria, LTD/GTE (HUGIN), and Howard University Global Initiative South Africa NPC (HUGISA). The activities and balances of these entities are reflected in the statements of activities and statements of position, and any intercompany balances have been eliminated in consolidation.

The Research Institute for Tactical Autonomy (RITA) is a University Affiliated Research Center (UARC) competitively awarded by the U.S. Department of Defense to Howard University in 2023.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements of the University have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). These consolidated statements include summarized comparative information for the prior year in total, without classification by net asset type. This summarized information may lack the detail required for a full presentation in conformity with U.S. GAAP and should therefore be read alongside the University's financial statements for the year ended June 30, 2023, from which it is derived.

The consolidated statements of activities include all transactions that affect net assets. Operating results reflect transactions related to the University's core activities, while non-operating items include investment returns that exceed the amount allocated for current operations under the spending policy. These non-operating items also encompass unrealized gains and losses on investment accounts, unrealized gains and losses on beneficial interest in perpetual trusts, endowment transfers, and changes in pension liabilities and other post-retirement benefit plans.

(b) Net Asset Classifications

The University follows U.S. GAAP reporting requirements, which require classifying resources into two categories of net assets based on the presence or absence of donor-imposed restrictions.

Without Donor Restrictions – Net assets without donor restrictions are available for general operating use at the discretion of the Board of Trustees (the Board) and/or management. Occasionally, the Board may designate a portion of these net assets for specific purposes, making them unavailable for discretionary use by management.

With Donor Restrictions – Net assets with donor restrictions are subject to legal or donor-imposed stipulations that may be met over time, through specific actions by the University pursuant to those stipulations, or both. These net assets include endowment funds intended to provide a perpetual income source for the University, where donor-imposed stipulations or restrictions under the District of Columbia Uniform Prudent Management of Institutional Funds Act of 2008 (DC UPMIFA), as enacted in the District of Columbia, limit their use. The original gift amount, any additional contributions, and any related investment returns are classified as net assets with donor restrictions until authorized for use by the governing body or law.

The Howard University
Notes to the Consolidated Financial Statements
June 30, 2024 and 2023
(In thousands)

Contributions are generally recorded as revenue in the appropriate net asset category. However, contributions with donor-imposed restrictions that are met within the same fiscal year are reported as revenue without donor restrictions. When donor restrictions are satisfied (e.g., the specific purpose is achieved or the required time period has passed), funds are reclassified from net assets with donor restrictions to net assets without donor restrictions. Donor restrictions on gifts for long-lived assets are considered fulfilled when the asset is acquired or placed in service.

(c) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the consolidated financial statements. Actual results could differ from those estimates.

(d) Income Tax

The University is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. For the years ended June 30, 2024 and 2023, there were no uncertain tax positions considered to be material.

The Tax Cuts and Jobs Act (the Act), enacted on December 22, 2017, introduced various changes affecting the University, including excise taxes on executive compensation and net investment income, as well as new rules for calculating unrelated business taxable income. Based on guidance from the Act, the University estimated related tax expense of \$512 and \$163 for the years ended June 30, 2024 and 2023, respectively.

(e) Cash and Cash Equivalents

Cash and cash equivalents include financial instruments with original maturities of three months or less, such as U.S. Treasury securities and other short-term, highly liquid investments, all carried at fair value. Cash and cash equivalents held in the endowment fund and by investment managers are included in investments.

The University's aggregate cash and cash equivalents held at financial institutions exceed federal insurance limits by approximately \$93,789 and \$204,193 as of June 30, 2024, and 2023, respectively. While these funds are exposed to risk, the University has not experienced any losses due to this exposure.

(f) Investments

Investments are categorized in the consolidated statements of financial position as operating, donor restricted, endowment investments, and deposits with trustees. All investments are carried at fair value or net asset value and are defined as follows:

Operating Investments – represent investments not subject to donor or lender-imposed restrictions. These include short-term assets that can be liquidated at the discretion of the Board of Trustees to meet operational needs.

Restricted Investments – represent non-endowed investments with principal and/or income restricted by external sources, including liquidation constraints. The use of these funds is not at the discretion of the Board or management.

Endowment Investments – represent the pooled endowment and the Federal matching endowment investments. The endowment investments are spread across various asset categories with the use of the income from these investments restricted based on stated donor stipulations or UPMIFA.

Deposits with Trustees – represent a debt service reserve fund consisting primarily of fixed income investments and other short-term securities (see Note 6).

The fair values of Howard's investments are determined by the most relevant available and observable valuation inputs as defined in Note 8. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based upon average historical value (cost of securities purchased or the fair market value at date of gift, if received by donation). Dividend and interest income are recorded on an accrual basis. Accrued but unpaid dividends, interest and proceeds from investment sales at the report date are recorded as investment receivables.

The Howard University
Notes to the Consolidated Financial Statements
June 30, 2024 and 2023
(In thousands)

Investment income (losses) are allocated in a manner consistent with interest and dividends, to either net assets with donor restrictions or net assets without donor restrictions (distinguished between operating and non-operating), based on donor intent or lack thereof. Such amounts may be expended for operations, based on donor time or purpose restrictions or held in perpetuity at the donor's request. Investment income (losses) on loan funds are accumulated in net assets without donor restrictions.

Operating investment income includes interest, dividends and operating investment returns.

(g) Revenue Recognition

The University recognizes revenue from contracts with customers based on the consideration specified in the contract. Revenue is recognized when the University satisfies its performance obligations by transferring goods or services to the customer. The University follows a five-step revenue recognition model: (i) identify the contract; (ii) identify performance obligations; (iii) determine transaction price; (iv) allocate transaction price; and (v) recognize revenue.

The University (i) evaluates other revenue streams based on whether transactions should be accounted for as contributions (nonreciprocal transactions) or as revenue from contracts with customers (reciprocal) transactions and (ii) determined whether a contribution is conditional.

The University earns revenue primarily through instruction in the form of tuition and fees, patient care, and auxiliary services on its Washington, DC campuses. These sources of revenue can be disaggregated by whether there is a contract with a student or non-student, or if there is no contract. The University recognizes patient and other non-student contracts based on the date of the event or when the service is provided.

The performance obligations related to contracts with students involves providing instruction, housing and dining (if applicable), and access to the University's facilities and services throughout the contract term. As a result, the performance obligations are satisfied over time ratably throughout each contract's applicable period.

Howard enters contracts that include various combinations of services, which are generally capable of being distinct and are accounted for as separate performance obligations.

Tuition and fees, net of financial aid, are recognized as revenue in the year the related academic services are provided. Student tuition and fees received in advance of service are recorded as deferred revenue. The University offers institutional financial aid to eligible students based on financial need or academic qualifications, typically as part of an "aid package". Financial aid may include loans, work-study compensation, and/or grant and scholarship. Loans are primarily offered through U.S. government programs (direct and guaranteed loans) where the University's responsibility is limited to certain administrative duties.

Institutional grants and scholarships are funded by contributions from private donors, income from endowment funds restricted for student aid, and University funds. Under U.S. GAAP, this institutional aid is considered a reduction of the transaction price as it represents consideration payable to the student. Accordingly, the University presents tuition and fees, net of financial aid. Financial aid for fiscal years ended June 30, 2024 and 2023 was \$189,209 and \$177,937, respectively.

TUITION AND FEES, NET	2024	2023
Tuition and fees before applying financial aid	\$ 444,744	\$ 400,353
Deductions for financial aid:		
Merit-based scholarship	120,758	104,218
Need-based financial aid	44,697	52,131
Talent-based scholarships and awards	12,002	10,691
Other financial aid	11,752	10,897
Total reduction for financial aid	<u>\$ 189,209</u>	<u>\$ 177,937</u>
Total tuition and fees, net of financial aid	<u><u>\$ 255,535</u></u>	<u><u>\$ 222,416</u></u>

The Howard University
Notes to the Consolidated Financial Statements
June 30, 2024 and 2023
(In thousands)

Grants and contracts revenue is recognized when reimbursable expenses are incurred (for cost plus contracts) or when deliverables or milestones are met (for fixed price contracts). Grants and contracts revenues include recoveries of eligible direct expenses and indirect costs for facilities and administration, which are generally determined as a negotiated or agreed-upon percentage of direct costs. The University evaluates whether these grants and contracts should be accounted for as a conditional or unconditional contribution (nonreciprocal transactions), or as revenue from a contract where the government is the customer. For the years ended June 30, 2024 and 2023, Howard recognized \$107,046 and \$90,725 of revenue that is considered nonreciprocal, respectively, and \$1,615 and \$1,714 of revenue subject to ASC 606, Revenue from Contracts with Customers, respectively. Receivables under research grants and development agreements represent the amounts due from Federal, state, local, private grants, contracts and others. As of June 30, 2024, and 2023, the University did not have any grants that represented more than 10% of grants and contracts revenue, respectively. As of June 30, 2024, and 2023, the University had one grant sponsor that represented 10% and 11% of grants and contracts revenue, respectively.

GRANTS AND CONTRACTS REVENUE	2024	2023
Reimbursement of direct expenses	\$ 95,263	\$ 81,223
Recovery of indirect costs	13,398	11,216
Total grants and contracts revenue	<u>\$ 108,661</u>	<u>\$ 92,439</u>
Indirect costs recovery as a % of direct costs	14%	14%

Grants and contracts revenue by type is detailed in the table below:

GRANTS AND CONTRACTS REVENUE BY TYPE	2024	2023
Research	\$ 78,078	\$ 63,236
Training	14,508	11,649
Service/other	16,075	17,554
Total grants and contracts revenue by type	<u>\$ 108,661</u>	<u>\$ 92,439</u>

Auxiliary services are generally recognized when services are rendered or as activities have been completed. Auxiliary revenue is mostly comprised of meal plans, income generated from advertisers on Howard's commercial radio station (WHUR), and student housing. Advertising revenues are recognized when the advertising spots are aired. Other revenues include the Howard University television station (WHUT) and preschool center fees.

The University considers collectability and other price concessions and variable consideration in determination of the transaction prices of the respective streams of auxiliary services revenue.

AUXILIARY SERVICES REVENUE	2024	2023
Student housing	\$ 11,664	\$ 11,122
Meal plans	25,973	24,326
Radio station	7,116	8,628
Bookstore	947	888
Parking fees	2,325	1,897
Other	3,623	2,109
Total auxiliary services revenue	<u>\$ 51,648</u>	<u>\$ 48,970</u>

Net patient service revenue arises from contracts to provide health care services to patients. Revenue is recognized when services are provided, and performance obligations are satisfied. This revenue often involves third-party payors (e.g., Medicare, Medicaid, and insurance companies), with transaction prices dependent on terms set by or negotiated with these payors. Howard estimates net revenue based on expected payments from patients and payors, considering price concessions in managed care and insurance plans as specified in contracts. Revenue from uninsured patients and insured co-payments or deductibles may include discounts. Howard also accounts for estimated implicit price concessions for uninsured accounts, based on historical collections.

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Howard University Hospital and the Faculty Practice Plan have payment arrangements with third-party payors at established rates, including per discharge, reimbursed costs, discounted charges, and per-diem payments. The University accrues retroactive adjustments based on estimates when services are rendered, adjusting them as final settlements are determined. Receivables represent amounts due for services rendered by the University's Faculty Practice and the Hospital.

NET PATIENT SERVICE REVENUE	2024	2023
Gross Revenues	\$ 752,173	\$ 834,755
Third-party settlement revenue	75,093	94,215
Price concessions	(532,866)	(609,667)
Total net patient service revenue	<u>\$ 294,400</u>	<u>\$ 319,303</u>

The following revenue streams are subject to the guidance in Topic 958, *Not for Profit Entities*, unless otherwise noted:

Federal appropriation revenue is recognized when received and expended. Howard receives a Federal appropriation to support its educational mission. Of this appropriation, \$28,839 is restricted: \$25,434 is designated for the construction and renovation of Howard University Hospital, and \$3,405 is restricted for a term endowment required to be held for 20 years. For fiscal years ended June 30, 2024 and 2023, the Federal appropriation accounted for 25% and 24%, respectively, of Howard's total revenue support. There is a \$3,405 receivable at both June 30, 2024 and 2023, that represents the portion to be collected on the Federal term endowment as defined in Note 16.

Contribution of cash and other financial assets, including unconditional promises to give, are recognized at fair value within the appropriate category of net assets when received. Contributions with restrictions that are met within the same fiscal year are included in net assets without donor restrictions. Unconditional promises to give are initially recognized at fair value, considering expected future cash receipts and discounted at a risk-adjusted rate. Conditional promises to give are recognized only when the conditions are substantially met.

Contribution revenue from government and private grant and contracts, generally considered nonreciprocal transactions, is recognized when qualifying expenditures are incurred, and conditions under the agreements are met. Payments received in advance of conditions being met are recorded as deferred revenue on the consolidated statements of financial positions. The University recognized approximately \$5,364 and \$5,991 in federal contributions from the Department of Education as part of the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) appropriations for educational institutions for the fiscal years ended June 30, 2024 and 2023, respectively. The funds were used primarily for student grants and to offset losses caused by COVID-19 (see Note 22).

Contributions income for fiscal years ended June 30, 2024 and 2023 is shown below:

CONTRIBUTIONS INCOME	2024	2023
Without donor restrictions	\$ 32,866	\$ 25,219
With donor restrictions	32,654	49,049
Total contributions income	<u>\$ 65,520</u>	<u>\$ 74,268</u>

As of June 30, 2024, and 2023 the University did not have any single donors that represented greater than 10% of contribution income, respectively.

Contributed works of art, historical treasures, literary works and artifacts, which are preserved for educational, research and public exhibition purposes are capitalized. Such collections are nonfinancial gifts valued and recorded at estimated fair value on the date of donation. If donor-imposed stipulations specify a required usage period, these contributions are recorded as net assets with donor restrictions; otherwise, they are recorded as net assets without donor restrictions.

Real property revenue is comprised of income and gains from real estate transactions including lease income and is recognized as revenue in the period it is earned and collectible. Real property receivable includes the net present value of the minimum lease payments from sales-type leases. Revenue recognition for real property lease transactions is disclosed in further detail in Note 13.

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Other income represents income from activities other than those that are ongoing and central to Howard's core business operations and is recognized as revenue in the period it is earned and collectible. For the year ended June 30, 2024, other income was primarily composed of revenue recognized related to settlements, athletics, and treasuries in the amounts of \$3,000, \$2,855, and \$2,655, respectively. For the year ended June 30, 2023, other income was primarily composed of revenue recognized related to distributions of the DC Medicaid Indigent Care Grant related to the Hospital's operations in the amount \$8,069.

Notes receivable represent loans the University extended to students from institutional resources and Federal Student Loan programs with outstanding balances, which includes Federal Perkins Loans. Management regularly assesses the adequacy of the allowance for credit losses on student loans by performing ongoing evaluations of the student loan portfolio, including the financial condition of specific borrowers, the economic environment in which the borrowers operate, and the level of delinquent loans.

As of June 30, 2024, Howard has assigned all outstanding Perkins loans to the Department of Education, and is in the process of formally liquidating its Perkins portfolio.

(h) Inventories, Prepaids and Other Assets

Inventories consist primarily of medical supplies and are recorded at the lower of cost or realizable value on a first-in, first-out basis. Prepaids consist primarily of insurance, dues, subscriptions and other fees and are amortized over the useful period. Other assets consist primarily of deferred health charges, intellectual property, and beneficial interest trust.

(i) Long-Lived Assets

Long-lived assets include property, property held for expansion, consisting of land and buildings acquired for future use in carrying out educational, research and other activities in line with the overall mission of Howard, capital improvements, equipment, software, library books, and art and historical treasures for the University. Long-lived assets are recorded at cost or at fair value if received by gift, less accumulated depreciation and amortization, and are capitalizable when the unit cost is equal to or exceeds \$3 and has a useful life of more than one year. Work in process for campus approved projects are capitalizable and not depreciated until assets are placed in service. Land, which is included in land and land improvements, and property held for expansion, is not depreciated.

The University capitalizes and recognizes purchased and donated works of art and historical treasures on the consolidated statement of financial position. Howard does not depreciate works of art and historical treasures where the economic benefit or service potential is used up so slowly that the estimated useful lives are extraordinarily long. However, impaired works of art are adjusted to fair market value, with change in value being recognized as a loss on the consolidated statement of activities. The University's policy for disposal of art and historical treasures from its collection limits the use of proceeds from such disposals for direct care of the remaining collection. In addition, any proceeds received by the University for loans from its collection are used to maintain the quality of the collection. The University defines direct care of the collection as specific costs used to maintain the value, integrity, and quality of the collection. The direct care of the collection at the University includes appraisals, insurance coverage, security, storage inclusive of climate control, installation inclusive of shipping or relocation, and conservation.

Depreciation for all long-lived assets is computed using the straight-line method over the estimated useful lives of the assets. The useful lives for fiscal years reported are as follow:

Land improvements	1-25 years
Building and building improvements	5-40 years
Property held for expansion	40 years
Furniture and equipment	3-20 years
Library books	10 years
Software	3-10 years

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Title to certain equipment purchased using funds provided by government grants or contracting agencies is vested with Howard, and therefore is included in reported property balances. Such assets are subject to potential transfer or disposal by the relevant cognizant agency. Interest costs eligible for capitalization are the costs of restricted borrowings, less any interest earned on temporary investment of the proceeds of those borrowings, from the date of borrowing until qualifying assets are placed in service for their intended use.

The recorded values of certain properties include the fair value of any environmental remediation necessary to meet contractual or regulatory requirements for disposal or remediation of the property. This primarily pertains to the cost of removal and disposal of asbestos.

(j) Unexpended Bond Proceeds

Unexpended bond proceeds consist of investments in government debt security funds, which are valued at amortized cost and not quoted daily. As of June 30, 2024 and 2023, unexpended bond proceeds totaled \$315,096 and \$340,386, respectively, including earnings of \$29,040 and \$11,946 from invested funds during the respective periods.

(k) Compensated Absences

Howard records an amount due to employees for future absences, which is attributable to services performed in the current and prior periods and subject to a maximum carryover. This obligation is recognized on the consolidated statements of financial position as part of accounts payable and accrued expenses (see Note 11).

(l) Pension and Post-Retirement Benefits

The funded status of Howard's pension benefit (the Plan) is actuarially determined and recognized in the consolidated statements of financial position as either an asset to reflect an overfunded status, or as a liability to reflect an underfunded status. Howard's actuarially determined post-retirement benefit obligation is recognized on the consolidated statements of financial position as an asset. Howard follows the Internal Revenue Service (IRS) guidelines in the administration of the Plan (see Note 15).

(m) Reserves for Self-Insured Liabilities

The reserve for self-insured liabilities is comprised primarily of amounts accrued for asserted medical malpractice and worker's compensation claims and includes estimates of the ultimate cost to resolve such claims (see Note 7 Reserves for Self-insured Liabilities). The reserve also includes an estimate of the cost to resolve unasserted claims that actuarial analyses indicate are probable of assertion in the future. Medical malpractice claim reserves are stated at an undiscounted amount.

(n) Refundable Advances Under Federal Student Loan Program

Funds provided by the United States Department of Education under the Federal Student Loan Programs are loaned to qualified students and may be re-loaned after collections. The portion of these funds provided by the Department of Education are ultimately refundable to the Department of Education and are reported as liabilities in the consolidated statements of financial position and as cash flows from financing activities in the consolidated statements of cash flows. Loans issued to students are reported as part of receivables in the consolidated statements of financial position.

(o) Leases

The University and the Hospital have entered into a variety of operating and finance leases for office space and equipment. Howard measures its lease assets and lease liabilities using the discount rate implicit in the lease. If that rate is not available or readily determinable, Howard uses its incremental borrowing rate. Operating lease expense, excluding short-term lease costs, is recognized on a straight-line basis. More information is included in Note 13.

(p) Measure of Operations

Howard includes in its measure of operations all revenue and expenses that are integral to its continuing core program services with the key objective being predictability of indicated results. Such measures include the gains and losses from real estate related transactions.

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(q) New Accounting Pronouncements

Periodically, the Financial Accounting Standards Board (FASB) issues Accounting Standards Updates (ASU) which impact Howard's financial reporting and related disclosures. The following paragraphs summarize relevant updates pertaining to the periods presented.

In January 2020, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. For non-public entities, ASU 2016-13 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022. The ASU requires credit losses on most financial assets carried at amortized cost and certain other instruments to be measured using an expected credit loss model. Howard adopted the standard and subsequent clarifications during the year ended June 30, 2024, which did not have a significant impact on our results of operations, financial position, or cash flows.

(r) Reclassifications

Certain 2023 amounts have been reclassified to conform to the 2024 presentation. Such reclassifications did not have any impact on the University's previously reported net asset balances.

3. Liquidity and Availability of Resources

As of June 30, 2024 and 2023, financial assets and liquidity resources that are available within one year for general expenditures consists of the following:

FINANCIAL ASSETS AND LIQUIDITY RESOURCES

Financial Assets:

	2024	2023
Cash and cash equivalents	\$ 95,789	\$ 205,693
Operating investments	9,632	7,719
Receivables, net (excluding donor-restricted contributions)	111,325	108,048
Healthcare contract assets, net	2,730	2,401
Endowment funds appropriated for current use	31,018	22,864
Total financial assets available within one year	<u>\$ 250,494</u>	<u>\$ 346,725</u>

Liquidity Resources:

Unused bank line of credit available	75,000	75,000
Total financial assets and liquidity resources available within one year	<u><u>\$ 325,494</u></u>	<u><u>\$ 421,725</u></u>

None of the financial assets included above are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the consolidated statement of financial position. Receivables includes pledges with time restrictions that are expected to be collected within one year. Earnings from unspent bond proceeds of \$29,040 can be used for bond-related or general operating purposes at management's discretion. The University's endowment investments, which include donor-restricted and quasi-endowment assets, are subject to a Board spending policy of 5 percent. Aside from the portion allocated for general expenditures, these quasi-endowment funds can be accessed, if necessary, with Board approval. For additional details on endowment disclosures, see Notes 9 and 16 for additional disclosures on Board-designated quasi-endowment assets.

To address any unanticipated liquidity needs, the University maintains a committed line of credit of \$75,000, which can be drawn upon if needed. As of June 30, 2024 and 2023, there was no outstanding balance on the line of credit.

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4. Receivables, Net

The major components of receivables, net of reserves for doubtful accounts of \$15,100 and \$14,800 as of June 30, 2024 and 2023, respectively, were as follows:

RECEIVABLES	2024	2023
Student	\$ 16,643	\$ 15,749
Notes	2,940	3,240
Federal appropriation	3,405	3,405
Patients and third-party payors - Hospital	50,803	35,909
Patients and third-party payors - FPP	3,114	39
Grants and contracts	29,061	29,263
Contributions	44,649	61,558
Auxiliary services	4,259	2,977
Real property	15,017	64,010
Other	4,398	—
Total receivables	<u>\$ 174,289</u>	<u>\$ 216,150</u>

As of June 30, 2024, the University did not have any single customer, donor, or party that represented greater than 10% of total receivables. As of June 30, 2023, the University had one lease which attributed to 19% of total receivables.

Student receivables represent unpaid tuition and fees assessed in current and prior periods that are generated when a student registers for classes through the University's formal registration process.

Patient receivables represent unpaid health care fees for health care services provided to the patients. The receivable balance is based upon the estimated amounts that management expects to be entitled to receive from patients and third-party payors.

Contributions receivable at June 30, 2024 and 2023 are expected to be received as follows:

CONTRIBUTIONS RECEIVABLE	2024	2023
Within one year	\$ 38,312	\$ 47,963
Between one and five years	13,900	21,780
Thereafter	1,201	2,002
Contributions receivable gross	53,413	71,745
Unamortized discount on contributions receivable (2%-6.5%)	(1,375)	(4,563)
Contributions receivable, net of discounts	52,038	67,182
Allowance for uncollectible contributions	(7,389)	(5,624)
Total contributions receivable, net of discounts and allowance	<u>\$ 44,649</u>	<u>\$ 61,558</u>

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5. Inventories, Prepaids and Other Assets

Components of inventories, prepaids and other assets accounts as of June 30, 2024 and 2023 are as follows:

INVENTORIES, PREPAIDS, AND OTHER ASSETS	2024	2023
Inventories - Hospital	\$ 5,972	\$ 6,103
Prepaid expenses	20,066	15,955
Capitalized internal-use software	16,779	17,075
Beneficial interest trust	3,296	2,829
Self-insured assets	5,328	5,328
Intellectual property costs	778	864
Other	8,591	8,795
Total inventories, prepaids, and other assets	<u>\$ 60,810</u>	<u>\$ 56,949</u>

6. Deposits with Trustees

DEPOSITS WITH TRUSTEES (DEDICATED ASSETS)	2024	2023
Debt service reserve	\$ 26,407	\$ 25,450
Advanced bond payments	13,681	—
Health insurance trust	823	1,718
Total deposits with trustees	<u>\$ 40,911</u>	<u>\$ 27,168</u>

Debt Service Reserve Fund

As required by the 2011B Revenue Bonds and 2021A bonds, Howard maintains a debt service reserve fund to meet or exceed the Debt Service Fund Requirements of \$24,292. As of June 30, 2024 and 2023, the balance of the debt service reserve fund was \$26,407 and \$25,450, respectively. The assets in this reserve fund consist primarily of cash, fixed income investments, capitalized interest and other short-term securities.

In June 2024, Howard made advanced payments toward upcoming bond obligations. These payments are recorded under the current portion of deposits with trustees.

7. Reserve for Self-insured Liabilities

RESERVE FOR SELF-INSURED LIABILITIES	2024	2023
Professional liability	\$ 51,672	\$ 52,104
Workers' compensation	4,988	4,988
Health insurance trust	3,866	4,103
Total reserve for self-insured liabilities	<u>\$ 60,526</u>	<u>\$ 61,195</u>

(a) Professional Liability

Howard University is subject to various claims and litigation related to its hospital and clinical. Based on assessments from actuaries and legal counsel, Howard has accrued professional liability reserves of \$51,672 and \$52,104, as of fiscal years ended June 30, 2024 and 2023, respectively. These reserves are intended to cover probable losses from both filed (asserted) and potential (unasserted) claims. Professional liability reserves are reported as part of self-insured liabilities in the consolidated statement of financial position.

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The following tables summarizes changes in professional liability for fiscal years ended June 30, 2024 and 2023:

PROFESSIONAL LIABILITY	2024	2023
Beginning balance	\$ 52,104	\$ 52,992
Malpractice claims expense	10,661	4,935
Settlement payments	(11,093)	(5,823)
Ending balance	<u>\$ 51,672</u>	<u>\$ 52,104</u>

(b) Workers' Compensation

For fiscal years ended June 30, 2024 and 2023, Howard maintained \$5,221 and \$5,173 in letters of credit, respectively, as collateral for specific insurance carriers. Howard is self-insured for workers' compensation claims up to per occurrence retention of \$500, with any excess covered through commercial insurance.

Workers' compensation expenses were \$1,633 and \$561 for fiscal years ended June 30, 2024 and 2023, respectively, and are included in employee benefits.

The total liability for future workers' compensation claims includes amounts for claims covered under existing insurance policies. Reserves are based on actuarial estimates for both asserted and unasserted claims.

(c) Health Insurance

Howard University established a revocable self-insured trust fund to partially fund group health benefits for its employees. The fund's assets primarily consist of money market investments. Deposits to the fund include amounts withheld from employees' salaries and Howard's contributions, based on estimates from claims administrator. Disbursements from the fund are made in according to the payment plan established with the claims administrator.

8. Fair Value Measurements

U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. Accounting standards establish a hierarchy which consists of three categories for fair value measurements based upon the transparency of inputs used to value an asset or liability as of the measurement date as follows:

- Level 1 – quoted market prices for identical assets or liabilities in active markets.
- Level 2 – quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar instruments in markets that are not active; or other than quoted prices in which all significant inputs and significant value drivers are observable in active markets either directly or indirectly.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are not observable.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following assumptions and estimates were used to determine fair value of each class of financial instruments listed above:

- (1) Money market instruments include investments in open ended mutual funds that invest in US treasury securities, US agency bonds, certificates of deposit and corporate bonds. Funds that are quoted daily in active markets are classified as Level 1. Funds that are not quoted daily with prices based on amortized cost are classified as Level 2.

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- (2) For investments in government securities, domestic fixed income and corporate bonds, fair value is based first upon quoted market prices for those securities that can be classified as Level 1. For securities where an active market is not available, fair value is determined with reference to similar securities using market prices and broker quotes for similar instruments and are classified as Level 2.
- (3) Common stocks are largely valued based on the last sales price for identical securities traded on a primary exchange. These investments are classified as Level 1. Securities that trade infrequently, or that have comparable traded assets – that trade in either active or inactive markets - are priced using available quotes and other market data that are observable as of the reporting date and are classified as Level 2.
- (4) Alternative investments include Howard’s limited partnership interests, hedge funds, private equity and real estate and commodity funds. Trading in this class of funds is infrequent and, as a result, market values are not readily determinable. These investments are reported at the Net Asset Value (NAV), as provided by the fund managers. The NAV is used as a practical expedient to measure fair value but is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. The fund managers use pricing models, appraisals, discounted cash flow models, and other valuation techniques to determine fair value of the underlying investments in each fund. Units held within common/collective trusts (CCTs) are valued at the NAV.
- (5) Unexpended bond proceeds include investments in government debt security funds. These funds are not quoted daily and are valued at amortized cost. These investments are classified as Level 2.
- (6) Deposits held with trustees, including workers’ compensation, professional and general liability, health insurance and bond debt service deposits, are comprised primarily of money market instruments, US treasury securities, mortgage-backed securities and corporate bonds. Money market investments are classified as either Level 1 or Level 2 based on whether their prices are quoted daily. Investments in US treasury securities are classified as Level 1 and other fixed income securities are classified as Level 2.
- (7) Other assets represent the University’s beneficial interest in certain trust assets held by third parties. The underlying trust assets are comprised of a variety of investments, primarily exchange-traded funds and corporate fixed income. The fair value of this interest has been measured using the income approach as there is no active principal market trading in this interest. This interest was valued using the quoted market value for the underlying marketable securities of the Trust discounted for expected future cash flows to the University. These interests are classified as Level 3 assets as the reported fair values are based on a combination of observable and unobservable inputs.
- (8) The estimated fair value of Howard’s bonds is determined based on quoted market prices. As of June 30, 2024 and 2023, the estimated fair value was approximately \$736,075 and \$713,879, respectively. Fair value estimates are made at a specific point in time, are subjective in nature, and involve uncertainties and matters of judgment. Howard is not required to settle its debt obligations at fair value and settlement is not possible in most cases because of the terms under which the debt was issued and legal limitations on refunding tax-exempt debt.

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Howard's financial liabilities, as referenced above, are presented in Footnote 14. Howard's financial assets as of June 30, 2024 and 2023 are subject to fair value accounting. Fair value as of June 30, 2024 is as follows:

FAIR VALUE	Level 1	Level 2	Level 3	Total
Non-investment assets				
Unexpended bond proceeds (5)	\$ —	\$ 315,096	\$ —	\$ 315,096
Deposits with trustees (6)	14,505	26,406	—	40,911
Other assets (7)	—	—	3,620	3,620
Total non-investment assets	\$ 14,505	\$ 341,502	\$ 3,620	\$ 359,627
Operating investments				
Common stock (3)	9,632	—	—	9,632
Total operating investments	\$ 9,632	\$ —	\$ —	\$ 9,632
Restricted investments				
Money market instruments (1)	—	19,433	—	19,433
Common stock (3)	30,482	—	—	30,482
Total restricted investments	\$ 30,482	\$ 19,433	\$ —	\$ 49,915
Endowment investments				
Money market funds (1)	6,792	15,476	—	22,268
Common stock (3)	213,181	—	—	213,181
Fixed income				
Corporate bonds (2)	55,677	—	—	55,677
Mutual funds investment				
Domestic common stock (3)	9,950	—	—	9,950
Domestic fixed income (2)	58,191	—	—	58,191
Total endowment investments	\$ 343,791	\$ 15,476	\$ —	\$ 359,267
Assets not subject to fair value reporting (8)	13,738	—	—	13,738
Liabilities not subject to fair value reporting (8)	(1,537)	—	—	(1,537)
Total investments	\$ 396,106	\$ 34,909	\$ —	\$ 431,015
Total non-investments and investments, net of liabilities	\$ 410,611	\$ 376,411	\$ 3,620	\$ 790,642
Total investments measured at the NAV as a practical expedient (4)				678,098
Total assets and liabilities measured at fair value				\$ 1,468,740

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Fair value as of June 30, 2023 is as follows:

FAIR VALUE	Level 1	Level 2	Level 3	Total
Non-investment assets				
Unexpended bond proceeds (5)	\$ —	\$ 340,386	\$ —	\$ 340,386
Deposits with trustees (6)	1,719	25,449	—	27,168
Other assets (7)	—	—	3,153	3,153
Total non-investment assets	\$ 1,719	\$ 365,835	\$ 3,153	\$ 370,707
Operating investments				
Common stock (3)	7,719	—	—	7,719
Total operating investments	\$ 7,719	\$ —	\$ —	\$ 7,719
Restricted investments				
Money market instruments (1)	—	17,957	—	17,957
Common stock (3)	25,906	—	—	25,906
Government bonds (2)	9,970	—	—	9,970
Total restricted investments	\$ 35,876	\$ 17,957	\$ —	\$ 53,833
Endowment investments				
Money market funds (1)	4,409	43,457	—	47,866
Common stock (3)	176,715	—	—	176,715
Fixed income				
Government bonds (2)	6,360	—	—	6,360
Corporate bonds (2)	16,215	1	—	16,216
Mutual funds investment				
Domestic common stock (3)	31,387	—	—	31,387
Domestic fixed income (2)	41,343	—	—	41,343
Total endowment investments	\$ 276,429	\$ 43,458	\$ —	\$ 319,887
Assets not subject to fair value reporting (8)	4,812	—	—	4,812
Liabilities not subject to fair value reporting (8)	(2,156)	—	—	(2,156)
Total investments	\$ 322,680	\$ 61,415	\$ —	\$ 384,095
Total non-investments and investments, net of liabilities	\$ 324,399	\$ 427,250	\$ 3,153	\$ 754,802
Total investments measured at the NAV as a practical expedient (4)				608,884
Total assets and liabilities measured at fair value				\$ 1,363,686

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Investments measured at the NAV as a practical expedient at June 30, 2024 are summarized as follows:

INVESTMENTS MEASURED AT NAV	Fair Value	Unfunded Commitments	Redemption/ Withdrawal Frequency	Redemption/ Withdrawal Notice Period
Hedge funds(a)	\$ 77,227	\$ 157	Monthly-Annually	45-90 days
Common stock	43,694	—	Monthly	<30 days
Real estate funds(b)	53,838	7,222	—	1-10 years
Common/collective trusts(c)	56,788	—	Monthly	—
Limited partnerships(d)	446,551	149,950	—	≤ 10 years
Total investments measured at the NAV as practical expedient	<u>\$ 678,098</u>	<u>\$ 157,329</u>		

Investments measured at the NAV as a practical expedient at June 30, 2023 are summarized as follows:

INVESTMENTS MEASURED AT NAV	Fair Value	Unfunded Commitments	Redemption/ Withdrawal Frequency	Redemption/ Withdrawal Notice Period
Hedge funds(a)	\$ 74,612	\$ —	Monthly-Annually	45-90 days
Common Stock	3,670	—	Monthly	<30 days
Real estate funds(b)	51,832	12,468	—	1-10 years
Common/collective trusts(c)	85,357	—	Monthly	—
Limited partnerships(d)	393,413	179,972	—	≤ 10 years
Total investments measured at the NAV as practical expedient	<u>\$ 608,884</u>	<u>\$ 192,440</u>		

The tables presented above represent Howard's net asset value of investments by asset class and their respective liquidity terms and unfunded commitments as of June 30, 2024 and 2023. Real estate funds and limited partnerships do not have readily ascertainable market values and may be subject to withdrawal restrictions.

The investment objectives for the investments measured using the net asset or unit value are as follows:

- (a) **Hedge Funds:** The objective of the hedge funds is to generate superior risk-adjusted returns on its assets, maximize total return on investments and achieve long-term capital appreciation. This objective is achieved through a diversified mix of strategies including long/short equity, event driven, distressed securities and credit opportunities.
- (b) **Real Estate Funds:** The University achieves its exposure to this asset class through interests in operating partnerships that invest in real estate and real estate-related assets. The various funds are made up of a portfolio of high-yield commercial real estate and real estate-related assets that utilize various structures including mezzanine debt, joint ventures and discounted notes to achieve its objectives. These funds have predetermined termination dates that range from two to ten years with optional renewal terms.
- (c) **Common/Collective Trusts (CCTs):** The University invests a portion of its assets in common collective trusts where its assets are comingled with other assets and invested through one common medium with the goal of pursuing a common strategy of higher returns.
- (d) **Limited Partnerships:** A portion of the University assets are allocated for investment in private equity. This is accomplished through ownership interests in partnerships that pursue this investment approach. The life spans of these partnerships are stated at the inception of each partnership, which as of the year ended June 30, 2024, had a maximum life span of ten years. Throughout the course of the partnership strategic decisions made by the general partners may result in return of capital to the University.

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The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the University believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement as of the reporting date.

Net investment income (loss) is summarized as follows for fiscal years June 30, 2024 and 2023:

NET INVESTMENT INCOME (LOSS)	2024	2023
Interest and dividends	\$ 32,317	\$ 26,904
Net realized gains	40,389	27,153
Net unrealized gains	45,292	17,509
Other investment income, net of expense	2	3
Investment expenses	(10,113)	(11,373)
Total net investment income	\$ 107,887	\$ 60,196
Current-year unrestricted operating return	1,875	1,251
Current-year non-operating investment return (loss):		
Without donor restriction	47,395	27,725
With donor restriction	58,617	31,220
Total current year investment return	\$ 107,887	\$ 60,196
Prior-year (earnings) designated for current operations:		
Without donor restriction	(14,528)	(13,745)
With donor restriction	(14,052)	(7,788)
Total designated for current operations	\$ (28,580)	\$ (21,533)
Net non-operating investment return:		
Without donor restriction	32,867	13,980
With donor restriction	44,565	23,432

9. Endowment Fund

Howard's endowment includes several individual accounts established to fund scholarships, professorships, student loans, general operations and other purposes. Howard is subject to the DC UPMIFA.

Interpretation of Relevant Law

Net Asset Classification - The Board of Trustees of Howard has interpreted the DC UPMIFA as requiring the preservation of the fair value of the original gift, as of the gift dates of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, Howard classifies as donor-restricted net assets in perpetuity:

- (a) The original value of gifts with permanent donor-directed use restrictions.
- (b) The value of accumulations in accordance with the applicable donor gift instrument at the time the accumulation occurs.

Any portion of the donor-restricted gift is classified as net assets with donor restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by DC UPMIFA.

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Spending - In accordance with DC UPMIFA, Howard considers the following factors in making a determination to spend or accumulate donor-restricted endowment funds:

- (a) The duration and preservation of the fund
- (b) The purposes of Howard and the donor-restricted endowment fund
- (c) General economic conditions
- (d) The possible effect of inflation and deflation
- (e) The expected total return from income and appreciation of investments
- (f) Other resources of Howard
- (g) The investment policies of Howard

Management and Investment - In accordance with DC UPMIFA, Howard considers the following factors in making investment, as well as other management decisions, regarding donor-restricted endowment funds:

- (a) General economic conditions
- (b) The possible effect of inflation and deflation
- (c) The expected tax consequences, if any
- (d) The role of an investment/action in context of the entire portfolio
- (e) The expected total income and appreciation
- (f) Other University resources
- (g) The needs to preserve capital and make distributions
- (h) An asset's special relationship or value to the University's charitable purpose.

The change in value and the composition of amounts classified as endowment as of June 30, 2024 is as follows:

ENDOWMENT CHANGE IN VALUE	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Endowment net assets, beginning of year	\$ 426,656	\$ 506,050	\$ 932,706
Investment return:			
Investment income	9,747	15,646	25,393
Net appreciation (realized and unrealized)	30,387	38,689	69,076
Total investment return	\$ 40,134	\$ 54,335	\$ 94,469
Contributions	10,452	29,265	39,717
Appropriation of endowment assets for operations	(14,528)	(14,052)	(28,580)
Other changes:			
Transfer and other changes	18,997	(13,498)	5,499
Endowment net assets, end of year	\$ 481,711	\$ 562,100	\$ 1,043,811
Donor-restricted endowment funds	—	562,233	562,233
Underwater endowment funds	—	(133)	(133)
Board designated quasi-endowment	481,711	—	481,711
Endowment net assets, end of year	<u>\$ 481,711</u>	<u>\$ 562,100</u>	<u>\$ 1,043,811</u>

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The change in value and the composition of amounts classified as endowment as of June 30, 2023 is as follows:

ENDOWMENT CHANGE IN VALUE	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Endowment net assets, beginning of year	\$ 403,766	\$ 455,159	\$ 858,925
Investment return:			
Investment income	9,746	14,780	24,526
Net appreciation (realized and unrealized)	22,328	15,143	37,471
Total investment return	\$ 32,074	\$ 29,923	\$ 61,997
Contributions	408	24,765	25,173
Appropriation of endowment assets for operations	(13,010)	(8,523)	(21,533)
Other changes:			
Transfer and other changes	3,418	4,726	8,144
Endowment net assets, end of year	\$ 426,656	\$ 506,050	\$ 932,706
Donor-restricted endowment funds	—	506,720	506,720
Underwater endowment funds	—	(670)	(670)
Board designated quasi-endowment	426,656	—	426,656
Endowment net assets, end of year	<u>\$ 426,656</u>	<u>\$ 506,050</u>	<u>\$ 932,706</u>

The original gift amount and net appreciation of net assets with donor restrictions as of June 30, 2024 and 2023 is as follows:

ENDOWMENT NET ASSETS WITH DONOR RESTRICTIONS	2024	2023
Original Gift	\$ 302,358	\$ 277,472
Net Appreciation	259,742	228,578
Total endowment net assets with donor restrictions	<u>\$ 562,100</u>	<u>\$ 506,050</u>

Howard's endowment net assets include receivables related to the federal term endowment and contributions, which have not been invested and therefore not included as part of endowment investments. At June 30, 2024 and 2023 receivables of \$11,314 and \$6,073, respectively are recorded, and represent the difference between endowment investments reflected on consolidated statements of financial position and endowment net assets reported above.

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donors require Howard to retain as a fund of perpetual duration. Deficiencies of this nature, so called "underwater accounts", are reported in net assets with donor restrictions and totaled \$133 and \$670 as of fiscal years ended June 30, 2024 and 2023, respectively. Howard has adopted a policy allowing spending in certain situations from underwater, donor-restricted endowment funds, absent overriding provisions in donor agreements. Howard's investment and spending policy is intended to conform with DC UPMIFA which allows spending in underwater endowments, in support of an endowment's purpose.

FUNDS WITH DEFICIENCIES	2024	2023
Fair value of underwater endowments	\$ 2,432	\$ 25,223
Original endowment gift amount	2,565	25,893
Deficiencies of underwater endowment funds	<u>\$ (133)</u>	<u>\$ (670)</u>

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Return Objectives and Risk Parameters - Howard has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to minimize the risk associated with obtaining such income streams. Endowment assets include those that the organization must hold in perpetuity or for a donor-specified period(s), as well as board-designated endowment funds. Under these policies the endowment assets are invested through a diversified investment program designed to exceed the risk-adjusted performance of the market benchmark representative of each asset class over rolling five-to-seven-year periods. Howard's objective, over time, is to obtain an average total real rate of return (inflation adjusted) that exceeds its targeted distribution amount over rolling five-to-seven-year periods. Howard's investment strategy aims for a low to moderate level of investment risk. Actual returns in any given year may significantly vary from this objective.

Strategies Employed for Achieving Objectives - To satisfy its long-term rate-of-return objectives, Howard relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and yield (interest and dividends). Howard targets a diversified asset allocation which places greater emphasis on global public equity-based investments complimented by private markets, real estate and fixed income strategies to achieve its long-term return objectives within prudent risk constraints. The endowment's long-term target asset allocation is approved by the Investment Committee of the Board of Trustees.

Spending Policy and How the Investment Objectives Relate to Spending Policy - Howard's spending policy allows for distribution each year of up to 5 percent of its endowment fund's market value, excluding Federal term and Islamic Funds, based upon a three-year moving average with the most recent year removed. In establishing this policy, Howard considered the long-term expected return on its endowment consistent with its general goal of facilitating the ability of endowments (specifically permanent and time specific endowments) to best fulfill the purposes for which they were designed.

10. Long-Lived Assets

LONG-LIVED ASSETS	2024	2023
Land and land improvements	\$ 63,547	\$ 63,547
Buildings and building improvements	1,043,659	1,027,145
Property held for expansion	45,891	45,891
Furniture and equipment	366,798	358,844
Library books	92,264	92,264
Works of art, historical treasures, literary works and artifacts	43,758	43,755
Software	109,401	106,932
Software in progress	12,135	12,135
Construction in progress	266,561	149,795
Long-lived assets, gross	2,044,014	1,900,308
Accumulated depreciation	(1,227,716)	(1,189,578)
Long-lived assets, net	<u>\$ 816,298</u>	<u>\$ 710,730</u>

For fiscal years ended June 30, 2024 and 2023, there were \$164 and \$19,379, respectively, in sales, disposals and retirements. There were no disposals of works of art, historical treasures, literary works and artifacts for either fiscal year presented.

Depreciation expense for the years ended June 30, 2024 and 2023 was \$42,442 and \$42,070, respectively. For fiscal years ended 2024 and 2023, net interest costs of \$4,971 and \$11,969, respectively, were incurred during construction and capitalized as part of the cost of capital projects.

Long-lived assets include property held for expansion, consisting of land and buildings acquired for future use in carrying out educational, research and other activities in line with the overall mission of Howard. Depreciation for buildings commences when property is converted to use. Long-lived assets include capitalization of donated artwork that is not subject to depreciation.

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11. Accounts Payable and Accrued Expenses

Components of this line item at June 30, 2024 and 2023 are as follows:

ACCOUNTS PAYABLE AND ACCRUED EXPENSES	2024	2023
Vendor invoices	\$ 146,563	\$ 113,075
Accrued salaries and wages	22,284	23,893
Accrued employee benefits	8,052	3,633
Accrued annual leave	7,284	6,214
Accrued interest	7,706	7,404
Other	164	2,904
Total accounts payable and accrued expenses	<u>\$ 192,053</u>	<u>\$ 157,123</u>

12. Other Liabilities and Deferred Revenue

Other liabilities are comprised primarily of student deposits and refunds, unclaimed property, deposits held in custody for others, environmental liability, reserves for legal and other contingencies and miscellaneous items. These obligations include the following at June 30, 2024 and 2023:

OTHER LIABILITIES	2024	2023
Environmental liabilities	\$ 560	\$ 1,519
Due to third-party student housing partner	6,122	6,520
Unclaimed property	7,007	6,228
Student deposits and refunds	6,888	7,687
Reserve for legal contingencies	5,240	3,495
Deposits held in custody for others	2,545	1,951
Miscellaneous	6,439	3,932
Total other liabilities	<u>\$ 34,801</u>	<u>\$ 31,332</u>

Howard incurred costs related to remediation of environmental liabilities during fiscal years ended June 30, 2024 and 2023 of \$959 and \$282, respectively.

Deferred revenue represents cash received, but not earned as of June 30, 2024. This is primarily composed of refundable grant revenue advances, deferred lease income and Medicare advance payment program.

DEFERRED REVENUE	2024	2023
Deferred tuition, room and board	\$ 8,050	\$ 5,774
Deferred grant revenue	61,202	63,442
Deferred lease income	47,756	48,243
Medicare advance payment	2,950	2,432
Other	3,641	3,722
Total deferred revenue	<u>\$ 123,599</u>	<u>\$ 123,613</u>

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13. Leases

Finance Leases

In fiscal year 2024, the University entered a lease with Cisco Capital to refresh the existing campus wireless network by replacing access points and switches with new models from Cisco Capital. This upgrade aims to streamline and modernize the network, simplify network operations, and improve the student experience. The lease has a term of 60 months and payments of \$1,429 are made annually.

Howard is also obligated under other finance leases for office, technology and medical equipment that extend through fiscal year 2096.

Howard considered the likelihood of exercising renewal or termination terms in measuring its right-of-use lease assets and lease liabilities. Except for leases for certain medical equipment that will extend its useful life by the end of the lease, management reviews each lease option to modify terms on a case-by-case basis. The right-of-use assets are amortized over their estimated useful lives.

Operating Leases

The University has several non-cancelable operating leases for broadcast antennas, equipment and a vehicle fleet that extend through fiscal year 2029.

Howard considered the likelihood of exercising renewal or termination terms in measuring its right-of-use lease assets and lease liabilities and has included renewal periods in its assessment of lease terms. The right-of-use assets are amortized over their estimated useful lives.

The finance lease right-of-use assets and accumulated amortization, operating lease right-of-use assets and corresponding liabilities for the fiscal years ended June 30 are as follows:

LEASE RIGHT OF USE ASSETS AND OBLIGATIONS

	2024	2023
Finance lease right of use assets	\$ 52,990	\$ 41,111
Finance lease accumulated amortization	(21,872)	(17,670)
Finance lease right of use assets, net	\$ 31,118	\$ 23,441
Operating lease right of use asset	69,491	39,346
Total right of use assets, net	\$ 100,609	\$ 62,787
Finance lease obligation	\$ 27,626	\$ 21,348
Operating lease obligation	69,123	34,277
Total lease obligation	\$ 96,749	\$ 55,625

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As of June 30, 2024, the minimum future payments were as follows:

LEASE OBLIGATIONS	FINANCE	OPERATING	TOTAL
Future principal and interest years ending June 30			
2025	\$ 6,671	\$ 18,302	\$ 24,973
2026	6,188	11,281	17,469
2027	5,969	7,953	13,922
2028	5,420	5,851	11,271
2029	2,768	5,044	7,812
2030 and thereafter	6,810	36,242	43,052
Obligation, gross	\$ 33,826	\$ 84,673	\$ 118,499
Amounts representing interest rates from 2% to 9%	(6,200)	(15,550)	
Total lease obligations, net	<u>\$ 27,626</u>	<u>\$ 69,123</u>	

Certain additional supplemental quantitative information is as follows for the fiscal years ended June 30:

LEASE EXPENSE	2024	2023
Finance lease expense:		
Amortization of right of use assets	\$ 4,203	\$ 4,129
Interest on lease liabilities	1,747	1,974
Total finance lease expense	\$ 5,950	\$ 6,103
Operating lease expense	24,434	14,371
Short term lease expense	8,665	11,336
Total lease expense	<u>\$ 39,049</u>	<u>\$ 31,810</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION FOR LEASES	2024	2023
Cash paid for amounts included in the measurements of lease liabilities:		
Operating cash flows	\$ 17,132	\$ 2,755
Financing cash flows	5,601	4,514
Change in operating right of use (ROU) leases:		
Operating cash flows	\$ —	\$ 2,966

OTHER INFORMATION	2024	2023
Right of use (ROU) assets obtained in exchange for lease liabilities:		
Finance leases	\$ 11,878	\$ 3,885
Operating leases	51,978	11,912
Weighted-average remaining lease term (in years):		
Finance leases	5.94	7.09
Operating leases	8.73	5.61
Weighted-average discount rate:		
Finance leases	6.12%	6.65%
Operating leases	4.73%	5.65%

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Lessor Sales-Type Leases

Howard Manor Lease

In fiscal year 2020, the University as the lessor, entered into a 99-year ground lease and development agreement with Manor Lessee LLC (Manor) for the approximately 75,000 square foot building at 654 Girard Street, NW, Washington, D.C., (Howard Manor). The lease proceeds were a one-time payment of \$3,000 and annual rent of \$120 per year with an annual 2.25% rent increase to the University. Under that agreement, Manor was tasked to construct an 80-unit apartment/housing complex. The agreement granted the University the right to repurchase Manor's lease and to regain management interest and control over the land and improvements.

In fiscal year 2024, the University exercised its repurchase rights for a one-time payment of \$25,791 to Manor. The repurchase allowed the University to regain control over the land and improvements. The University as lessor, subsequently entered into a 31-year ground lease with Provident Group Girard Properties Inc. (PGGPI) for Howard Manor. The terms of the lease are: (i) a one-time payment of \$22,510, provided by funding PGGPI received from Amazon under their Affordable Housing Program; and (ii) annual rent payments of \$400 per year with an annual 2.25% rent increase.

These leases are defined as sales-type leases under ASC 842-10-25-3 after considering the present value of the minimum lease payments relative to the fair value of the underlying value of the asset. As of June 30, the lease receivable for sales-type leases in reverse chronological order is as follows:

SALES-TYPE LEASE PAYMENTS RECEIVABLE	2024	2023
Howard Manor	\$ 4,836	\$ 9,884
Shining Star	2,752	2,826
East Towers Lot	—	40,500
Total sales-type lease payments receivable	<u>\$ 7,588</u>	<u>\$ 53,210</u>

As of June 30, 2024, the future minimum sales-type lease payments receivable to be received for years ending at June 30 is as follows:

SALES-TYPE LEASE PAYMENTS RECEIVABLE	June 30
2025	\$ 1,397
2026	664
2027	673
2028	683
2029	693
2030 and thereafter	4,375
Total undiscounted cash flows lease obligations, net	<u>\$ 8,485</u>
Impact of present value discount	(897)
Total sales-type lease payments receivable	<u>\$ 7,588</u>

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Lessor Operating Leases

East Towers Lot Lease

In prior years, the University as lessor, executed a 99-year ground lease for approximately 80,392 square feet of land at 2251 Sherman Avenue, NW, Washington, D.C. and 2047 9th Street, NW, Washington, D.C., (East Towers Lot) for \$60,500. The lease payments were to be paid in three installments: (i) \$20,000 at the initial June 2022 closing; (ii) \$22,000 on the earlier of June 30, 2023 or 30 days after the alley closure pursuant to the agreement; and (iii) \$18,500 on the date that is 15 days after the final approvals for alley closure. Additionally, the University was entitled to receive a 15% share of net proceeds from a refinance or disposition of the initial ground lessee's tenant interest after achievement of stipulated internal rate of return. On July 28, 2023, the University, as lessor, entered into the second amendment to East Towers Lot, converting \$22,000 of outstanding lease receivables into variable payments through first and second-tier project participation. Consequently, in fiscal year 2024, the University recognized an impairment on its net lease receivable, and the lease was reclassified from sales-type to operating.

Lot 3 Lease

In fiscal year 2023, the University as lessor executed a 99-year ground lease for the Lot 3 property located on Georgia Avenue, NW, Washington D.C. for \$32,402. The lease payments will be paid via (i) upfront closing of \$9,969, (ii) \$13,385 on or before June 30, 2023, (iii) \$8,951 by June 30, 2024 and (iv) rent in the amount of \$1 per year. Additionally, the University will be entitled to receive annual participation payment on or before April 30th of each calendar year in an amount equal to 1.5% of net cash flow for the prior calendar year. At the expiration of the terms for the lease, title to and ownership of any improvements then on the land and tenant's leasehold interest therein shall automatically and immediately revert, convey and vest in the University, for no further consideration and free and clear of all mortgages, liens, impositions and defects in title. The lease does not include a guaranteed residual value.

HURB-1 Lease

In fiscal year 2022, the University as lessor executed a 99-year ground lease for approximately 42,750 square feet of land at 1840 7th Street, NW Washington, D.C., for (i) rent in the amount of \$1 per year, (ii) upfront closing of \$16,240, and (iii) an annual participation payment to be paid to the University on or before April 30th of each calendar year in an amount equal to 1.5% of net cash flow for the prior calendar year. At the expiration of the terms for the lease, title to and ownership of any improvements then on the land and tenant's leasehold interest therein shall automatically and immediately revert, convey and vest in the University, for no further consideration and free and clear of all mortgages, liens, impositions and defects in title. The lease does not include a guaranteed residual value.

Howard has several other operating leases for retail and commercial space for which rent payments are fixed at the time of lease commencement. Howard considers the likelihood of its tenants exercising renewal or termination terms in its leases, based upon prior renewals or extensions, sales and revenue forecasts, etc. in determining the ultimate term of the lease. Some tenants have the option of re-negotiating a new agreement upon the termination of the lease or extending the terms in the current lease. Termination terms are explicitly stated in each lease agreement. Lease payments are governed by the lease agreement and are generally fixed, although some lease agreements provide for payment escalations based on CPI. Howard only includes consideration for lease components in its determination of lease payments.

Howard's leased properties are comprised of (i) the Wonder Plaza Building, (ii) space available on the top of certain buildings, and (iii) the ground lease of Barry Place. Other standalone buildings owned by Howard are leased to private companies such as (iv) a public charter school, (v) a car rental company, (vi) a pharmacy, (vii) student housing facilities, (viii) cosmetic store, (ix) restaurant and (x) fast food chain. Howard also leases space in the Hospital to a large private pharmacy.

Howard's leases do not have any provisions for tenants to purchase the underlying asset being leased at the end of the lease term, or that provide for residual value guarantees.

Howard University receives rental income under these lease agreements, which have termination dates through 2023 and thereafter. The total lease income earned for fiscal years ended June 30, 2024, and 2023 was \$4,008 and \$4,806, respectively and are reported in real property revenue on the statements of activities.

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LEASE INCOME	2024	2023
Interest income on sales type lease	\$ 151	\$ 186
Operating lease income	3,857	4,620
Total lease income	<u>\$ 4,008</u>	<u>\$ 4,806</u>

As of June 30, 2024, the future minimum operating lease payments receivable to be received for years ending at June 30 is as follows:

OPERATING LEASE PAYMENTS RECEIVABLE	June 30
2025	\$ 1,977
2026	1,419
2027	1,129
2028	1,014
2029	1,024
2030 and thereafter	65,436
Total operating lease payments receivable	<u>\$ 71,999</u>

14. Bonds Payable and Notes Payable

(a) Bonds Payable

Howard is obligated with respect to the following bond issues at June 30:

BONDS PAYABLE	2024	2023
2023A Future Advance Project Funding Bonds, 3.653% to 4.755% Serial due 2026 through 2053	\$ 3,762	\$ 2,491
2022A Taxable bonds, 5.209% Serial due through 2053	300,000	300,000
2021A Taxable bonds, 3.89% to 4.76% Serial due through 2051	151,285	151,285
2020B Taxable bonds, 1.99% to 3.48% Serial due through 2041	209,085	209,085
2020A Taxable bonds, 2.52% to 3.00% Serial due through 2031	111,645	123,720
2011B Taxable bonds, 7.63% Serial due through 2035	49,325	49,325
2010 Revenue bonds, 5.05% Serial due through 2025	1,423	2,314
Total bonds payable, gross	\$ 826,525	\$ 838,220
Unamortized bond discount	(4,713)	(4,992)
Unamortized bond issuance costs	(10,791)	(11,500)
Total bonds payable, net	<u>\$ 811,021</u>	<u>\$ 821,728</u>

(1) Series 2023A Future Advance Project Funding Bonds

In January 2023, the University issued the Series 2023A Bonds under the Historically Black College and University Capital Loan Financing Program, a federal program of the Department of Education. The proceeds of the Series 2023A Bonds will be used to finance a STEM Building to be located on the premises of the University. The Series 2023A Bonds are a non-conventional bond issuance as financing adopts a draw down convention versus traditional bond issuances where net proceeds from closing are delivered to a designated account. The total draw down of this facility is not to exceed \$224,000. The bonds will bear interest at the prevailing U.S. Treasury yields at the time of each draw. The bonds will have a maturity date of April 1, 2053. At fiscal year ended June 30, 2024, a total of \$3,762 had been drawn under the 2023A Bonds at interest rates between 3.653% and 4.755%.

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(2) Series 2022A Taxable Bonds

In March 2022, the University issued the Series 2022A Taxable Bonds in the amount of \$300,000. The proceeds of the Series 2022A bonds will be used to finance or reimburse itself for (i) costs related to certain capital projects for the University, and (ii) costs of issuance related to the Series 2022A Bonds. The bonds bear interest at 5.209% repayable from 2022 to 2053.

(3) Series 2021A Taxable Bonds

In March 2021, the University issued the Series 2021A Taxable Bonds in the amount of \$151,285. The proceeds of the Series 2021A bonds will be used to finance a new steam generation plant on the University's Main Campus, a distribution system, and related expenses (the Project), including repayment of an outstanding \$26,000 bridge loan and accrued interest that funded portions of the Project. The bonds bear interest between 3.89% to 4.76% and are repayable between 2032 and 2051. As security for its payment obligations, the University will grant to the Trustee for the benefit of the Bondholders a first priority party lien upon its Pledge Revenues. The 2023 bonds require Howard to maintain a debt service fund of \$11,657. At the fiscal year ended June 30, 2024 the fund balance was \$12,126.

(4) Series 2020B Taxable Bonds

In July 2020, Howard issued \$209,085 of Series 2020B bonds to refund the Series 2011A bonds and to purchase securities which, along with cash, were deposited with an escrow agent to provide all future debt service payments owed to holders of the Series 2011A bonds through 2041. The Series 2020B bonds bear interest between 1.99% to 3.48% and are repayable between 2025 and 2041.

(5) Series 2020A Taxable Bonds

In February 2020, Howard issued the Series 2020 Taxable Bonds in the amount of \$146,900. The bonds bear interest between 2.42% to 3.00% and are repayable between 2021 and 2031. The proceeds of the Series 2020 Bonds were used to repay and settle the total outstanding principal amount of the Series 2016 Revenue Bonds. Howard received a more favorable interest rate with the 2020 bonds compared to the 2016 bonds.

(6) 2011B Taxable Bonds

In April 2011, Howard issued \$65,065 of Series 2011B bonds to refund the Series 1998 and Series 2006 bonds and to finance new capital improvements. The Series 2011B bonds bear interest between 4.31% and 7.63% and are repayable from 2015 to 2035. The average coupon rate is 6.57%. The 2011 bonds require Howard to maintain a debt service fund of \$12,634. As of June 30, 2024 the fund balance was \$14,281.

The Series 2011B Bonds are subject to optional redemption prior to maturity in whole or in part on any Business Day at the Make-Whole Redemption Price at the direction of Howard.

(7) 2010 Revenue Bonds

In August 2010, Howard issued \$10,400 of Series 2010 bonds. The bonds bear interest at 5.05% repayable from 2010 to 2025. The proceeds were used to retire an expiring equipment note and to fund energy related projects.

(b) Line of Credit

As of June 30, 2024, Howard has a \$75,000 JP Morgan Revolving Credit Agreement that terminates on December 31, 2025.

There was no outstanding balance at either June 30, 2024 or 2023. Howard is paying a quarterly non-refundable unutilized commitment fee at a rate of 1.55%.

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Compliance with Contractual Covenants

The Series 2011B, Series 2020A, Series 2020B, Series 2021A, Series 2022A, Series 2023A Bonds and the Revolving Credit Agreement all contain restrictive financial covenants as summarized in the table below as of June 30, 2024.

COVENANT	INSTRUMENT	MEASUREMENT DATE	CRITERIA
Debt Service Coverage Ratio	All Debt Instruments	June 30 each year	1.10:1.00
Liquidity Ratio	Revolving Credit Agreement	Quarterly	\$160 million

As of June 30, 2024 and 2023, Howard was compliant with the Debt Service Coverage Ratio measurements for the 2011B, 2020A, 2020B, 2021A, 2022A, and 2023A Bonds and the Liquidity Ratio for Revolving Credit Agreement.

The University has pledged revenue for payment obligations to the Series 2020A, Series 2020B, Series 2022A, and Series 2023A bondholders. Pledged Revenues consist of all gross revenues of the University (including all undergraduate and graduate schools and colleges) derived from (i) tuition (net of student financial aid provided by the University) and (ii) certain fees (other than tuition) collected from or on behalf of students for the purpose of supporting student instruction and administrative costs related thereto. Pledged Revenues will not include any revenues of the University associated with room and/or board, special purpose fees such as health and wellness fees, or net patient service revenue generated from operation of the Hospital. Pledged Revenues also excludes any revenues generated from clinical services related to the Hospital and the University's federal appropriation.

The Series 2020A, Series 2020B, and Series 2021A Bonds are also secured by the Restricted Academic Property. Restricted Academic Property consists of the properties on the Main Campus of the University for so long as any such property is actively in-use for the principal purpose of instruction, research, student activity or academic administration. The properties on the Main Campus that constitute Restricted Academic Property consist of the following:

- (1) Classroom Building #4, used primarily by the School of Business and located at 2600 6th Street, NW
- (2) Mackey Building, used primarily by the Department of Architecture and located at 2366 6th Street, NW
- (3) Downing Building, used primarily by the Department of Engineering and located at 2300 6th Street, NW

The University has pledged certain rent and lease income as collateral for the JP Morgan line of credit.

(c) Scheduled Bond Repayments

The scheduled principal repayments of bonds payable are as follows as of June 30, 2024:

AGGREGATE ANNUAL MATURITIES	AMOUNT
2025	\$ 13,617
2026	24,596
2027	24,690
2028	25,325
2029	26,010
2030 and thereafter	712,288
Total aggregate annual maturities	<u>\$ 826,525</u>

15. Retirement Plans

Employee Retirement Plan - Howard has a noncontributory defined benefit pension plan (the Plan) that was available to substantially all full-time employees through June 30, 2010. In accordance with government funding regulations, Howard's policy is to make annual contributions to the Plan at least equal to the minimum contribution. Based upon years of service and other factors, the Plan's benefit formula provides that eligible retirees receive a percentage of their final annual pay, based upon years of service and other factors. Plan assets consist primarily of common equity securities, U.S. Treasury securities, corporate bonds, and private investment funds. Effective July 1, 2010, the Plan no longer accrues benefits and is closed to new participants.

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Post-retirement Plan - Howard provides post-retirement medical benefits and life insurance to employees who, at the time they retire, meet specified eligibility and service requirements. Howard pays a portion of the cost of such benefits depending on various factors, including employment start date, age, years of service and either the date of actual retirement or the retirement eligibility date of the participant. The post-retirement benefit plan is unfunded and has no plan assets.

Supplemental Retirement Plan - Howard also has a supplemental retirement plan available to certain retired executives. The plan is noncontributory, unfunded and has a June 30 measurement date. The projected benefit obligation is \$500 and \$529 at fiscal years ended June 30, 2024 and 2023, respectively. The amounts not yet reflected in operating expenses, but included in net assets without donor restrictions pertain to accumulated losses of \$266 and \$260 at June 30, 2024 and 2023, respectively. The actuarial cost method and the assumption on discount rate used to determine the benefit obligation and net periodic cost in the actuarial valuation for the year ended June 30, 2024 are consistent with the method and assumptions used for the defined benefit pension plan.

Savings Plan – Howard offers employees a defined contribution plan under Section 403(b) of the Internal Revenue Code. Eligible employees received a contribution of 6% of base salary and are also permitted to contribute up to 15% of their base pay to the plan. The administration of the plan is provided by three active financial administrators: Teachers Insurance and Annuity Association/College Retirement Equities Fund, American International Group – Variable Annuity Life Insurance Company, and Voya Financial. Effective July 1, 2011 Lincoln Financial was replaced as a financial administrator by Voya Financial. While Lincoln Financial is no longer an active financial administrator of Howard, employees with investments with Lincoln are still allowed to hold their investments with Lincoln Financial. These administered plans provide additional retirement benefits including the purchase of annuity contracts for eligible employees. Total costs recognized in the consolidated statements of activities were \$27,030 and \$23,120 for fiscal years ended June 30, 2024 and 2023, respectively.

Effective July 1, 2010, the Savings Plan was modified such that Howard will automatically, upon hire, contribute 6% of any eligible employee's base pay, regardless of tenure or election into the Savings Plan. Howard will contribute a matching contribution of up to 2% of employee elected self-contributions.

The reconciliation of the Plan's funded status to amounts recognized in the consolidated financial statements at fiscal years ended June 30, 2024 and 2023 are as follows:

	Pension		Medical and Life Insurance		Supplemental	
	2024	2023	2024	2023	2024	2023
Retirement Benefits						
Change in benefit obligation						
Projected benefit obligation at beginning of year	\$ 560,938	\$ 584,733	\$ 38,466	\$ 41,450	\$ 529	\$ 583
Service cost	—	—	268	334	—	—
Interest cost	27,386	26,201	2,065	1,908	27	25
Actuarial (gain)/loss	(2,339)	(8,152)	885	(2,116)	38	18
Benefits paid	(41,806)	(41,844)	(3,195)	(3,365)	(94)	(97)
Employee contributions	—	—	241	255	—	—
Projected benefit obligation at end of period	\$ 544,179	\$ 560,938	\$ 38,730	\$ 38,466	\$ 500	\$ 529
Change in plan assets:						
Fair value of plan assets at beginning of year	\$ 581,540	\$ 605,633	\$ —	\$ —	\$ —	\$ —
Actual return on plan assets	25,835	17,751	—	—	—	—
Employer contributions	—	—	2,954	3,110	94	97
Employee contributions	—	—	241	255	—	—
Benefits paid	(41,806)	(41,844)	(3,195)	(3,365)	(94)	(97)
Fair value of plan assets at end of period	\$ 565,569	\$ 581,540	\$ —	\$ —	\$ —	\$ —
Funded status of the plan	\$ 21,390	\$ 20,602	\$ (38,730)	\$ (38,466)	\$ (500)	\$ (529)

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Components of net periodic benefit cost and other amounts recognized in net assets without donor restrictions at fiscal years ended June 30, 2024 and 2023:

Retirement Benefits	Pension		Medical and Life Insurance		Supplemental	
	2024	2023	2024	2023	2024	2023
Recognized in Statement of Activities:						
Service cost	\$ —	\$ —	\$ 268	\$ 226	\$ —	\$ —
Interest cost	27,386	26,201	2,065	1,532	27	25
Amortization of prior service cost	100	100	(58)	(1,132)	—	—
Amortization of net actuarial loss	7,035	7,511	(430)	(198)	32	31
Expected return on plan assets	(36,957)	(37,556)	—	484	—	—
Net periodic benefit cost	<u>\$ (2,436)</u>	<u>\$ (3,744)</u>	<u>\$ 1,845</u>	<u>\$ 912</u>	<u>\$ 59</u>	<u>\$ 56</u>
Net actuarial loss (gain) during the year	8,783	11,653	885	(2,116)	38	18
Amortization of prior service cost	(100)	(100)	58	1,132	—	—
Amortization of net actuarial loss	(7,035)	(7,511)	430	198	(32)	(31)
Total change in funded status or obligation	<u>\$ 1,648</u>	<u>\$ 4,042</u>	<u>\$ 1,373</u>	<u>\$ (786)</u>	<u>\$ 6</u>	<u>\$ (13)</u>
Total recognized in Consolidated Statements of Activities	<u>\$ (788)</u>	<u>\$ 298</u>	<u>\$ 3,218</u>	<u>\$ 126</u>	<u>\$ 65</u>	<u>\$ 43</u>

Amounts included in net assets without donor restrictions at fiscal years ended June 30, 2024 and 2023:

Retirement Benefits	Pension		Medical and Life Insurance	
	2024	2023	2024	2023
Net actuarial loss	\$ (229,573)	\$ (227,825)	\$ (4,447)	\$ (5,762)
Prior service cost	(1,701)	(1,801)	—	(58)
Total retirement benefits	<u>\$ (231,274)</u>	<u>\$ (229,626)</u>	<u>\$ (4,447)</u>	<u>\$ (5,820)</u>

Over the next fiscal year, an estimated net actuarial loss of \$3,050, a prior services cost/(credit) of \$100, and transition obligation of \$0, are projected to be accounted for as part of the net periodic benefit cost for the pension and post-retirement plans.

There were no contributions to the pension plan in fiscal years ended June 30, 2024 and 2023, respectively. No contributions are projected for fiscal year 2025.

The weighted average assumptions used to determine the benefit obligation in the actuarial valuations for fiscal years ended June 30, 2024 and 2023 were as follows:

Actuarial Assumptions	Pension Benefits		Post-retirement Benefits	
	2024	2023	2024	2023
Discount rate	5.37%	5.10%	5.72%	5.65%
Expected return on plan assets	6.50%	6.50%	—%	—%
Rate of compensation increase	—%	—%	3.50%	3.50%

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The weighted average assumptions used to determine net periodic cost in the actuarial valuations for fiscal years ended June 30, 2024 and 2023 were as follows:

Actuarial Assumptions	Pension Benefits		Post-retirement Benefits	
	2024	2023	2024	2023
Discount rate	5.10%	4.67%	5.65%	4.82%
Expected return on plan assets	6.50%	6.50%	—%	—%
Rate of compensation increase	—%	—%	3.50%	3.50%

The overall long-term rate of return for the pension plan assets was developed by estimating the expected long-term real return for each asset class within the portfolio. An average weighted real rate of return was computed for the portfolio which reflects the Plan's targeted asset allocation. Consideration was given to the correlation between asset classes and the anticipated real rate of return and was added to the anticipated long-term rate of inflation.

Pension plan investments as of June 30, 2024 were as follows:

PENSION PLAN INVESTMENTS	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Pension Plan Investments				
Assets:				
Money market funds (4)	\$ —	\$ 6,726	\$ —	\$ 6,726
U.S. government securities (3)	71,015	—	—	71,015
Common stock (1)	27,832	—	—	27,832
Fixed income	5,521	—	—	5,521
Mortgage backed securities (2)	—	12,830	—	12,830
Corporate bonds (2)	24,628	149,771	—	174,399
Obligations of foreign governments (3)	—	4,060	—	4,060
Mutual funds				
Domestic fixed income (4)	115,017	—	—	115,017
Total assets	\$ 244,013	\$ 173,387	\$ —	\$ 417,400
Assets/(Liabilities):				
Financial derivatives – option contracts	\$ —	\$ 1,828	\$ —	\$ 1,828
Total assets/(liabilities)	\$ —	\$ 1,828	\$ —	\$ 1,828
Operating asset not subjected to fair value reporting	\$ 71,361	\$ —	\$ —	\$ 71,361
Operating liabilities not subjected to fair value reporting	(96,425)	—	—	(96,425)
Total pension plan investments, net of liabilities	\$ 218,949	\$ 175,215	\$ —	\$ 394,164
Total investments measured at the NAV as a practical expedient				173,221
Total plan assets				\$ 567,385

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Pension plan investments as of June 30, 2023 were as follows:

PENSION PLAN INVESTMENTS	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Pension Plan Investments				
Assets:				
Money market funds (4)	\$ —	\$ 1,763	\$ —	\$ 1,763
U.S. government securities (3)	83,420	—		83,420
Common stock (1)	44,707	—	—	44,707
Fixed income	5,008	—	—	5,008
Mortgage backed securities (2)	—	9,547	—	9,547
Corporate bonds (2)	—	133,820	—	133,820
Obligations of foreign governments (3)	—	201	—	201
Mutual funds				
Domestic fixed income (4)	103,121	—	—	103,121
Total assets	\$ 236,256	\$ 145,331	\$ —	\$ 381,587
Liabilities:				
Financial derivatives – option contracts	\$ —	\$ (1,934)	\$ —	\$ (1,934)
Total liabilities	\$ —	\$ (1,934)	\$ —	\$ (1,934)
Operating asset not subjected to fair value reporting	\$ 20,771	\$ —	\$ —	\$ 20,771
Operating liabilities not subjected to fair value reporting	(18,754)	—	—	(18,754)
Total pension plan investments, net of liabilities	\$ 238,273	\$ 143,397	\$ —	\$ 381,670
Total investments measured at the NAV as a practical expedient				201,925
Total plan assets				\$ 583,595

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2024 and 2023.

- (1) **Common Stock:** Valued at the closing price as reported on the relevant stock exchange.
- (2) **Corporate Bonds, Mortgage-Backed Securities:** Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.
- (3) **U.S. Government Securities and Obligations of Foreign Governments:** Valued using pricing models maximizing the use of observable inputs for similar securities.

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- (4) **Money Market Funds, Mutual Funds, and Other Registered Investments:** Represent investments with various investment managers. The mutual funds are valued at the daily closing net asset value as reported by the fund. Mutual funds held by the Plan are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded. Money market investments are short-term investments in money market mutual funds which invest in highly liquid government or corporate debt instruments. The Plan invests in a other registered investment called the PIMCO Long Duration Credit Bond Portfolio, which seeks to maximize return by investing in corporate fixed income instruments, options, futures, and swap agreements. They are comprised of units held within a portfolio of an open-end management investment company and are valued at the NAV. The portfolios are registered with the SEC, but are not publicly traded. The NAV is used as a practical expedient to estimate fair value and is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

Plan investments measured at the NAV as a practical expedient are summarized for fiscal year 2024 as follows:

INVESTMENTS MEASURED AT NAV	Fair Value	Unfunded Commitments	Redemption/ Withdrawal Frequency	Redemption/ Withdrawal Notice Period
Common stock	6,087	—	Monthly	0
Real estate funds (b)	20,630	2,234	—	1-5 years
Common/collective trusts (c)	31,577	—	Monthly	—
Limited partnerships (d)	114,927	23,910	—	< 10 years
Total investments measured at the NAV as practical expedient	<u>\$ 173,221</u>	<u>\$ 26,144</u>		

Plan investments measured at the NAV as a practical expedient are summarized for fiscal year 2023 as follows:

INVESTMENTS MEASURED AT NAV	Fair Value	Unfunded Commitments	Redemption/ Withdrawal Frequency	Redemption/ Withdrawal Notice Period
Hedge funds (a)	\$ 13,569	\$ —	Monthly- Annually	45-90 days
Real estate funds (b)	21,984	3,210	0	1-5 years
Common/collective trusts (c)	44,952	—	Monthly	0
Limited partnerships (d)	121,420	29,906	—	< 10 years
Total investments measured at the NAV as practical expedient	<u>\$ 201,925</u>	<u>\$ 33,116</u>		

The tables presented above represent Howard's net asset value of investments by asset class and their respective liquidity terms and unfunded commitments as of June 30, 2024 and 2023. Real estate funds and limited partnerships do not have readily ascertainable market values and may be subject to withdrawal restrictions. Refer to Note 8 – Fair Value Measurements for further explanation of investment objectives for the investments measured at net asset value.

The asset allocation of the Plan is analyzed annually to determine the need for rebalancing to maintain an allocation that is within the allowable ranges. The investment strategy is to invest in asset classes that are negatively correlated to minimize overall risk in the portfolio. Interim targets outside of the allowable ranges were set to allow for flexibility in reaching the long-term targets in the private equity and real estate categories.

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The actual allocation of the Plan for June 30, is as follows:

PENSION PLAN ASSET ALLOCATION	2024	2023
Mid-Large Cap U.S. Equity	8.3%	4.4%
International Equity - Developed	2.3%	4.8%
Private Equity/Venture Capital	9.2%	9.7%
Private Debt	7.0%	7.2%
Hedge Funds	—%	1.6%
Inflation Hedging	4.1%	3.9%
Emerging Markets Equity	—%	1.1%
Real Estate	7.3%	8.3%
Liability Hedging Assets	57.4%	56.1%
Cash and Cash Equivalents	4.4%	2.9%
Total pension plan asset allocation	100.0%	100.0%

As a result of the Pension Plan achieving fully funded status, a trigger-point methodology is used to determine the allocation for each class.

The trend rate for growth in health care costs, excluding dental, used in the calculation for fiscal year 2024 is 5.31%. This growth rate was assumed to decrease gradually to 4.00% in 2046 and to remain at this level thereafter. The health care cost trend rate assumption has a significant effect on the obligations reported for the health care plans.

The following benefit payments, which reflect expected future service as appropriate, are expected to be paid over the next ten years as follows:

EXPECTED FUTURE BENEFIT PAYMENTS	PENSION BENEFITS	POST-RETIREMENT BENEFITS		
		EXCLUDING SUBSIDY	SUBSIDY PAYMENTS	NET OF SUBSIDY
Year ending June 30:				
2025	\$ 48,844	\$ 4,086	\$ 50	\$ 4,036
2026	47,847	3,936	46	3,890
2027	46,749	3,816	42	3,774
2028	45,370	3,694	39	3,655
2029	43,769	3,553	35	3,518
Years 2030-2034	191,988	15,828	132	15,696
Total expected future benefit payments	\$ 424,567	\$ 34,913	\$ 344	\$ 34,569

The mortality retirement rates base table used Pri-2012 Mortality Table without collar adjustment projected using the MP-2021 Mortality Improvement Scale.

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If eligible, participants are assumed to retire according to the following schedule:

RETIREMENT AGE	ASSUMED RATE OF RETIREMENT
55 - 60	5%
61 - 63	12%
64	16%
65	25%
66 – 69	16%
70+	100%

16. Net Assets

Net assets with donor restrictions are restricted for the following purposes as follows at June 30:

NET ASSETS WITH DONOR RESTRICTIONS	2024	2023
Restricted for specified purposes:		
Scholarships	\$ 79,909	\$ 77,200
Professorships	27,029	25,195
Student loans	3,298	3,224
General operations and other	136,215	104,205
Total subject to purpose restrictions	<u>\$ 246,451</u>	<u>\$ 209,824</u>
Total perpetual funds	<u>\$ 316,399</u>	<u>\$ 302,902</u>
Endowments subject to spending policy and appropriation:		
Scholarships	\$ 95,299	\$ 85,409
Professorships	36,474	32,769
Student loans	115	41
Federal term endowment	199,728	186,536
General operations and other	14,604	10,972
Total endowments subject to spending policy and appropriation	<u>\$ 346,220</u>	<u>\$ 315,727</u>
Total net assets with donor restrictions	<u><u>\$ 909,070</u></u>	<u><u>\$ 828,453</u></u>

The Federal term endowment restriction is for 20 years for each contribution beginning in 1985. Howard transfers the original contribution amount, plus accumulated investment returns, to net assets without donor restrictions at the end of each 20-year period. For fiscal year ended June 30, 2024, there were transfers of \$12,665; no transfers for fiscal year ended June 30, 2023.

For the fiscal years ended June 30, 2024 and 2023, net assets without donor restrictions were \$464,799 and \$512,874, respectively. Net assets without donor restrictions include board-designated and undesignated amounts. Any revenue or expense transactions funded by contributions without external donor restrictions are classified as undesignated amounts.

Net assets without donor restrictions include the following at June 30:

NET ASSETS WITHOUT DONOR RESTRICTIONS	2024	2023
Undesignated	\$ —	\$ 86,218
Board-designated	464,799	426,656
Total net assets without donor restrictions	<u><u>\$ 464,799</u></u>	<u><u>\$ 512,874</u></u>

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Release of net assets with donor restrictions due to the passage of time or by incurring expenses satisfying the restricted purpose specified by the donors as noted for the fiscal years ended June 30, 2024 and 2023 are as follows:

NET ASSETS RELEASED FROM RESTRICTIONS	2024	2023
Expiration of time and other restrictions	\$ 12,665	\$ —
Satisfaction of purpose restrictions:		
Scholarships and fellowships	15,258	13,194
Professorships	1,228	1,079
Student loans	337	515
General operations and other	8,394	3,955
Total net assets released from restrictions	<u>\$ 37,882</u>	<u>\$ 18,743</u>

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17. Consolidated Statements of Functional Expenses

Howard presents its statements of activities by program. Howard allocates its expenses on a functional basis among its various programs and institutional support. Expenses that can be identified with a specific program are charged directly. Costs related to the operation and maintenance of physical plant including utilities, depreciation of fixed assets and interest expense, are allocated among programs and institutional support based upon square footage. Allocation rates are evaluated and updated annually to provide the most accurate allocation of operation and maintenance costs.

Howard engages in fundraising activities in support of the University. Costs associated with fundraising for fiscal years ended June 30, 2024 and 2023 are \$7,741 and \$4,850, respectively, and are included in Administrative and Support Services.

For the year ended June 30, 2024	Program Services					Administrative and Support Services	Total Operating Expenses
	Academic and Student Support	Research	Healthcare Services	Auxiliary Enterprises	Total Program Services		
Operating expenses:							
Compensation	\$ 226,540	\$ 49,148	\$ 203,880	\$ 7,055	\$ 486,623	\$ 111,094	\$ 597,717
Medical and office supplies	5,201	6,068	30,299	171	41,739	4,441	46,180
Repairs and maintenance	6,663	2,431	527	1,463	11,084	24,344	35,428
Food service costs	81	—	4,173	22,470	26,724	15	26,739
Grant subcontracts	15,195	20,296	—	—	35,491	72	35,563
Insurance and risk management	9,748	—	13,651	—	23,399	8,557	31,956
Professional and administrative services	63,896	13,902	52,546	20,315	150,659	123,638	274,297
Impairment of net lease investment (receivable)	—	—	—	—	—	22,151	22,151
Other costs	11,454	1,206	4,344	1,811	18,815	8,669	27,484
Total operating expenses before net interest, depreciation, and amortization	338,778	93,051	309,420	53,285	794,534	302,981	1,097,515
Net interest expense	—	—	3,208	—	3,208	30,796	34,004
Depreciation and amortization	21,568	2,016	5,943	3,415	32,942	9,586	42,528
Net interest, depreciation, and amortization	21,568	2,016	9,151	3,415	36,150	40,382	76,532
Total operating expenses	<u>\$ 360,346</u>	<u>\$ 95,067</u>	<u>\$ 318,571</u>	<u>\$ 56,700</u>	<u>\$ 830,684</u>	<u>\$ 343,363</u>	<u>\$1,174,047</u>

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For the year ended June 30, 2023	Program Services					Administrative and Support Services	Total Operating Expenses
	Academic and Student Support	Research	Healthcare Services	Auxiliary Enterprises	Total Program Services		
Operating expenses:							
Compensation	\$ 227,374	\$ 40,753	\$ 189,016	\$ 8,020	\$ 465,163	\$ 77,990	\$ 543,153
Medical and office supplies	8,115	5,122	31,202	816	45,255	4,893	50,148
Repairs and maintenance	11,089	1,453	1,680	1,999	16,221	6,747	22,968
Food service costs	21	10	3,792	20,299	24,122	198	24,320
Grant subcontracts	13,553	21,578	1	19	35,151	352	35,503
Insurance and risk management	11,752	—	5,413	—	17,165	6,836	24,001
Professional and administrative services	53,933	9,834	60,921	9,637	134,325	112,768	247,093
Other costs	12,492	1,176	4,892	1,998	20,558	2,611	23,169
Total operating expenses before net interest, depreciation, and amortization	338,329	79,926	296,917	42,788	757,960	212,395	970,355
Net interest expense	—	—	2,843	—	2,843	30,558	33,401
Depreciation and amortization	20,814	1,945	6,096	3,296	32,151	10,090	42,241
Net interest, depreciation, and amortization	20,814	1,945	8,939	3,296	34,994	40,648	75,642
Total operating expenses	<u>\$ 359,143</u>	<u>\$ 81,871</u>	<u>\$ 305,856</u>	<u>\$ 46,084</u>	<u>\$ 792,954</u>	<u>\$ 253,043</u>	<u>\$1,045,997</u>

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The Howard University
Notes to the Consolidated Financial Statements
June 30, 2024 and 2023
(In thousands)

18. Estimated Third-Party Settlements

Certain services rendered by the Hospital are reimbursed by third-party payors at cost, based upon cost reports filed after year-end. Contractual allowances are recorded based upon preliminary estimates of reimbursable costs.

Net patient service revenue recorded under cost reimbursement agreements for the current and prior years is subject to audit and retroactive adjustments by significant third-party payors for the fiscal years ending 2021, 2022, and 2023.

Final settlements and changes in estimates related to Medicare and Medicaid third-party cost reports for prior years resulted in a decrease in net patient service revenues of approximately \$2,507 for fiscal year ended June 30, 2024 and an increase of approximately \$406 for fiscal year ended June 30, 2023.

THIRD-PARTY SETTLEMENT REVENUE

	2024	2023
Medicare pass-through	\$ 16,841	\$ 14,168
Disproportionate Share Hospital	39,971	59,948
Graduate and Indirect Medical Education	17,482	16,786
Other	799	3,313
Total third-party settlement revenue	<u>\$ 75,093</u>	<u>\$ 94,215</u>

19. Charity Care

The Hospital provides services to patients who meet the criteria of its charity care policy without charge, or at amounts less than established rates. The criteria for charity services are comprised of family income, net worth and eligibility at time of application. In addition the Hospital provides services to patients under the District of Columbia charity care program, DC Alliance. The total costs foregone for services furnished under the Hospital's charity care policy and the DC Alliance program were \$3,209 and \$8,566 for the years ended June 30, 2024 and 2023, respectively.

20. Insurance and Risk Management

Howard University is a subscriber in Pinnacle Consortium of Higher Education, a Vermont Reciprocal Risk Retention Group that includes 17 other institutions of higher education institutions. Pinnacle provides commercial general and specific liability coverage. Howard's annual payments to Pinnacle for insurance coverage are based on actuarial studies and are recorded as expenses. The University holds an approximate 6% interest in Pinnacle, classified in restricted investments. Additionally, Howard has purchased liability insurance coverage exceeding primary coverage, with limits of \$125,000 from commercial insurers.

The University's self-insured program covers professional liability costs up to seven thousand five hundred dollars per occurrence, depending on the cause. Two layers of excess insurance provide additional coverage:

- (a) First layer: Coverage up to thirty five thousand dollars on a claims-made basis is purchased through the Howard University Capitol Insurance Company Ltd. (HUCIC), a captive insurance company organized under Cayman Islands law.
- (b) Second layer: Coverage up to fifty thousand dollars on a claims-made basis is provided by an independent excess insurance company. This layer also covers patient care-related general and professional liability.

The Howard University
Notes to the Consolidated Financial Statements
June 30, 2024 and 2023
(In thousands)

The types of insurance and risk management coverages are detailed in the table below:

INSURANCE AND RISK MANAGEMENT	2024	2023
Malpractice claims expense	\$ 9,349	\$ 5,239
Malpractice excess insurance	3,766	3,133
Student health	9,738	8,971
General and other	9,103	6,658
Totals insurance and risk management	<u>\$ 31,956</u>	<u>\$ 24,001</u>

21. Commitments and Contingencies

- (a) **Federal Awards** - Howard receives substantial revenues from government grants, contracts, and Federal student financial assistance programs authorized by Title IV and Title VII of the Higher Education Act of 1965. Previous compliance audits have reported certain deficiencies in the administration of both the University's Title IV and Title VII programs and its federal grants and contracts. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and audited by the government or its designees.
- (b) **Litigation and Other Claims** - During the ordinary course of business, Howard is a party to various litigation and other claims in the ordinary course of business including claims of malpractice by the Hospital and faculty physicians. It is also subject to potential future claims based on findings or accusations arising from past practices under governmental programs and regulations and tort law. In fiscal years ended June 30, 2024 and 2023 Howard reserved \$5,240 and \$3,495 respectively for legal contingencies. In the opinion of management and Howard's general counsel, an appropriate monetary provision has been made to account for probable losses upon ultimate resolution of these matters.
- (c) **Collective Bargaining Agreements** - Howard is exposed to concentration risk related to labor subject to collective bargaining agreements (CBA). The risk is associated with the potential for labor disputes, strikes, and other labor related disruptions that could adversely affect the University's operations and financial performance. As of the balance sheet date approximately 12% of the labor force is covered by a CBA, and 11% covered by an agreement that will expire within one year.

22. COVID-19 and COVID-19 Relief Funds

On March 11, 2020, the World Health Organization declared the novel coronavirus (COVID-19) a global pandemic. The COVID-19 pandemic substantially impacted the global economy including significant volatility in financial markets.

During the year ended June 30, 2022, the University received federal funding from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) Act for HBCU Education Stabilization Fund in the amount of approximately \$35,000 related to relief efforts in light of COVID-19. During the years ended June 30, 2024 and 2023, the University recognized contribution revenue of approximately \$5,364 and \$5,991, respectively, for the institutional portion of this grant.

23. Related Party Transactions

(a) *Howard University Charter Middle School*

The Howard University Board of Trustees founded Howard University Charter Middle School of Mathematics and Science (the Middle School), which operates from premises owned by Howard. The Middle School is a separate legal entity. For fiscal years ended June 30, 2024 and 2023, Howard has contributed to the Middle School as follows:

RELATED PARTY TRANSACTIONS	2024	2023
Cash operating support	\$ 500	\$ 500
Facility leased (market value)	1,451	1,451
Total related party transactions	<u>\$ 1,951</u>	<u>\$ 1,951</u>

The Howard University
Notes to the Consolidated Financial Statements
June 30, 2024 and 2023
(In thousands)

(b) Provident Group – Bison Properties Inc. (Provident)

On July 13, 2022, Provident Resources Group Inc., acquired all outstanding 5.91% Senior Secured Notes due June 30, 2031, from Corvias Campus Living-HU LLC, under a Note Purchase Agreement associated with a Service Concession Agreement. Provident, as the Required Holder and Approved Lender, terminated (i) the Concessionaire Account Manager; (ii) Corvias as the Concessionaire, (iii) Corvias Management, LLC as the Project Manager and Residence Life Service Provider. Provident assumed the Concessionaire role and appointed the University to temporarily oversee management and resident life services.

On December 1, 2022, The District of Columbia authorized the issuance of (i) its District of Columbia Revenue Bonds (Provident Group - Bison Properties Issue), Senior Series 2022A, in the aggregate principal amount of \$225,000, (ii) its District of Columbia Revenue Bonds, Subordinate Series 2022B-1, in aggregate principal amount of \$25,000, and (iii) its District of Columbia Revenue Bonds, Subordinate Series 2022B-2, in the aggregate principal amount of \$49,882. These bonds, maturing on July 1, 2059, facilitated a loan to Provident Group - Bison Properties and utilized to repay accrued interest on the Series 2020 loan and the principal of the Towers, Drew, and Cook Secured Note.

Repayment of the bonds is secured by revenues from the student housing facilities, including Axis (formerly Provident Group - Howard Center Inc.), Quad, Drew, Cook and Towers, which are owned by Howard University in fee simple. In connection with the issuance of the Series 2022 Bonds, The University and Provident agreed to terminate and re-execute the ground leases to align with the terms of the bonds and the loan. The University, as the ground lessor, will receive ground lease payments after all expenses and cash reserve requirements are met. The properties and associated revenues will revert to the University after the ground leases end, and debts are fully paid.

(c) Provident Group - Howard Properties LLC (Provident)

On February 14, 2013, the University entered a 40-year ground lease with Provident Group – Howard Properties, LLC and Provident Resources Group, Inc. (Owner). The Owner committed to the designing, constructing, and furnishing the College Hall North and College Hall South housing facilities for the University's benefit. Provident Group financed this construction by issuing \$107,965 in revenue bonds through the District of Columbia. Repayment of the bonds is secured by revenues from the student housing facilities, which are owned by Howard University in fee simple. The University, as the ground lessor, will receive ground lease payments after all expenses and cash reverses requirements are met. College Hall North and College Hall South and associated revenues will revert to the University after the ground lease end on the earlier of January 31, 2053, or the date on which the Series 2013 bonds are fully paid.

(d) Campus Apartments Management, LLC

On December 20, 2022, the University, acting as Manager of all student housing facilities, delegated daily operations, management, maintenance, and repair responsibilities to Campus Apartment LLC for a term of five years through a sub-management agreement.

(e) Adventist Healthcare, Inc.

Howard University signed a three-year Management Service Agreement (MSA) with Adventist Healthcare, Inc. effective January 31, 2020. The term of the agreement shall extend for three years unless terminated sooner as provided under the MSA, with an automatic renewal and extension after the initial term for additional one (1) year terms. Adventist Healthcare, Inc. commenced full performance effective February 17, 2020, under the MSA for day-to-day operations of the Hospital under the oversight of a joint Howard and Adventist Healthcare, Inc. Management Committee, while Howard continues to be the licensed operator of the Hospital.

(f) It's My Corner, LLC

The University entered into a Participation Agreement with It's My Corner, LLC (IMC) for the transfer and development of the certain property located on Florida Avenue. HU was the owner of real property located on Florida Avenue, NW, Washington, DC. IMC also owned real property located on Florida Avenue, NW, Washington, DC. The properties were combined and will be developed by IMC as a mixed-use project with a new building.

The Howard University
Notes to the Consolidated Financial Statements
June 30, 2024 and 2023
(In thousands)

The University has received a 24% equity share in the combined properties that is subject to adjustments if the timing of the commencement of construction for the project is has not occurred within 36 calendar months after the date that the deed was recorded and if the construction is not substantially completed within 36 calendar months after commencement. With all potential adjustments, the University's equity share shall not exceed 45%.

IMC has also granted the University a right of first offer to purchase the combined properties prior to any efforts by IMC to sell or market the project.

(g) Trustees and Officers

Transactions between the University and any of its trustees and officers are subject to the University's conflict of interest policies, which require disclosure of conflict of interests and abstention by the conflicted persons from University decision making.

24. Subsequent Events

The University evaluated subsequent events through December 5, 2024, which is the date the consolidated financial statements were issued. Except as disclosed below, the University concluded that no material events have occurred that are not accounted for in the accompanying financial statements or disclosed in the accompanying notes.

- (a) In July 2024, the University, as lessee, entered into a 20-year lease with 2711 Georgia Ave, NW, Washington, D.C. Rock Creek - Bison LLC to lease commercial space. The lease liability equals the present value of unpaid lease payments of \$32,583, discounted at the risk-free rate, and right of use asset of \$32,583. The University has concluded this will be an operating lease.
- (b) In July 2024, the University, as lessee, entered into a 5-year lease with 2711 Georgia Ave, NW, Washington, D.C. Rock Creek - Bison LLC to lease residential space. The lease liability equals the present value of unpaid lease payments of \$12,911, discounted at the risk-free rate, and right of use asset of \$12,911. The University has concluded this will be an operating lease.

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Reports and Schedules Required by *Government Auditing Standards* and the Uniform Guidance



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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees
The Howard University
Washington, DC

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of The Howard University (the "University"), which comprise the University's consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 5, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

University's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, P.C.

December 5, 2024



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees
The Howard University
Washington, DC

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited The Howard University's (the "University") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2024. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on the University Transportation Centers Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the University Transportation Centers Program for the year ended June 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2024.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.



Matter Giving Rise to Qualified Opinion on the University Transportation Centers Program

As described in Finding 2024-002 in the accompanying schedule of findings and questioned costs, the University did not comply with requirements regarding the following:

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2024-002	20.701	University Transportation Centers Program	Allowable Costs/Cost Principles

Compliance with such requirements is necessary, in our opinion, for the University to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.



- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-003 through 2024-014. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The University is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The University's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a material weakness.



A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-003 through 2024-014 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The University is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The University's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BDO USA, P.C.

March 31, 2025

The Howard University
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Total Federal Expenditures	Provided to Subrecipient
<u>ANNUAL APPROPRIATION</u>				
DEPARTMENT OF EDUCATION				
Annual Appropriation		84.915A	\$ 279,596,138	-
COVID-19 - Coronavirus Aid, Relief, and Economic Security Act (CARES Act) for HBCU Education				
Stabilization Fund		84.915A	5,364,325	-
TOTAL ANNUAL APPROPRIATION			284,960,463	-
<u>FEDERAL ENDOWMENTS</u>				
DEPARTMENT OF JUSTICE				
Constitutional Law Chair Endowment		16.000	8,015,027	-
SUBTOTAL FOR THE DEPARTMENT OF JUSTICE			8,015,027	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Excellence in Health Professional Education Endowment		93.375	6,747,146	-
SUBTOTAL FOR THE DEPARTMENT OF HEALTH AND HUMAN SERVICES			6,747,146	-
DEPARTMENT OF EDUCATION				
Matching Endowment		84.000	218,878,262	-
Law School Clinical Endowment		84.998D	14,426,977	-
SUBTOTAL FOR THE DEPARTMENT OF EDUCATION			233,305,239	-
TOTAL FEDERAL ENDOWMENTS			248,067,412	-

The Howard University
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Total Federal Expenditures	Provided to Subrecipient
<u>STUDENT FINANCIAL ASSISTANCE CLUSTER</u>				
DEPARTMENT OF EDUCATION				
Federal Supplemental Educational Opportunity Grants		84.007	1,230,000	-
Federal Work-Study Program		84.033	577,693	-
Federal Pell Grant Program		84.063	23,413,670	-
Federal Direct Student Loans		84.268	253,423,223	-
Teacher Education Assistance for College and Higher Education Grants (TEACH)		84.379	28,290	-
SUBTOTAL FOR THE DEPARTMENT OF EDUCATION			278,672,876	
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Scholarship for Disadvantaged Students		93.925	693,662	-
SUBTOTAL FOR THE DEPARTMENT OF HEALTH AND HUMAN SERVICES			693,662	-
TOTAL FOR THE STUDENT FINANCIAL ASSISTANCE CLUSTER			279,366,538	-
<u>TRIO CLUSTER</u>				
DEPARTMENT OF EDUCATION				
Upward Bound Program		84.047A	3,126	-
Office of Postsecondary Education				
Upward Bound Program		84.047M	342	-
Upward Bound Program		84.047M	118,021	-
Subtotal for the Office of Postsecondary Education			118,363	-
TOTAL FOR THE TRIO CLUSTER			121,489	-
<u>RESEARCH AND DEVELOPMENT CLUSTER</u>				
<i>Direct Research and Development Awards</i>				
DEPARTMENT OF AGRICULTURE				
Impact of R&D Investments and Investment		10.960	12,912	-
SUBTOTAL FOR THE DEPARTMENT OF AGRICULTURE			12,912	-

The Howard University
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Total Federal Expenditures	Provided to Subrecipient
DEPARTMENT OF COMMERCE				
National Oceanic and Atmospheric Administration				
Examining Regional Differences in Attitudes and Tendencies for Protective Action Decisions		11.459	30,779	-
Examining Regional Differences in Attitudes and Tendencies for Protective Action Decisions		11.459	56,854	-
Examining Regional Differences in Attitudes and Tendencies for Protective Action Decisions		11.459	19,832	-
			107,465	-
NOAA Cooperative Science Center in Atmospheric Sciences and meteorology at Howard University		11.481	22,356	-
The NOAA Cooperative Science Center in Atmospheric Sciences and Metrology II		11.481	2,795,674	1,087,505
The NOAA Cooperative Science Center in Atmospheric Sciences and Metrology II		11.481	99,510	-
The NOAA Cooperative Science Center in Atmospheric Sciences and Metrology II		11.481	59,260	-
COVID-19 - NCAS-M's Response to Impact of COVID-19 on Student Program		11.481	121	-
			2,976,921	1,087,505
Subtotal for the National Oceanic and Atmospheric Administration			3,084,386	1,087,505
SUBTOTAL FOR THE DEPARTMENT OF COMMERCE			3,084,386	1,087,505
DEPARTMENT OF DEFENSE				
Uncertainty Quantification in Plasma Physics Research		12.300	483,590	-
Growing Perfect Diamond Thin Films for Sensing and Quantum Computing Applications		12.300	194,202	-
HCA@HU: Building Research Capacity and Future ONR/DOD Workforce Skills in Human-Centered Artificial Intelligence at Howard University		12.300	19,330	-
HCA@HU: Building Research Capacity and Future ONR/DOD Workforce Skills in Human-Centered Artificial Intelligence at Howard University		12.300	1,029,837	-
HCA@HU: Building Research Capacity and Future ONR/DOD Workforce Skills in Human-Centered Artificial Intelligence at Howard University		12.300	29,101	-
Using Microbial Signals to Control marine Biofouling		12.300	5,126	-
Reference-free Hardware Trojan Detection in Manufactured Chips using Machine Learning-based Side channel Analyses		12.300	85,056	-
Simulation Studies of New Zwitterionic and Amphiphilic Materials		12.300	26,252	-
Densities Evaluation for Multivariate Random Transformations Involving Dimensional Change		12.300	37,179	-
			1,909,673	-

The Howard University
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Total Federal Expenditures	Provided to Subrecipient
National Centers of Academic Excellence in Cybersecurity (NCAE-C) - Maximizing Cyber Security				
Training Impact Underserved Communities		12.905	2,963	-
Polymer Based Replicated Multi-Modal Fiber Bragg Grating (Fbg) For Fentanyl Detection		12.910	2,525	-
US Army Medical Command				
The Genomic Landscape of Papillary Renal Cell Carcinoma Arising In African American Patients		12.420	51,965	12,030
Subtotal for the US Army Materiel Command			51,965	12,030
US Army Materiel Command				
Enabling Data Driven Communications in Terahertz Bands		12.431	24,475	-
Complexity, Intelligence, and Training in Foundational Models for Decision-Making		12.431	7,200	-
2022-2023 HU Interdisciplinary STEM Conference on Mathematical Biology: Modeling and Analysis		12.431	243	-
			31,918	-
Enhanced Microstructures and Mechanical Performances of Additively Manufactured Metallic Alloys		12.630	101,214	-
Enhancing Research in the STEM Disciplines at Howard University by Investigating Novel Regulation of the 26S Proteasome		12.630	42,271	-
Center of Excellence in Artificial Intelligence and Machine Learning (CoE-AIML)		12.630	1,090,037	364,261
			1,233,522	364,261
Quantum Symmetries: Fusion Rules, Braids and Indicators		12.800	2,963	-
Nonlinear Multimode Transit Induced Surface Heating on Hypersonic Vehicles		12.800	95,738	-
Tuning Topological Superconductivity in 2M-WS2 via Non-Destructive Methods: A First-Principles Approach		12.800	15,704	-
Novel Methods for Fatigue Life Prediction for Turbine Engine Components		12.800	2,457	-
			116,862	-
Subtotal for the US Army Materiel Command			1,382,302	364,261
Tactical Autonomy Research and Development Task Order 02 (2023) Technical Requirement		12.U01	1,872	1,872
SUBTOTAL FOR THE DEPARTMENT OF DEFENSE			3,351,300	378,163

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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Total Federal Expenditures	Provided to Subrecipient
DEPARTMENT OF THE INTERIOR				
National Climate Adaptation Science Center Fellowship Program		15.808	106	-
National Climate Adaptation Science Center Fellowship Program		15.808	17,245	-
National Climate Adaptation Science Center Fellowship Program		15.808	10,119	-
			27,470	-
Preserving the Homes of Two Pioneers of the Civil Rights Pioneers: Mary Church Terrell and Walter E. Washington		15.904	498,186	-
SUBTOTAL FOR THE DEPARTMENT OF THE INTERIOR			525,656	-
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Student Airborne Science Activation for MSI (SaSa)		43.001	28,631	-
22-PLANETET22-0220, Advancing the Detectability of Atmospheric Species in Terrestrial Atmospheres		43.001	7,000	-
22-PLANETET22-0222, Modeling Aerosol Microphysics in Ice Giant Atmospheres		43.001	10,000	-
22-NUSTAR22-0037, Extreme Particle Acceleration in the Gamma-ray Binary 1FGL J1018.6-5856		43.001	44,511	-
A NICER View of the Radiative Losses in the High-Mass Gamma-ray Binary PSR B1259-65		43.001	16,952	-
A NICER View of the Radiative Losses in the High-Mass Gamma-ray Binary PSR B1259-65		43.001	888	-
Augmented Reality Data Visualization Analog Research Campaign (ARDVARC)		43.001	36,909	-
Single Source, Modeling the Lunar Hydrogen Cycle During a Solar Storm		43.001	5,000	-
21-XMNC20-0028, Probing the Superorbital Modulation in the Supergiant X-ray Binary 4U 1909+07		43.001	9,468	-
Application to Participate in the 2023 Analog Activities to Support Artemis Lunar Operations Research Campaign		43.001	24,015	-
			183,374	-
Raman Cube Rover (R3R) for Enabling Lunar Science and Exploration: Integrating Technology Development in STEM Engagement		43.008	56,442	19,881
SUBTOTAL FOR THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			239,816	19,881

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NATIONAL ENDOWMENT FOR THE HUMANITIES				
Unwitting Witnesses: Unearthing Narratives of African Dance in Pre-Colonial Logs		45.160	4,110	-
Developing an Interdisciplinary Studies Graduate Certificate in Digital Humanities		45.162	6,769	-
Instructor Replacement in Studies of Sacred Texts at Howard University		45.162	24,758	-
			31,527	-
COVID-19 - To Support Personnel Expenses in Response to and Recovery from the COVID-19 Pandemic		45.024	25,842	-
To Support a Community-Engaged Research and Interior Design Project for Barry Farm in Washington, D.C.		45.024	1,189	-
			27,031	-
COVID-19 - Howard University Gallery of Art COVID-19 Response: African American Collection Online Discovery and Accessibility Learning Initiative		45.312	24,670	-
SUBTOTAL FOR THE NATIONAL ENDOWMENT FOR THE HUMANITIES			87,338	-
NATIONAL SCIENCE FOUNDATION				
Engineering Grants				
CAREER: Neural Network Enhanced Electromagnetics and Multiphysics Simulation Methods for RF and Microwave Reconfigurable Devices		47.041	18,667	-
CAREER: Neural Network Enhanced Electromagnetics and Multiphysics Simulation Methods for Microwave Reconfigurable Devices		47.041	2,234	-
GOALI: Collaborative Research: Advancing Wastewater Treatment Resiliency and Sustainability Goals in the Face of Climate Change		47.041	10	-
Excellence in Research : Harnessing Microbial Signals for Biofilm Control		47.041	44,099	-
CAREER: Multiscale Simulations of Iron Oxide Nanoparticle-Protein Electron Transfer		47.041	1,175	-
CAREER: Multiscale Simulations of Iron Oxide Nanoparticle-Protein Electron Transfer		47.041	265	-
Excellence in Research: Biofilm Adhesive and Kinetic Properties Under Hydrodynamic Influences		47.041	193,671	81,788
Bridging the Gap Between Education and Research through Pre-College Engineering Systems (PCES) Outreach Program		47.041	15,108	-
Collaborative Proposal: EiR : Understanding Interactions of Gold and silver Nanoparticles with Proteins to Achieve Optimum Surface Plasmon Effect		47.041	89,050	-

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CAREER: Quorum Enhanced Sustainable Treatment of Nitrogen (QuEST-N)		47.041	357	-
Subtotal for the Engineering Grants			364,636	81,788
Mathematical and Physical Sciences				
Excellence in Research: HBCU Collision Collaboration - J/psi Peripheral Collision analysis and Detection		47.049	122,138	-
Excellence in Research - Collaborative: Hierarchical Multilayered Block Copolymer Dielectrics with Z-gradient Nanofiller for Capacitive Energy Storage and Gate Dielectric		47.049	50,957	-
Collaborative Research: FuSe: High-throughput Discovery of Phase Change Materials for Co-designed Electronic and Optical Computational Devices (PHACEO)		47.049	5,771	-
CAREER: Understanding the Effects of the Immediate Environment on Intrinsic Properties of 2D Crystals : From Fundamental Science to Real World Applications		47.049	83,447	-
Planning PREC: Exploring a Partnership between Historically Black Universities in the District of Columbia and NSF's ChemMatCARS in Alignment with the NSF PREC Program		47.049	43,437	-
Excellence in Research: Numerical Analysis of Quasiperiodic Topology		47.049	15,086	-
Collaborative Research: Physics and Quantum Technology Applications of Defects in Silicon Carbide		47.049	16,415	-
Water-Like" Ionic Liquids for Enzymatic Carbon-Carbon Bond Formation		47.049	454	-
Excellence in Research: Morse Theory and Algebraic Topological Methods for Q-curvature Type Equations		47.049	13,892	-
Excellence in Research - Collaborative Proposal: Investigation of Quantum Effects and Nanostructures Through Research & Educational Partnership Between NCCU & Howard University		47.049	52,950	-
Collaborative Research: D3SC: CDS&E: Predictive Discovery of Porphyrin Molecules and their 2 Response Properties using Smart Objects-Enabled Machine Learning		47.049	4,239	-
Excellence in Research: Mathematical Analysis of the Prevention of HIV with PrEP and HAART Treatment		47.049	59,859	34,661
Excellence in Research: Mathematical Analysis of the Prevention of HIV with PrEP and HAART Treatment		47.049	89,242	-
Howard-Columbia Partnership for Research and Education in Superatomic and 2D Material (PRES2M)		47.049	201,301	-
MRI: Acquisition of a High-Brilliance X-Ray Diffractometer for Fundamental Materials and Catalysis Research and Education at Howard University		47.049	3,327	-
Excellence in Research: Numerical analysis of Quasiperiodic Topology		47.049	2,402	-
Subtotal for the Mathematical and Physical Sciences			764,917	34,661

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Geosciences				
EAGER: Full STEAM Ahead: Powering Connections Among Different Generations of Geoscientists		47.050	7,874	-
EAGER: Full STEAM Ahead: Powering Connections Among Different Generations of Geoscientists		47.050	176,676	-
HBCU-Excellence in Research: Howard University		47.050	181,315	-
Subtotal for the Geosciences			365,865	-
Computer and Information Science and Engineering				
Collaborative Research: CISE-MSI: RCBP-RF: CNS: Enabling Secured and Artificial Intelligence Assisted Cell-Free Communications		47.070	57,195	-
HDR DSC : Collaborative Research : Transforming Data Science Education Through a Portable and Sustainable Anthropocentric Data Analytics for Community Enrichment Program		47.070	44,374	-
Collaborative Research: Cybertraining: Implementation Medium: Cybertraining on Materials Genome Innovation for Computational Software (CyberMAGICS)		47.070	59,599	-
Subtotal for the Computer and Information Science and Engineering			161,168	-
Biological Sciences				
Collaborative Research : RESEARCH-PGR: Genome-wide quest for non-host resistance mechanisms in plants		47.074	59,916	-
Excellence in Research: The Evolutionary Origins of Sex Chromosomes in Docks and Sorrels (Rumex)		47.074	35,626	-
Collaborative Research: ABI Innovation: FuTRES, an Ontology-Based Functional Trait Resource for Paleo- and Neo-biologists		47.074	56,693	-
Collaborative Research: Excellence in Research: Impact of Gbx2 on Neural Crest Cells During Neuronal, Craniofacial and Cardiovascular Development.		47.074	38,943	-
Epitranscriptomic Regulation of Codon Biased Stress Response Genes in Escherichia Coli		47.074	84,851	-
Excellence in Research: Biophysical mechanism by which mannose and N glycans modifies and protects biological surfaces		47.074	93,714	-
Excellence in Research : Involvement of MEF -2 Transcription Factor in Mitochondrial Stress Response Through SOD2		47.074	181	-
Excellence in Research : Influence of Neuropeptide Regulation and the Gut Microbiota on Foraging and Food Choice		47.074	128,929	-
Excellence in Research: Analysis of Rare Mutations and Post-translational Modification in Peroxidases		47.074	41,730	-

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Excellence in Research : Investigation of RECQ1 Helicase in DNA Transactions Upon Oxidative Stress		47.074	207,674	-
Excellence in Research : Contribution of Terrestrial Bacteria to Iodine Biogeochemical Cycling		47.074	15,087	-
Subtotal for the Biological Sciences			763,344	-
Social, Behavioral, and Economic Sciences				
Broadening Participation in Economics: The AEA Summer Program with Inclusive Mentoring		47.075	9,780	-
The Making of a University Hub for Basic Cultural Anthropological Research Related to Cultural and Biodiversity Conservation		47.075	46,460	-
Broadening Participation in Economics: The AEA Summer Program with Inclusive Mentoring		47.075	372,913	-
Comparative Study of Demographic Variation in Judiciaries		47.075	64,820	-
Collaborative Excellence in Research: Skill Acquisition, Technical Change and Differential Employment and Income Trajectories		47.075	66,058	-
Broadening Participation in Economics: The AEA Summer Program with Inclusive Mentoring		47.075	112,198	32,083
EAGER: Toward A General Framework For Optimal Experimentation in ComputationalCognition		47.075	21,917	-
Excellence in Research : The Visible Ape Project		47.075	142,431	-
Collaborative Research: The Role of Marketplaces in the Development of Complex Society		47.075	46,665	-
Excellence in Research : A Comparison of Educational Outcomes at Institutions of Higher Education		47.075	56,001	-
Subtotal for the Social, Behavioral, and Economic Sciences			939,243	32,083
Education and Human Resources				
EAGER: Biophysical Study of Solution Behavior and Vulnerability of Viruses with Complex N-glycans		47.076	48,769	-
Characterizing Inclusive Strategies that Retain Black Students in Computer Science to Graduation and Beyond		47.076	18,588	-
Overcoming Impediments to Computer Science Students' Understanding of Code: Scaling Up Automated Methods and Broadening Participation		47.076	26,167	-
Catalyst Project : Creating and Evaluating a Culturally Representative STEM Curriculum Supported by Next Generation Science Standards		47.076	1,500	-
Catalyst Project: Quantification of Immunohistochemistry Images of Neuroglia		47.076	21,330	-
Increasing the Participation and Advancement of Women in Academic Science and Engineering Careers		47.076	745	-
Research Initiation Award: QoS-Aware Energy Management for Sustainable Real-Time Embedded Systems		47.076	122,689	-
Research Initiation Award: Investigation and Design of Terahertz Communication Systems with Artificial Intelligence		47.076	63,393	-

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Graduate Research Fellowship Program (GRFP)		47.076	11,616	-
2015 - 2020 Washington Baltimore Hampton Roads (WBHR) Louis Stokes Alliances for Minority Participation Program		47.076	251,772	105,544
Black Research Support Network: Studying Change By, With, And For Black Undergraduate Computer Science Faculty & Students at Three Institutions		47.076	135,721	-
Collaborative Research: AGEP Transformation Alliance: CIRTLLI AGEP - Improved Academic Climate for STEM Dissertators and Postdocs to Increase Interest in Faculty Careers		47.076	136	-
Research Initiation Award : Investigation on Tribo-charging behavior of Agricultural Particles in the Development of Water-free Bio-separation Approach for Biomass Residues		47.076	59,227	-
CAREER: Overcoming Obstacles, Building Community, and Broadening Participation: A Qualitative Analysis of the Experience and Career Decisions of Black Men in Computing		47.076	31,882	-
Engaging Howard University Computer Science Students in Interactive Human-Centered Computing Infused Curricula		47.076	185	-
Broadening Participation Research Testing the Efficacy of Culturally Responsive Intervention to Broaden Participation and Improve STEM Retention At HBCUs		47.076	16,630	-
Collaborative Research: Center for Research on Identity and Motivation of African American Students in STEM		47.076	3,436	-
Collaborative Research: Center for Research on Identity and Motivation of African American Students in STEM		47.076	167,732	-
Targeted Infusion Project: Inspiring, Engaging and Retaining Underrepresented Students in Computing Research and the Emerging Field of Data Science		47.076	112,554	-
An AGEP Historically Black Universities Model with Community College Teaching as a Platform for Advancing Underrepresented Minority STEM Doctoral Candidates in Faculty Careers		47.076	220,447	-
ExpandQISE:Track 1: Fingerprinting and Engineering Tunable Carbon-Based Quantum Emitters in Hexagonal Boron Nitride		47.076	150,626	42,880
Theoretical and Computational Methods for Robust Retrieval of Effective Electromagnetic Properties of Random Composite Materials		47.076	123,102	-
Targeted Infusion Project: Providing a Data Science and Analytics approach to the Honors Curriculum at Howard University		47.076	28,617	-
Catalyst Project: Evolution and Biomechanics of Multifunctional Structures		47.076	71,226	-

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Louis Stokes Renewal STEM Pathways and Research Alliance: Washington Baltimore Hampton Roads - Louis Stokes Alliance (WBHR-LSAMP)		47.076	24,099	-
Research Initiative Award : Mathematical Modeling On The Geometric Optics Problem of Refraction		47.076	911	-
			1,713,100	148,424
Excellence in Research: Understanding Structural, Magnetic, and Electronic Properties of Chromium Telluride		47.083	36,550	-
MRI: Track 1 Acquisition of a 500MHZ solid/liquid-state NMR to Expand Interdisciplinary Research and Education at Howard University		47.083	266,563	-
Fault - Tolerant Energy Management for Highly Dependable Real-Time Embedded Systems		47.083	12,162	-
Excellence in Research : Optimal Transport and Freeform Refractive Surfaces in Geometric Optics		47.083	82,332	-
Excellence in Research: Artificial Intelligence Aided Metasurface Design and Application in Next Generation of Cellular Communication Systems		47.083	192,994	-
HBCU Excellence in Research: Research and Education Center for Investigation of Chemical Transformations in Host-Guest Systems at Extreme Conditions		47.083	26,050	-
Excellence in Research- Exploring Frontiers in Novel Material Synthesis at High Pressures Synthesis and Recovery of Superhard and High Energy-Density Polynitrides		47.083	121,806	-
Excellence In Research: PathoRadi an Interactive Web Server for AI-assisted Radiologic-Pathologic Image Analysis, Correlation and Visualization		47.083	77,894	-
Excellence in Research: Microwave-Assisted In-Situ Hydrogen Generation: Experimentation, Simulation, and Optimization		47.083	24,038	-
			840,389	-
ExpandQISE: Track 2: A Quantum Science Education and Research Program for HBCUs: Exotic Physics and Applications of Solid-State Qubits		47.084	84,444	-
I-Corps: Translation Potential of Using Artificial Intelligence (AI) for an Interactive and Inclusive Language-Learning Process Designed for Young Children		47.084	32,418	-
			116,862	-
Subtotal for the Education and Human Resources			2,670,351	148,424
NSF IPA Agreement for Deena Khalil		47.U01	1,766	-
NSF IPA Agreement for Deena Khalil		47.U02	30,535	-
SUBTOTAL FOR THE NATIONAL SCIENCE FOUNDATION			6,061,825	296,956

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DEPARTMENT OF EDUCATION				
National Resource Center and Foreign Language and Area Studies Fellowships		84.015A	36,887	-
SUBTOTAL FOR THE DEPARTMENT OF EDUCATION			36,887	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Development of T Cell-Mediated Targeted Gene Delivery of Immunotoxin in HNSCC		93.121	124,966	-
Howard University Summer Research Education Experience Program in Oral Health		93.121	70,136	-
			195,102	-
Centers of Excellence		93.157	2,057	-
Centers of Excellence		93.157	750,379	-
Centers of Excellence		93.157	686,701	-
			1,439,137	-
National Institutes of Health				
<i>Mental Health Research Grants</i>				
Microglia-Neuron Interactions: Roles for Microglial Iba1		93.242	126,679	-
Improving Child mental Service Utilization in Ibadan Nigeria Using a Community Based Participatory Research Approach		93.242	46,620	-
<i>Subtotal for the Mental Health Research Grants</i>			173,299	-
Howard University Minority AIDS Network Effort (HUMANE) Project		93.243	31,092	-
Howard University Mental Health Awareness and Suicide Prevention Program (MHASP)		93.243	381	-
Howard University Mental Health Awareness and Suicide Prevention Program (MHASP)		93.243	20,117	-
Howard University Mental Health Awareness and Suicide Prevention Program (MHASP)		93.243	192	-
Howard University Hospital Screening, Brief Intervention and Referral to Treatment (SBIRT)				
Community Expansion Initiative		93.243	451,325	122,627
			503,107	122,627
<i>Alcohol Research Programs</i>				
Na+/Ca2+ Exchanger Remodeling in Alcohol Withdrawal Seizures		93.273	148,950	-
<i>Subtotal for the Alcohol Research Programs</i>			148,950	-

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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Total Federal Expenditures	Provided to Subrecipient
<i>Center for Substance abuse Prevention</i>				
Drug Free Communities Program		93.276	55,377	-
Drug Free Communities Program		93.276	102,504	-
Drug Free Communities Program		93.276	65	-
<i>Subtotal for Center for Substance abuse Prevention</i>			157,946	-
 National Institute on Minority Health and Health Disparities				
Howard University Research Center for Minority Health and Health Disparities		93.307	34,859	-
Howard University Research Center for Minority Health and Health Disparities		93.307	35,866	-
Howard University Research Center for Minority Health and Health Disparities		93.307	63,129	-
Howard University Research Center for Minority Health and Health Disparities		93.307	14,361	-
Howard University Research Center for Minority Health and Health Disparities		93.307	86,610	-
Howard University Research Center for Minority Health and Health Disparities		93.307	9,211	-
Howard University Research Center for Minority Health and Health Disparities		93.307	1,180,265	-
Howard University Research Center for Minority Health and Health Disparities		93.307	963,972	-
Howard University Research Center for Minority Health and Health Disparities		93.307	197,565	-
Howard University Research Center for Minority Health and Health Disparities		93.307	227,507	-
Howard University Research Center for Minority Health and Health Disparities		93.307	203,998	766
Howard University Research Center for Minority Health and Health Disparities		93.307	54,630	-
Howard University Research Center for Minority Health and Health Disparities		93.307	713	-
Howard University Research Center for Minority Health and Health Disparities		93.307	476,612	-
Howard University Research Center for Minority Health and Health Disparities		93.307	176,014	-
Howard University Research Center for Minority Health and Health Disparities		93.307	333,936	4,267
Howard University Research Center for Minority Health and Health Disparities		93.307	48,532	-
Howard University Research Center for Minority Health and Health Disparities		93.307	39,703	-
Howard University Research Center for Minority Health and Health Disparities		93.307	38,051	-
Howard University Research Center for Minority Health and Health Disparities		93.307	10,747	-
Howard University Research Center for Minority Health and Health Disparities		93.307	85,252	-
Howard University Research Center for Minority Health and Health Disparities		93.307	348,275	-
Howard University Research Center for Minority Health and Health Disparities		93.307	258,395	-
Howard University Research Center for Minority Health and Health Disparities		93.307	11,445	11,445
Howard University Research Center for Minority Health and Health Disparities		93.307	150,537	-

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Howard University Research Center for Minority Health and Health Disparities		93.307	569,426	-
Howard University Research Center for Minority Health and Health Disparities		93.307	23,980	-
Howard University Research Center for Minority Health and Health Disparities		93.307	16,664	-
Howard University Research Center for Minority Health and Health Disparities		93.307	11,746	-
Howard University Research Center for Minority Health and Health Disparities		93.307	12,226	-
Howard University Research Center for Minority Health and Health Disparities		93.307	11,061	-
Howard University Research Center for Minority Health and Health Disparities		93.307	31,025	-
Howard University Research Center for Minority Health and Health Disparities		93.307	86,272	-
Howard University Research Center for Minority Health and Health Disparities		93.307	65,283	-
Howard University Research Center for Minority Health and Health Disparities		93.307	325,737	-
Howard University Research Center for Minority Health and Health Disparities		93.307	178,448	-
Howard University Clinical Research Network for Health Equity		93.307	67,431	-
Howard University Clinical Research Network for Health Equity		93.307	454,246	-
Subtotal for the National Institute on Minority Health and Health Disparities			6,903,730	16,478
<i>Leadership in Public Health Social Work Education Grant Program</i>				
Howard University Research Center for Minority Health and Health Disparities		93.310	8,928	-
Subtotal for the Leadership in Public Health Social Work Education Grant Program			8,928	-
<i>Cancer Biology Research</i>				
The Role of Base Excision Repair in Regulating DNA-Mediated Inflammatory Signaling Pathways		93.396	55,853	-
Subtotal for Cancer Biology Research			55,853	-
National Cancer Institute				
1/2 Howard -Georgetown Collaborative Partnership In Cancer Research		93.397	31,695	-
1/2 Howard -Georgetown Collaborative Partnership In Cancer Research		93.397	25,284	-
1/2 Howard -Georgetown Collaborative Partnership In Cancer Research		93.397	26,984	-
1/2 Howard -Georgetown Collaborative Partnership In Cancer Research		93.397	14,732	-
Subtotal for the National Cancer Institute			98,695	-
<i>Cardiovascular Diseases Research</i>				
Stress, Sleep and Cardiovascular Risk		93.837	247,293	-
Sickle Cell Disease and Sickle Cell Trait Protection Against HIV-1infection in Africans and African Americans		93.837	33,068	-

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Sickle Cell Disease and Sickle Cell Trait Protection Against HIV-1infection in Africans and African Americans		93.837	408,934	82,652
<i>Subtotal for the Cardiovascular Diseases Research</i>			689,295	82,652
National Heart, Lung, and Blood Institute				
The role of HGFL in the sickle cell disease nephropathy		93.839	331,191	-
The role of HGFL in the sickle cell disease nephropathy		93.839	154	-
<i>Subtotal for the National Heart, Lung, and Blood Institute</i>			331,345	-
National Institute of Diabetes and Digestive and Kidney Diseases				
The Cellular Molecular Regulation of Differing Mechanisms of Insulin Resistance		93.847	212,976	8,353
<i>Subtotal for the National Institute of Diabetes and Digestive and Kidney Diseases</i>			212,976	8,353
National Institute of Neurological Diseases and Stroke				
In vivo MRI Measures of Brain Metabolism in Traumatic Brain Injury		93.853	315,511	-
Development of NLRP3 Inhibitors for HIV-associated Neuroinflammation		93.853	147,665	65,301
<i>Sub total for National Institute of Neurological Diseases and Stroke</i>			463,176	65,301
<i>Allergy and Infectious Diseases Research</i>				
In Vitro and in Vivo Studies of Cytomegalovirus MIE Gene Regulation		93.855	168,850	-
Role of HIV glycan Shield in mucus penetration		93.855	342	-
Linking Defects in DNA Polymerase Beta to Mitochondrial Dsfunction and Cytosolic Nucleic Acid Sensor in Helicobacter Pylori Associated Inflammation		93.855	68,023	-
<i>Subtotal for the Allergy and Infectious Diseases Research</i>			237,215	-
<i>Biomedical Research and Research Training</i>				
Bridges to the Baccalaureate Research Training Program at Howard University and Baltimore City Community College		93.859	179,065	-
U-RISE at Howard University		93.859	50,267	-
Stealth Brusatol and Docetaxel-loaded Nanopartiles for Targeted Prostate Cancer Therapy		93.859	63,743	-
Uncovering Novel Mechanisms of the CELF/Bruno Protein ETR-1 in Apoptosis		93.859	9,804	-
Enzymatic Synthesis of Sugar-Derived Biosurfactants Using Multifunctional Ionic Liquids		93.859	57,651	-
Multifunctional Nanotechnology Platform for Triple Negative Breast Cancer Treatment		93.859	234,267	-
<i>Subtotal for the Biomedical Research and Research Training</i>			594,797	-

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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Total Federal Expenditures	Provided to Subrecipient
National Institute of Aging				
Mechanisms of APOE-Induced Preclinical Alzheimer's Pathophysiology in Human Olfactory System		93.866	59,426	-
Advancing Aging Research Through Development of Minority Gerontologists		93.866	14,674	-
Advancing Aging Research Through Development of Minority Gerontologists		93.866	441,971	-
Cellular and Circuit Mechanisms Underlying Apoe-4 Effects On Olfaction		93.866	984	-
Mechanisms of APOE-Induced Preclinical Alzheimer's Pathophysiology in Human Olfactory System		93.866	404,970	195,643
Subtotal for the National Institute of Aging			922,025	195,643
Subtotal for National Institutes of Health			11,501,337	491,054
SUBTOTAL FOR THE DEPARTMENT OF HEALTH AND HUMAN SERVICES			13,135,576	491,054
<i>Subtotal for the Direct Research and Development Awards</i>			26,535,696	2,273,559
<i>Pass-Through Research and Development Awards</i>				
DEPARTMENT OF DEFENSE				
ArtIAMAS 3.9 Causal Reasoning for Autonomous Systems (University of Maryland)	120780- Z8452201	12.431	92,424	-
Short-range Order Materials for Neuromorphic Electronic and Photonic Devices (George Washington University)	23-S31R	12.431	27,491	-
Security and Trust Research for Prototype Development of Malicious Device Detection System (Marshall University Research Corporation)	2301708	12.431	31,715	-
			151,630	-
A New Approach for Improving the Mechanical Properties of Aerospace Materials Produced via Additive Manufacturing (Ohio State University)	SPC-1000006890 GR129021	12.800	15,941	-
Modeling Photogalvanic Response of Topological Materials (Ohio State University)	SPC-1000007582/GR130587	12.800	20,886	-
			36,827	-
NSA-BROWNBOWTIE (Georgia Institute of Technology)	D9104-S18	12.905	60,080	-
NSA-BROWNBOWTIE (Georgia Institute of Technology)	D9104-S18	12.905	24,694	-
National Centers of Academic Excellence in Cybersecurity (NCAE-C) - Cybersecurity Education Diversity Initiative (Maryland Procurement Office)	H98230-20-1-0357	12.905	16,686	-

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National Centers of Academic Excellence in Cybersecurity (NCAE-C) - Cybersecurity Education Diversity Initiative (Maryland Procurement Office)	H98230-20-1-0357	12.905	7,333	-
National Centers of Academic Excellence in Cybersecurity (NCAE-C) - Cybersecurity Education Diversity Initiative (Maryland Procurement Office)	H98230-20-1-0357	12.905	22,475	-
			131,268	-
SUBTOTAL FOR THE DEPARTMENT OF DEFENSE			319,725	-
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Science				
Mapping Vulnerable Populations in California to Climate-Related Hazards (University of California Los Angeles)	1918 G LA203	43.001	14,061	-
The Trans-Iron Galactic Element Recorder for the International Space Station, TIGERISS, an Exceptional Nucleosynthesis Pioneer (Washington University)	WU-23-0277	43.001	146,925	-
Modeling Rationally Modulated X-Ray Variability in Massive Star Winds Using Co-Rotating Interactions Regions (Smithsonian Astrophysical Observatory)	TM2-23001A	43.001	26,296	-
Student Collaboration of the Interstellar Mapping and Acceleration Probe: Phases B to F (University of New Hampshire)	L0083	43.001	93,593	-
High Temperature Batch Reactor for Fabrication of Lunar Simulants (California Institute of Technology)	RSA1675517	43.001	20,071	-
Towards a NU-WRF-based Mega Wildfires Digital Twin Smoke Transport Impacts on Air Quality, Cardiopulmonary Disease and Reginal Deforestation (University of Maryland)	NASA0098-05	43.001	49,711	-
Geology of the Southern Rim of Hellas Basin, Mars, Investigations of Amphitrites Patera and Barnard Carter (Planetary Science Institute)	1738-HU	43.001	57	-
Details in the devils: Using physical characteristics of dust-laden vortices to remotely determine ambient metrological conditions on Earth and Mars (SETI Institute)	SC3598	43.001	19	-
Partnership for Heliophysics and Space Environment Research - PHaSER (Catholic University of America)	363994 Sub 1	43.001	77,156	-
Partnership for Heliophysics and Space Environment Research - PHaSER (Catholic University of America)	363994 Sub 1	43.001	55,871	-
Center for Research and Exploration in Space Science and Technology (CRESST) II (University of Maryland at College Park)	97067-Z6342201	43.001	67,741	-
Center for Research and Exploration in Space Science and Technology (CRESST) II (University of Maryland at College Park)	97067-Z6342201	43.001	7,300	-
Center for Research and Exploration in Space Science and Technology (CRESST) II (University of Maryland at College Park)	97067-Z6342201	43.001	61,131	-

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Center for Research and Exploration in Space Science and Technology (CRESST) II (University of Maryland at College Park)	97067-Z6342201	43.001	2,403	-
Preparation for Research in Space Microbiology (PRISM) (California Institute of Technology)	1694578	43.001	8,748	-
Air Quality and Health Impact Analysis (California Institute of Technology)	1690152	43.001	16,667	-
Subtotal for the Science			647,750	-
19-ULI Step-B-0009 - Leading Advanced Turbine Research for Hybrid Electric Propulsion Systems (Pennsylvania State University)	S001846-NASA	43.002	29,869	-
Center for Research and Exploration in Space Science and Technology (CRESST) II (University of Maryland at College Park)	97067-Z6342201	43.003	50,166	-
Center for Research and Exploration in Space Science and Technology (CRESST) II (University of Maryland at College Park)	97067-Z6342201	43.003	36,758	-
Center for Research and Exploration in Space Science and Technology (CRESST) II (University of Maryland at College Park)	97067-Z6342201	43.003	6,378	-
Center for Research and Exploration in Space Science and Technology (CRESST) II (University of Maryland at College Park)	97067-Z6342201	43.003	59,868	-
Center for Research and Exploration in Space Science and Technology (CRESST) II (University of Maryland at College Park)	97067-Z6342201	43.003	102,966	-
Center for Research and Exploration in Space Science and Technology (CRESST) II (University of Maryland at College Park)	97067-Z6342201	43.003	744	-
Center for Research and Exploration in Space Science and Technology (CRESST) II (University of Maryland at College Park)	97067-Z6342201	43.003	569	-
Center for Research and Exploration in Space Science and Technology (CRESST) II (University of Maryland at College Park)	97067-Z6342201	43.003	162,471	-
Center for Research and Exploration in Space Science and Technology (CRESST) II (University of Maryland at College Park)	97067-Z6342201	43.003	712	-
Center for Research and Exploration in Space Science and Technology (CRESST) II (University of Maryland at College Park)	97067-Z6342201	43.003	39,193	-
Center for Research and Exploration in Space Science and Technology (CRESST) II (University of Maryland at College Park)	97067-Z6342201	43.003	27,324	-

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Center for Research and Exploration in Space Science and Technology (CRESST) II (University of Maryland at College Park)	97067-Z6342201	43.003	43,718	-
Center for Research and Exploration in Space Science and Technology (CRESST) II (University of Maryland at College Park)	97067-Z6342201	43.003	97,371	-
Center for Research and Exploration in Space Science and Technology (CRESST) II (University of Maryland at College Park)	97067-Z6342201	43.003	107,805	-
			736,043	-
District of Columbia Space Grant Consortium Budget Proposal for National Space Grant College and Fellowship Program: Opportunities in NASA STEM FY 2020-2024 (American University)	31590-HU-20	43.008	70,105	-
Long-Term, High Resolution Urban Aerosol Database for Research, Education and Outreach (Morgan State University)	MSUHU3M0049	43.008	4,119	-
			74,224	-
The Habitats Optimized for Missions of Exploration (HOME) Space Technology Research Institute for Deep Space Habitat Design (University of California)	A19-2477-S004	43.012	166,445	-
SUBTOTAL FOR THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			1,654,331	-
NATIONAL SCIENCE FOUNDATION				
Engineering Grants				
EIR : Doping Cubic Boron Nitride, and Extreme Material for Power Electronics and Radiation (Morgan State University)	HU-183-01	47.041	75	-
EEC Planning: Track 1 BPE for Development of Hypersonic Research Collaborations (University of Texas)	1000005006	47.041	9,334	-
Engineering Research Center for Power Optimization for Electro- Thermal system (POETS) (University of Illinois)	073708-14988	47.041	126,548	-
NSF Engineering Research Center for Quantum Network (CQN) (University of Arizona)	TBD 621056	47.041	61,502	-
RCN: Wastewater Surveillance for SARS- CoV-2 and Emerging Public Health Threats (University of Notre Dame)	204597HU	47.041	1,577	-
Natural Hazards Engineering Research Infrastructure: Cyberinfrastructure (DesignSafe) 2020-2025 (University of Texas)	UTA21-000344	47.041	4,379	-
I-Corps Hub: Mid-Atlantic Region (University of Maryland)	104754-Z3822206	47.041	100,428	-
Subtotal for the Engineering Grants			303,843	-

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Mathematical and Physical Sciences				
Center for Integrated Quantum Materials (Harvard University)	123826-5056261	47.049	76,326	-
Center for Integrated Quantum Materials (Harvard University)	123826-5056261	47.049	57,757	-
Center for Integrated Quantum Materials (Harvard University)	123826-5056261	47.049	73,381	-
Center for Integrated Quantum Materials (Harvard University)	123826-5056261	47.049	1,064	-
Collaborative Research: National Institute for Foundations of Data Science (Massachusetts Institute of Technology)	S5211.PO#532331	47.049	23,367	-
Subtotal for the Mathematical and Physical Sciences			231,895	-
Geosciences				
Unidata: Nest-generation Data Services and Workflows to Advance Geoscience Research and Education (University Corporation for Atmospheric Research)	SUBAWD004350	47.050	19,894	-
Promoting and Sustaining Geoscience and Related Disciplines with PSU Environmentors for Underserved and Underrepresented Minority NY, NJ, and PA Communities (GEOENV) (Penn State University)	S005168-NSF	47.050	10,150	-
The Management and Operation of the National Center for Atmospheric Research (NCAR) and Supporting Activities (University Corporation for Atmospheric Research)	SUBAWD003030	47.050	46,502	-
Subtotal for the Geosciences			76,546	-
Computer and Information Science and Engineering				
Emerging Frontiers of the Science of Information (Purdue University)	0939370-CCF	47.070	1,753	-
Subtotal for the Computer and Information Science and Engineering			1,753	-
Biological Sciences				
RCN: Instrumentation for Quantum Biology (I-QuBio) (University of California)	0518 G Y B822	47.074	7,710	-
Subtotal for the Biological Sciences			7,710	-
Social, Behavioral, and Economic Sciences				
Understanding the Genomic Basis and Evolutionary History of Lactase Persistence and the Dynamics of the Associated Gut Microgome in Pastoralist Populations (University of Southern California)	SCON-00004975	47.075	43,255	-
Subtotal for the Social, Behavioral, and Economic Sciences			43,255	-
Education and Human Resources				
NSF INCLUDES Alliance: National Data Science Alliance (NDSA) (Clark Atlanta University)	RSP-2023-215112-09-003	47.076	133,932	-
Subtotal for the Education and Human Resources			133,932	-
Office of International Science and Engineering				
Columbia University MRSEC on Precision-Assembled Quantum Materials (Columbia University)	3(GG015783-06)	47.079	39,637	-
Subtotal for the Office of International Science and Engineering			39,637	-

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AI Institute for Societal Decision Making (AI-SDM) (Carnegie Mellon University)	1123036-471080	47.084	72,740	-
SUBTOTAL FOR THE NATIONAL SCIENCE FOUNDATION			911,311	-
DEPARTMENT OF ENERGY				
Consortium Risk Evaluation with Stakeholder Participation III (Vanderbilt University)	19067-S1	81.000	107,897	-
Howard University: Student Training in Applied Research (STAR) Program (National Renewable Energy Laboratory)	AGR-2023-10124	81.U01	14,778	-
Howard University: Student Training in Applied Research (STAR) Program (National Renewable Energy Laboratory)	AGR-2023-10124	81.U02	3,481	-
Howard University: Student Training in Applied Research (STAR) Program (National Renewable Energy Laboratory)	AGR-2023-10124	81.U03	3,481	-
Howard University: Student Training in Applied Research (STAR) Program (National Renewable Energy Laboratory)	AGR-2023-10124	81.U04	3,441	-
Howard University: Student Training in Applied Research (STAR) Program (National Renewable Energy Laboratory)	AGR-2023-10124	81.U05	3,362	-
Howard University: Student Training in Applied Research (STAR) Program (National Renewable Energy Laboratory)	AGR-2023-10124	81.U06	3,481	-
Howard University: Student Training in Applied Research (STAR) Program (National Renewable Energy Laboratory)	AGR-2023-10124	81.U07	3,481	-
Howard University: Student Training in Applied Research (STAR) Program (National Renewable Energy Laboratory)	AGR-2023-10124	81.U08	3,481	-
Howard University: Student Training in Applied Research (STAR) Program (National Renewable Energy Laboratory)	AGR-2023-10124	81.U09	7,408	-
Howard University: Student Training in Applied Research (STAR) Program (National Renewable Energy Laboratory)	AGR-2023-10124	81.U10	3,730	-
Howard University: Student Training in Applied Research (STAR) Program (National Renewable Energy Laboratory)	AGR-2023-10124	81.U11	10,026	-
An HPC Platform for Real-Time Environment Monitoring Using Machine Learning (San Jose State University)	23-1305-6621-Howard	81.U12	28,172	-
Pathways to Fusion - A Collaborative Center for Workforce Development (Princeton University)	S230596	81.U13	20,565	-
SUBTOTAL FOR THE DEPARTMENT OF ENERGY			216,784	-

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DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Scaling Social Determinants of Health Screening, Social Support and Anti-Racism Training to Reduce Inequities in Minority Cancer Survivor Health and Wellbeing in Washington, DC (MedStar Health Research Institute)	5002616739	93.068	212	-
Scaling Social Determinants of Health Screening, Social Support and Anti-Racism Training to Reduce Inequities in Minority Cancer Survivor Health and Wellbeing in Washington, DC (MedStar Health Research Institute)	5002616739	93.068	12,959	-
			13,171	-
Leadership Education in Neurodevelopmental and Related Disorders Training Program (Children's Research Institute)	30006604-03	93.110	29,390	-
Examining provider bias in an underserved dental patient population: Improving health equity through a Dental School Practice-based Research Network (dsPBRN) (University of Maryland)	21570	93.121	31,133	-
In Situ Structures of Three Components Essential to Human Cytomegalovirus Pathogenesis: Genome-Packaging Machinery, Capsid-Associated Tegument and Prefusion Glycoprotein Complexes (University of California)	2301 G WF737	93.121	80,219	-
			111,352	-
Health Literacy Evaluation (DC Department of Health)	CHA2023-000009	93.137	87,302	-
National Research Center on Poverty and Economic Mobility (University of Wisconsin)	0000002553	93.239	7,274	-
<i>Drug Abuse and Addiction Research Programs</i>				
Better Together: Integrating MOUD in African American Community Settings (University of Miami)	0500001284	93.279	79,370	-
Clinical Trials Network: Mid-Atlantic Integrated Care Research Collaborative (Johns Hopkins University)	056282296	93.279	40,542	-
The National Drug Abuse Clinical Trials Network: New England Consortium Node CTN-0131 (Yale University)	CON-80004241(GR119501)	93.279	9,159	-
Center to Advance Research Excellence (OPTIC) (RAND Corporation)	SCON-00000595	93.279	11,482	-
Implementation of Seek, Test, Treat & Retain Strategies among People who Inject Drugs in Malaysia (Yale University)	GR104676 (CON-80001487)	93.279	192	-
The Development and Evaluation of Enhanced-Digital-Chemosensory-Based Olfactory Training for Remote Management of Substance Use Disorders (EDITOR) (Evon Medics, LLC)	HUCM02005	93.279	11,785	-
<i>Subtotal for the Drug Abuse and Addiction Research Programs</i>			152,530	-

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NeuroTech Harbor: Our Nation's First Equitech Ecosystem for Neuromedical Technologies (Johns Hopkins University)	2005680884	93.286	25,344	-
NeuroTech Harbor: Our Nation's First Equitech Ecosystem for Neuromedical Technologies (Johns Hopkins University)	2005680884	93.286	1,060,358	-
NeuroTech Harbor: Our Nation's First Equitech Ecosystem for Neuromedical Technologies (Johns Hopkins University)	2005680884	93.286	39,884	-
NeuroTech Harbor: Our Nation's First Equitech Ecosystem for Neuromedical Technologies (Johns Hopkins University)	2005680884	93.286	10,344	-
			1,135,930	-
<i>National Center for Advancing Translational Sciences</i>				
Georgetown-Howard Universities Center of Clinical and Translational Science (GHUCCTS) (Georgetown University)	414039-GR414026-HU-ADM	93.350	110,144	-
Georgetown-Howard Universities Center of Clinical and Translational Science (GHUCCTS) (Georgetown University)	414039-GR414026-HU-INF	93.350	48,649	-
Georgetown-Howard Universities Center of Clinical and Translational Science (GHUCCTS) (Georgetown University)	414039-GR414026-HU-TE	93.350	54,021	-
Georgetown-Howard Universities Center of Clinical and Translational Science (GHUCCTS) (Georgetown University)	414039-GR414026-HU-RM	93.350	95,294	-
Georgetown-Howard Universities Center of Clinical and Translational Science (GHUCCTS) (Georgetown University)	414039-GR414026-HU-HUB	93.350	209,439	-
Georgetown-Howard Universities Center of Clinical and Translational Science (GHUCCTS) (Georgetown University)	414039-GR414026-HU-EDH	93.350	12,536	-
Georgetown-Howard Universities Center of Clinical and Translational Science (GHUCCTS) (Georgetown University)	414039-GR414026-HU-KL2	93.350	26,417	-
Translational Biomedical Science Training Grant (Georgetown University)	425168 GR425030-HU-TL1	93.350	66,950	-
Translational Biomedical Science Training Grant (Georgetown University)	425156_GR425026-HU-RM	93.350	7,309	-
Translational Biomedical Science Training Grant (Georgetown University)	4256156_GR425026-HU-RM	93.350	8,642	-
Georgetown-Howard Universities Center of Clinical and Translational Science (GHUCCTS) (Georgetown University)	GRT000557 C&C CE CMTS	93.350	152,692	-
Georgetown-Howard Universities Center of Clinical and Translational Science (GHUCCTS) (Georgetown University)	GRT000561 GHUCCTS-HLT	93.350	23,581	-
<i>Subtotal for the National Center for Advancing Translational Sciences</i>			815,674	-

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The Public Health Informatics & Technology (PHIT) Workforce Development Program -- PHIT4DC (University of the District of Columbia)	90PH0007/HU-01	93.355	151,264	-
The Public Health Informatics & Technology (PHIT) Workforce Development Program -- PHIT4DC (University of the District of Columbia)	90PH0007/HU-01	93.355	538,936	19,000
			690,200	19,000
Sickle Cell Treatment Demonstration Program (Johns Hopkins University)	2005359949	93.365	5,856	-
Sickle Cell Treatment Demonstration Program (Johns Hopkins University)	2005359949	93.365	30,132	-
			35,988	-
Oral Health Survey of School Children (Maryland Department of Health)	M00B2600316	93.366	27,827	-
Inactivation of MSH3 in Colorectal Cancer and Race-R01 w Howard SubK June 2020 (University of Michigan)	SUBK0001631	93.393	25,662	-
Inactivation of MSH3 in Colorectal Cancer and Race (University of California)	705881	93.393	118,687	-
			144,349	-
Polygenic Risk Stratification Combined with mpMRI to Identify Clinically Relevant Prostate Cancer (Brigham and Women's Hospital, NC.)	128885	93.394	19,428	-
Maternal and Child Health Careers/Research Initiatives for Student Enhancement-Dr. James Ferguson Emerging and Infectious Disease Fellowship (Kennedy Krieger Children's Hospital, Inc)	1 NU50CD300866-01-00	93.456	24,000	-
COVID-19 - Researching COVID To Enhance Recovery (RECOVER) Initiative (New York University)	ADU-06-21	93.838	1,978,504	806,411
COVID-19 - Community-Engagement Research Alliance Against COVID-19 in Disproportionately Affected Communities (CEAL) - Phase 4 (Johns Hopkins University)	2005405130	93.838	14,874	-
			1,993,378	806,411
DISPLACE: Dissemination and Implementation of Stroke Prevention Looking at the Care Environment (University of Alabama)	000524452*SC018	93.839	757	-
Sickle Cell Disease and Cardiovascular Risk- Red Cell Exchange SCD-CARRE (University of Maryland)	20790	93.839	1,657	-
			2,414	-
dkNET Coordinating Unit : An Information Network for FAIR Resources and Data (University of California)	705878	93.847	101,946	-

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Axonoprotection in Pediatric Cardiac Arrest (Children's Research Institute)	30005478-01	93.853	5,940	-
Axonoprotection in Pediatric Cardiac Arrest (Children's Research Institute)	30005478-01	93.853	24,711	-
Junctophilin-3, Calcium Homeostasis, and Neuronal Dysfunction in HDL2 (Johns Hopkins University)	2004861051	93.853	40,515	-
			71,166	-
Program for AI Readiness (PAIR) at the Howard University College of Medicine (University of North Texas)	RF00280-SUB00286	93.310	18,269	-
Artificial Intelligence/Machine Learning Consortium to Advance Health Equity and Researcher Diversity (AIM-AHEAD) (University of North Texas)	RF00250-2022-0043	93.310	36,430	-
Artificial Intelligence/Machine Learning Consortium to Advance Health Equity and Researcher Diversity (AIM-AHEAD) (University of North Texas)	RF00250-2022-0043	93.310	425,300	-
Artificial Intelligence/Machine Learning Consortium to Advance Health Equity and Researcher Diversity (AIM-AHEAD) (University of North Texas)	RF00250-2022-0043	93.310	230,853	87,274
Artificial Intelligence/Machine Learning Consortium to Advance Health Equity and Researcher Diversity (AIM-AHEAD) (University of North Texas)	RF00250-2022-0043	93.310	1,250	-
Artificial Intelligence/Machine Learning Consortium to Advance Health Equity and Researcher Diversity (AIM-AHEAD) (University of North Texas)	RF00250-2022-0043	93.310	749	-
Artificial Intelligence/Machine Learning Consortium to Advance Health Equity and Researcher Diversity (AIM-AHEAD) (University of North Texas)	RF00250-2022-0043	93.310	1,298,360	673,154
			2,011,211	760,428
<i>Allergy and Infectious Diseases Research</i>				
District of Columbia Center for AIDS Research (DC CFAR) (George Washington University)	20-M60R	93.855	13,796	-
Novel Strategy to Develop Ad-Based HIV-1 Vaccines (George Washington University)	M-0059	93.855	14,534	-
District of Columbia Center for AIDS Research (DC CFAR) (George Washington University)	20-M59R	93.855	25,589	-
Acquisition of CytoFLEX S Flow Analyzer to characterize HIV-1 Infected and cART - affected cells (George Washington University)	22M50R	93.855	100,000	-
DC CFAR Diversity, Equity, and Inclusion Pathway Initiative Developing and Inclusive Generation of HIV Researchers through Diversity Community (George Washington University)	23-M79R	93.855	75,943	-
DC Cohort: A Longitudinal Population-Based Cohort of People Living with HIV in Washington, DC (George Washington University)	20-M71R	93.855	61,973	-
Implementing Brain Health Assessment into the HIV Care Continuum in Washington DC (George Washington University)	21-M86R	93.855	49,868	-
Effects of cART on the Heart (George Washington University)	M-0053R	93.855	15,606	-

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The DC Cohort: A Longitudinal Population-Based Cohort Study of People Living with HIV in Washington, DC (George Washington University)	20-M70R	93.855	135,499	-
DC CDEIPI: Developing an Inclusive Generation of HIV Researchers through Diversity and Community (George Washington University)	22-M14R	93.855	22,400	-
The role of H3K27me2 in regulating Culex pipiens diapause (Baylor University)	102908- 01	93.855	22,081	-
<i>Subtotal for the Allergy and Infectious Diseases Research</i>			537,289	-
<i>Substance Abuse and Mental Health Services Administration</i>				
The District of Columbia's Opioid Response 2 (DCOR2) (DC Department of Behavioral Health)	5H79T1083311-02	93.788	14,079	-
The District of Columbia's Opioid Response (DCOR) Comprehensive Care Management (DC Department of Behavioral Health)	PO684248-V2	93.788	102,223	-
District of Columbia's Opioid Response (DCOR) Comprehensive Care Management (DC Department of Behavioral Health)	PO# - P2336693	93.788	170,419	-
The District of Columbia's Opioid Response (DCOR2) Office-Based MOUD: Outreach and Engagement (DC Department of Behavioral Health)	RK204428	93.788	50	-
The District of Columbia's Opioid Response (DCOR) Comprehensive Care Management (DC Department of Behavioral Health)	RK200912	93.788	124,797	-
<i>Subtotal for the Substance Abuse and Mental Health Services Administration</i>			411,568	-
<i>Aging Research</i>				
District of Columbia Intellectual and Development Disabilities Research Center (Children's Research Institute)	30006468-02	93.865	96,857	-
Alzheimer's Clinical Trials Consortium (ACTC) (University of Southern California)	SCON-00005790	93.866	38,936	-
AHEAD Plasma Extension (APEX) (University of Southern California)	SCON-00004815	93.866	688	-
Longitudinal Evaluation of Amyloid Risk and Neurodegeneration- the LEARN Study (University of Southern California)	HUCM3001	93.866	2,663	-
A Randomized Double Blind, Placebo Controlled, Parallel Group Trial to Evaluate the Safety and Efficacy of CT1812 in Early Alzheimer's Disease over 18 Months (University of Southern California)	SCON-00005718	93.866	1,031	-
Alzheimer's Clinical Trials Consortium (ACTC) (University of Southern California)	105765308	93.866	79,237	-
			122,555	-
<i>Subtotal for the Aging Research</i>			219,412	-
SUBTOTAL FOR THE DEPARTMENT OF HEALTH AND HUMAN SERVICES			8,642,799	1,585,839

The Howard University
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Total Federal Expenditures	Provided to Subrecipient
SOCIAL SECURITY ADMINISTRATION				
Center for Financial Security Retirement and Disability Research Consortium-Year 5 (University of Wisconsin)	0000002579	96.007	12,074	-
SUBTOTAL FOR SOCIAL SECURITY ADMINISTRATION			12,074	-
<i>Subtotal for the Pass-Through Research and Development Awards</i>			11,757,024	1,585,839
TOTAL FOR THE RESEARCH AND DEVELOPMENT CLUSTER			38,292,720	3,859,398
DEPARTMENT OF TRANSPORTATION				
A Parametric Analysis of Transportation Tax Revenue Model Due to a Rapid Transition to Telecommuting and Changes in Commute Mode in Order to Propose a Multi-Criteria Decision-Making Model for Transportation Tax Revenue Generation (DC Department of Transportation)	PO644465	20.205	159,798	159,798
Evaluation of Different Curb Extension Treatments for Pedestrian Comfort and Safety at Intersections (DC Department of Transportation)	DCKA-2021-C-0031	20.205	26,398	26,398
2024 Research Internship Program (DC- Department of Transportation)	PO705112	20.205	1,490	-
Measuring the Effectiveness of DC Commuter Benefits Law and Its Impact on Sustainable Mode Choices in Washington, DC. (DC Department of Transportation)	PO685192	20.205	10,542	-
			198,228	186,196
Federal Motor Carrier Safety Assistance (FMCSA) Cluster				
FY2022 HP-CMV Grant Program		20.237	41,965	-
Subtotal for the FMCSA Cluster			41,965	-
Highway Safety Cluster				
Howard University Traffic Data Center Project (DC Department of Transportation)	PO672062	20.600	131,770	-
Subtotal for the Highway Safety Cluster			131,770	-
Research and Education for Promoting Safety (REPS)		20.701	706,447	481,199
Center for Durable and Resilient Transportation Infrastructure (DuRe- Transp) (University of Texas)	2022GC1889	20.701	61,113	-
			767,560	481,199

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Schedule of Expenditures of Federal Awards
For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Total Federal Expenditures	Provided to Subrecipient
FY2023 NHTSA Grant with Howard University (DC Department of Transportation)	PO678823	20.U01	114,535	-
Research Program Management support Option Year One (DC Department of Transportation)	PO685196	20.U02	102,057	-
			216,592	-
TOTAL FOR THE DEPARTMENT OF TRANSPORTATION			1,356,115	667,395
<u>AIDS EDUCATION AWARDS</u>				
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Direct AIDS Education Awards</i>				
AIDS Education Training Centers Program		93.145	2,393	-
<i>Subtotal for the Direct AIDS Education Awards</i>			2,393	-
<i>Pass-Through AIDS Education Awards</i>				
Pragmatic Efficacy Trial of mHealth to Improve HIV Outcomes in the DC Cohort (George Washington University)	20-M88R	93.242	529	-
Pragmatic Efficacy Trial of mHealth to Improve HIV Outcomes in the DC Cohort (George Washington University)	20-M88R	93.242	11,033	-
Pragmatic Efficacy Trial of mHealth to Improve HIV Outcomes in the DC Cohort (George Washington University)	20-M87R	93.242	93	-
Pragmatic Efficacy Trial of mHealth to Improve HIV Outcomes in the DC Cohort (George Washington University)	20-M87R	93.242	23,288	-
			34,943	-
AIDS Education and Training Centers (University of Pittsburgh)	CNVA00050178 (137979-1)	93.145	1,667	-
AIDS Education and Training Centers (University of Pittsburgh)	CNVA00050178 (137979-1)	93.145	2,588	-
AIDS Education and Training Centers (University of Pittsburgh)	CNVA00050178 (137979-1)	93.145	805	-
AIDS Education and Training Centers (University of Pittsburgh)	CNVA00050178 (137979-1)	93.145	1,801	-
AIDS Education and Training Centers (University of Pittsburgh)	CNVA00050178 (139298-1)	93.145	20,278	-
AIDS Education and Training Centers (University of Pittsburgh)	CNVA00050178 (139298-1)	93.145	44,956	-
AIDS Education and Training Centers (University of Pittsburgh)	CNVA00050178 (139298-1)	93.145	11,053	-
AIDS Education and Training Centers (University of Pittsburgh)	CNVA00050178 (139298-1)	93.145	91,708	-
AIDS Education and Training Centers (University of Pittsburgh)	CNVA00050178 (139298-1)	93.145	61,517	-

The Howard University
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Total Federal Expenditures	Provided to Subrecipient
AIDS Education and Training Centers (University of Pittsburgh)	CNVA00050178 (139298-1)	93.145	19,875	-
			256,248	-
<i>Subtotal for the Pass-Through AIDS Education Awards</i>			291,191	-
TOTAL FOR THE AIDS EDUCATION AWARDS			293,584	-
<u>HIV AND RYAN WHITE AWARDS</u>				
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
HIV Tat Portion in CB1 Receptor-Mediated Signaling in Central Olfactory Circuits (George Washington University)	M-0047R	93.855	49,295	-
Improving STI Screening and Treatment Among People Living with or at Risk for HIV (Rutgers University)	1688	93.928	91	-
Centers for Disease Control and Prevention				
Delivering Comprehensive and Sustainable HIV/AIDS Clinical and Community Services to Achieve HIV Epidemic Control in Subnational Units in Nigeria under the President's Emergency Plan for AIDS Relief (PEPFAR) (Excellence Community Education Welfare Scheme)	ECEWS/CDC/SPEED/03	93.U01	176,209	-
<i>Subtotal for the Centers for Disease Control and Prevention</i>			176,209	-
Health Resources and Services Administration				
<i>HIV Emergency Relief Project Grants</i>				
FY 2022 Ryan White HIV/AIDS Program Parts A (DC - Department of Health)	PO660629	93.914	1,872	-
FY 2022 Ryan White HIV/AIDS Program Parts A (DC - Department of Health)	PO660629	93.914	152,321	-
FY 2022 Ryan White HIV/AIDS Program Parts A (DC - Department of Health)	PO660629	93.914	132	-
FY 2022 Ryan White HIV/AIDS Program Parts A (DC - Department of Health)	PO660629	93.914	97,965	-
FY 2022 Ryan White HIV/AIDS Program Parts A (DC - Department of Health)	PO660629	93.914	2,996	-
Ryan White Part A-HIV Emergency Relief Project Grants (DC Department of Health)	HAHSTA2022-000027	93.914	238,498	-
Ryan White Part A-HIV Emergency Relief Project Grants (DC Department of Health)	HAHSTA2022-000027	93.914	230,077	-
Ryan White Part A-HIV Emergency Relief Project Grants (DC Department of Health)	HAHSTA2022-000027	93.914	302,736	-
Ryan White Part A-HIV Emergency Relief Project Grants (DC Department of Health)	HAHSTA2022-000027	93.914	147,247	-
<i>Subtotal for the HIV Care Formula Grants</i>			1,173,844	-
<i>HIV Care Formula Grants</i>				
Ryan White Part B -HIV Emergency Relief Project Grant (DC Department of Health)	PO662233	93.917	297,952	-
Ryan White Part B -HIV Emergency Relief Project Grant (DC Department of Health)	PO662233	93.917	130,600	-

The Howard University
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Total Federal Expenditures	Provided to Subrecipient
Ryan White Part B -HIV Emergency Relief Project Grant (DC Department of Health)	PO662233	93.917	18,828	-
Ryan White Part B -HIV Emergency Relief Project Grant (DC Department of Health)	PO662233	93.917	106,654	-
FY 2022 Ryan White HIV/AIDS Program Parts B (DC - Department of Health)	22F404	93.917	3,773	-
			557,807	-
Ryan White Part C Outpatient EIS Program		93.918	65,265	-
Ryan White Part C Outpatient EIS Program		93.918	243,909	-
			309,174	-
Subtotal for the Health Resources and Services Administration			2,040,825	-
TOTAL FOR THE HIV AND RYAN WHITE AWARDS			2,266,420	-
<u>OTHER FEDERAL AWARDS</u>				
DEPARTMENT OF AGRICULTURE				
APHIS Foreign Service Fellowship Program		10.025	382	-
APHIS Foreign Service Fellowship Program		10.025	93,157	-
			93,539	-
Additive Manufacturing of Protein Snack Foods from Electrostatically Enriched Protein Fractions				
Prepared from Legumes and Cereals		10.307	35,070	-
2021 FAS Diversity Fellowship Program/Technical Agricultural Assistance (TPGA)		10.960	385,415	-
SUBTOTAL FOR THE DEPARTMENT OF AGRICULTURE			514,024	-
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
HBCU Research Center of Excellence		14.506	822,997	246,000
SUBTOTAL FOR THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			822,997	246,000
DEPARTMENT OF DEFENSE				
Consortium on Naval Enterprise Pathways (CoNEP) (George Washington University)	23-S20R	12.330	191,402	-
Research Institute for Tactical Autonomy (RITA), University Affiliated Research Center (UARC)		12.U02	2,104,107	-
Laboratory for Telecommunication Sciences (LTS) Academic Research Summer Program		12.U03	101,384	-
SUBTOTAL FOR THE DEPARTMENT OF DEFENSE			2,396,893	-

The Howard University
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Total Federal Expenditures	Provided to Subrecipient
U.S. DEPARTMENT OF STATE				
<i>Academic Exchange Programs</i>				
Mandela Washington Fellowship for Young African Leaders - Leadership Institute (International Research & Exchanges Board)	FY22-YALI-PM-HU-06	19.009	1,691	-
Mandela Washington Fellowship for Young African Leaders - Leadership Institute (International Research & Exchanges Board)	FY23-YALI-PM-HU-07	19.009	133,045	-
			134,736	-
2024 Thomas R. Pickering Foreign Affairs Graduate Fellowship Program		19.013	121,034	-
2021 Thomas R. Pickering Foreign Affairs Fellowship Program		19.013	1,086,800	-
2023 Thomas R. Pickering Foreign Affairs Fellowship Graduate Program		19.013	2,351,353	-
2020 Thomas R. Pickering Foreign Affairs Fellowship Graduate Program		19.013	27,811	-
2022 Thomas R. Pickering Foreign Affairs Fellowship Graduate Program		19.013	2,365,398	-
			5,952,396	-
<i>Subtotal for the Academic Exchange Programs</i>			6,087,132	-
<i>Charles B. Rangel International Affairs Program</i>				
2024 Charles B. Rangel International Affairs Graduate Fellowship and Summer Enrichment Program		19.020	612,788	-
2022 Charles B. Rangel International Affairs Graduate Fellowship and Summer Enrichment Program		19.020	2,490,918	-
Charles B. Rangel International Affairs Graduate Fellowship Program		19.020	876	-
2019 Charles B. Rangel International Affairs Graduate Fellowship		19.020	89	-
2021 Charles B. Rangel International Affairs Graduate Fellowship		19.020	307,168	-
2022 Charles B. Rangel International Affairs Graduate Fellowship and Summer Enrichment Program		19.020	1,869,956	-
			5,281,795	-
<i>Subtotal for the Charles B. Rangel International Affairs Program</i>			11,368,927	-
SUBTOTAL FOR THE U.S. DEPARTMENT OF STATE				
DEPARTMENT OF TRANSPORTATION				
Mineta Consortium for Transportation Mobility (MCTM) (San Jose state University Research Foundation)	21-1100-5726-HU	20.701	203,648	-
SUBTOTAL FOR THE DEPARTMENT OF TRANSPORTATON				
			203,648	-

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For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Total Federal Expenditures	Provided to Subrecipient
SMALL BUSINESS ADMINISTRATION				
Small Business Development Centers		59.037	245,838	77,492
FY24 -Small Business Development Centers (SBDC) Program		59.037	71,451	-
COVID-19 - Small Business Development Centers CARES Act		59.037	405,667	50,000
Small Business Development Centers		59.037	2,130	-
SUBTOTAL FOR THE SMALL BUSINESS ADMINISTRATION			725,086	127,492
DEPARTMENT OF ENERGY				
Machine-Assisted Quantum Magnetism		81.049	648,272	379,246
Modeling Impacts on the Stratocumulus-to-Cumulus Transition Associated with Southern Africa Biomass Burning Outflow Constrained by ARM Observations		81.049	234,814	-
RDPP: Accelerating Diversity in DOE Climate Science and Resilience Research		81.049	40,639	-
Co-Designing Foundational Capabilities to Diversify the Scientific Workforce		81.049	19,686	-
Rational Design of Concentrated Electrolytes for Beyond Li-ion Batteries with Machine Learning and Quantum Calculations		81.049	41,101	-
Scale Up of Normalizing Flows for Likelihood-free Inference with Fusion Simulations		81.049	21,878	-
HBCU Collider Consortium (Florida A&M University)	C-5205	81.049	30,461	-
Understanding the Interfaces for High-Energy Batteries Using Anions as Charge Carriers (Oregon State University)	G0211A-B	81.049	307,685	-
Co-design Center for Quantum Advantage (C2QA) (Brookhaven Science Associates, LLC)	390344	81.049	87,805	-
			1,432,341	379,246
Multiphysics and Multiscale Simulation Methods for Electromagnetic Energy Assisted Fossil Fuel to Hydrogen Conversion		81.057	97,852	6,776
Additive Manufacturing Post Processing Partnership (AMP3) (University of the District of Columbia)	UDC249876	81.123	50,654	-
SUBTOTAL FOR THE DEPARTMENT OF ENERGY			1,580,847	386,022
DEPARTMENT OF EDUCATION				
Comprehensive National Resource Center and FLAS Institution		84.015A	144,835	-
Comprehensive National Resource Center and FLAS Institution African Studies		84.015B	387,942	-
Howard University proposes to develop authentic multimedia instructional materials at the intermediate and advanced levels for Amharic, Swahili, and Wolof languages.		84.017A	46,156	-
Fulbright-Hays Group Projects Abroad Program		84.021B	40,160	-

The Howard University
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Total Federal Expenditures	Provided to Subrecipient
2018-2019 Fullbright-Hayes Intensive Advances Yoruba Group Project Abroad		84.021	78,567	-
Center of Excellence for Veteran Student Success		84.116G	225,416	-
Howard University Science and Emergency Cultural Efficacy (HUSECE) Program		84.120	8,398	-
Howard University Science and Emergency Cultural Efficacy (HUSECE) Program		84.120	124,713	-
Howard University Science and Emergency Cultural Efficacy (HUSECE) Program		84.120	34,558	-
			167,669	-
Precollege Program and Access to Careers in Engineering		84.120A	47,388	-
Industry-Research Inclusion in STEM Education (I-RISE)		84.120A	34,057	-
Integrating Leadership Education and Development (I-LEAD) into the Minority STEM Education		84.120A	211,915	-
			293,360	-
Developing Business Leaders for the Global Community		84.153A	43,491	-
School Based Mental Health Program		84.184X	322,800	-
Capstone 21st Century Community Learning Centers (DC Office of the State Superintendent)	C2287C	84.287C	12	-
RTL2020-2025 Learning Neighborhood WHUT-TV (Corporation for Public Broadcasting)	35467-EDU	84.287C	16,312	-
			16,324	-
Howard University Teacher Residency Program		84.336S	132,736	-
SUBTOTAL FOR THE DEPARTMENT OF EDUCATION			1,899,456	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Medical Reserve Corps (MRC) Units (National Association of County and City Health Officials)	MRC RISE 22-2614	93.008	5,921	-
Hayes Senior Wellness Center (DC - Office of Aging)	HOW016-24	93.043	24,775	-
Hayes Senior Wellness Center (DC - Office of Aging)	HOW016-22	93.043	6,552	-
			31,327	-
Postdoctoral Training in General, Pediatric and Public Health Dentistry and Dental Hygiene		93.059	312,493	-
Postdoctoral Training in General, Pediatric and Public Health Dentistry and Dental Hygiene		93.059	2,533	-
Postdoctoral Training in General, Pediatric and Public Health Dentistry and Dental Hygiene		93.059	407	-

The Howard University
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Total Federal Expenditures	Provided to Subrecipient
Dental Faculty Loan Repayment		93.059	610	-
Training in General, Pediatric, and Public Health Dentistry		93.059	174,572	-
			490,615	-
COVID-19 - Hispanic, black and pacific islander perspectives on COVID-19 outreach Strategies and patient centered outcomes (HeAR US) (Queen's Medical Center)	1052712	93.103	39,217	-
The Shades of Beauty: Understanding African American and Asian American Women's Perceptions and Use of Skin Lightening Products and Creating Innovating and Educational Messages		93.103	83,053	36,750
			122,270	36,750
Family Centered approaches to Improve Type 2 Diabetes Control and Prevention		93.137	69	-
Graduate Psychology Education Program		93.191	292,320	-
Promoting Resiliency and Recovery (DC Department of Behavioral Health)	RK186831	93.655	336	-
COVID-19 - Promoting Resiliency and Recovery: An Emergency Grant to Address Mental Health and Substance Use Disorders During COVID- 19 (DC Department of Behavioral Health)	PO686703	93.665	848	-
Howard University SES Diversity Fellowship Program (HU-SDI)		93.925	232,500	-
Howard University SES Diversity Fellowship Program (HU-SDI)		93.925	272,500	-
			505,000	-
Health Workforce for the 21st century (HW21) (Jhpiego)	19-SBA-180	93.266	79,836	-
HIV Demonstration, Research, Public and Professional education Project (Meharry Medical College)	221003JH080	93.266	18,567	-
HIV Demonstration, Research, Public and Professional education Project (Meharry Medical College)	221003JH080	93.266	574,464	-
HIV Demonstration, Research, Public and Professional education Project (Meharry Medical College)	221003JH080	93.266	113,848	-
HIV Demonstration, Research, Public and Professional education Project (Meharry Medical College)	221003JH080	93.266	37,953	-
			824,668	-
COVID-19 - Activities - Health Centers - FY22 (DC Department of Health)	RK201624	93.268	386	-
Project REFOCUS: Phase II (University of California)	1920 G ZA286	93.421	1,077,876	-
Addiction Medication Fellowship		93.732	5	-
Addiction Medication Fellowship		93.732	80,850	-

The Howard University
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Total Federal Expenditures	Provided to Subrecipient
Addiction Medication Fellowship		93.732	162,584	-
			243,439	-
Bridging Gaps Recruiting Black and Asian American Participants in Clinical Trials and Creating Culturally Competent Messages. - BAA MCMWP 111		93.U02	6,590	-
SUBTOTAL FOR THE DEPARTMENT OF HEALTH AND HUMAN SERVICES			3,601,665	36,750
AGENCY FOR INTERNATIONAL DEVELOPMENT				
USAID Foreign Assistance for Programs Overseas				
Pharmacy Services for Epic Sites in Akwa Ibom and Cross River States Nigeria (Family Health International)	PO21002152	98.001	43,868	-
Donald Payne Fellowship Program		98.001	167,480	-
Promoting the Quality of Medicines Plus (PQM+) with USP. (United States Pharmacopeial Convention (USP)	PQM+-21-10	98.001	4,197	-
Donald Payne Fellowship Program		98.001	3,331,724	-
Accelerating Control of the HIV Epidemic In Nigeria (ACE): Akwa-Ibom and Cross River States (Excellence Community Education Welfare Scheme)	72062022CA00007	98.001	258,873	-
SUBTOTAL FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT			3,806,142	-
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Jumpstart 2023-2024 (Jumpstart, Children First)	2840200	94.006	149,941	-
Jumpstart site 2021- 2022 (Jumpstart, Children First)	2840200	94.006	222	-
SUBTOTAL FOR THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			150,163	-
DEPARTMENT OF HOMELAND SECURITY				
The NorthEast Intelligence Community Centers for Academic Excellence (IC CAE) (University of New Hampshire)	PZL0248	97.U01	15,354	-
The NorthEast Intelligence Community Centers for Academic Excellence (IC CAE) (University of New Hampshire)	PZL0248	97.U01	15,277	-
SUBTOTAL FOR THE DEPARTMENT OF HOMELAND SECURITY			30,631	-
TOTAL FOR THE ALL OTHER FEDERAL AWARDS			27,100,479	796,264
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 881,825,220	5,323,057

The Howard University

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) presents the expenditures of The Howard University (the “University”) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a portion of the operations of the University, it is not intended to and does not present the financial position, changes in net assets, and cash flows of the University.

For purposes of the Schedule, federal awards include all grants, contracts, and similar agreements entered into directly between the University and agencies and departments of the federal government and all subawards made to the University by nonfederal organizations pursuant to federal grants, contracts, and similar agreements. Federal Assistance Listing Numbers (“ALN”) and pass-through entity award numbers are provided when available.

The reimbursement of indirect costs reflected in the accompanying consolidated financial statements as federal grants revenue is subject to final approval by federal grantors and could be adjusted upon the results of these reviews. Management believes that the results of any such adjustment would be immaterial to the University’s consolidated financial position or changes in net assets. The University has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

All of the University’s federal awards were in the form of cash assistance for the year ended June 30, 2024.

2. Summary of Significant Accounting Policies for Federal Award Expenditures

Basis of Presentation

The accompanying Schedule has been prepared using the accrual basis of accounting.

Expenditures

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget (“OMB”) Circular A-21, *Cost Principles for Educational Institutions*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Expenditures for federal student financial aid programs are recognized as incurred and include Federal Pell Grant Program awards to students, Federal Supplemental Educational Opportunity Grant awards to students and Federal Work-Study Program wages paid, certain other federal financial assistance grants for students, administrative cost allowances, and loan disbursements.

The Howard University

Notes to Schedule of Expenditures of Federal Awards

3. Facilities and Administrative Costs (“F&A Costs”)

Expenditures for non-financial aid awards include indirect costs, relating primarily to facilities operation and maintenance, general, divisional, and departmental administrative services, which are allocated to direct cost objectives (including federal award programs) based on negotiated formulas commonly referred to as indirect cost rates, which were negotiated with the Department of Health and Human Services. A portion of indirect costs allocated to some awards for the year ended June 30, 2024 were based on individual grantor rates.

The University operates under predetermined F&A cost rates. Base rates for the other F&A cost recoveries ranged from 8% to 55% for the year ended June 30, 2024.

4. Federal Student Loan Programs

The University receives awards to make loans to eligible students under the Federal Perkins Loan Program and Federal Direct Student Loans Program of the Department of Education, and Health Professions and Nursing Student Loan Programs of the Department of Health and Human Services. Campus-based loan programs which include the Federal Perkins Loan Program are administered directly by the University. Balances and transactions relating to these programs are included in the University's basic financial statements. These administrative allowances related to these loan programs for the year ended June 30, 2024 were zero. Additional information regarding these programs as of June 30, 2024 is summarized below:

Campus-Based Loan Programs	Assistance Listing Number	Outstanding June 30, 2024
Federal Perkins Loans	84.038	\$ 533,098
Health Professional and Disadvantaged Students	93.342	2,903,992
Nursing Student Loans	93.364	163,372
Total Campus-Based Loan Programs		\$ 3,600,462

The University is responsible for the performance of certain administrative duties with respect to Federal Direct Student Loans disbursed by the Department of Education on behalf of the University's students under the Federal Direct Student Loans programs (Subsidized Stafford Loans, Unsubsidized Stafford Loans, and Parent PLUS Loans). These loan programs collectively are ALN: 84.268 and are disclosed on the Schedule in the amount of \$253,423,233. It is not practical to determine the balance of loans outstanding to students and former students of the University under these federally guaranteed loan programs at June 30, 2024.

5. Subsequent Events

On March 20, 2025, the Trump Administration issued Executive Order “Improving Education Outcomes by Empowering Parents, States, and Communities” ordering the Secretary of Education to facilitate the closure of the Department of Education to the extent appropriate and permitted by law. It is unclear and not possible to reasonably estimate the full impact, if any, of this order on the University and its financial condition, liquidity, and future results of operations. As of March 31, 2025, the University has not seen a material negative impact to its operations. The University continues to monitor the impact of the executive order as well as other events as a part of its standard monitoring of access to Title IV and other federal funding.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☒ yes ☐ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☒ yes ☐ no
- Significant deficiency(ies) identified? ☒ yes ☐ none reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified for all major programs except for the University Transportation Centers Program, which was qualified.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☒ yes ☐ no

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Identification of major federal programs:

<u>Federal Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Various	Student Financial Assistance Cluster
Various	Research and Development Cluster
12.U02	Research Institute for Tactical Autonomy
20.701	University Transportation Centers Program
84.915A	Annual Appropriation and COVID-19 - Annual Appropriation Supplemental Funding
93.375	Excellence in Health Professional Education Endowment

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

\$3,000,000

Auditee qualified as low-risk auditee?

_____ yes X no

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Section II - Financial Statement Findings Section

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with violations of provisions of laws, regulations, contracts and grant agreements related to the financial statements for which *Government Auditing Standards* requires reporting.

FINDING 2024-001

Criteria:

The University is responsible for the design, implementation, and maintenance of internal control relevant to the accounts payable and procurement processes, and the incurrence of institutional and federal expenditures.

Condition:

The University has an “ad hoc process” as an alternative to the University’s normal procurement process that allowed for expedited payments to University students, employees and/or vendors once certain approvals were obtained. During the year, management became aware of a concern with respect to certain payments that were made through the ad hoc process. Management’s initial analysis of the payments revealed that these payments were funded by institutional dollars as well as through various federal research grants. The University’s internal controls require that all ad hoc disbursement requests are appropriately approved, supported with sufficient documentation, and if applicable, allowable costs as defined by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) if disbursed from a federal award. The University determined that these policies were not being followed by specific individuals, resulting in suspected misappropriation and/or unsupported disbursements. Once the University became aware of these circumstances, the ad hoc process was no longer permitted to be utilized for normal disbursements, particularly those associated with federal awards, and instead can only be used in special case scenarios that require approval by the Chief Accounting Officer. Given the facts and nature of this matter, management’s investigation is ongoing and the appropriate law enforcement authorities were notified.

Cause:

The University did not have appropriately designed internal controls over the accounts payable and procurement processes that appropriately limited the scope of the nature or type of disbursements that could occur via the ad hoc process. In addition, other controls did not operate effectively with respect to the approval of ad hoc requests and supporting documentation.

Effect or Potential Effect:

Certain disbursements were made for inappropriate purposes, as well as expenditures that were not disbursed in accordance with federal regulations. The total of such inappropriate disbursements were not material to the consolidated financial statements, however the issues with the design and operating effectiveness of existing controls could have given rise to material misappropriation.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Recommendation:

We recommend that the University take appropriate steps to limit or terminate the use of the ad hoc payment process. Any continuation of the ad hoc process should be enhanced with additional controls such that the ad hoc process cannot be used as an avenue to circumvent other controls that are a part of the regular procurement process. In addition, the University should ensure that its disbursement processes align with the Uniform Guidance such that any disbursements that are reimbursed with federal or other grantor monies are appropriately approved, supported and from vendors that were selected in accordance with the Uniform Guidance and other regulations as applicable.

Views of Responsible Officials:

Accounts Payable (AP) will create a Corrective Action plan to include the following.

1. The process to review Payment Request Forms (“PRFs”), used for payment to vendors that do not require the use of a purchase order, will be improved by requiring the review of supporting documents to ensure expenses are allowable by the newly established Sponsored Program Office (SPO) post award team. This team will thoroughly review supporting documents to ensure expenses are allowable, allocable, and reasonable according to University policies and grant terms. PRFs will be reviewed by SPO and Grants and Contracts Accounting (GCA) and will serve as the key control point before transactions are forwarded to accounting to post to sponsored awards.
2. AP will collaborate with SPO and GCA to issue communications and provide training to all Principal Investigators (PIs), SPO, GCA, and AP personnel.
3. AP will conduct intermittent audits whereby PIs will provide all documents of recipient eligibility and recipient document verification (W9, bank account information, etc)

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Section III - Federal Awards Findings and Questioned Costs Section

This section identifies the audit findings required to be reported by 2 CFR 200.516(a) (for example, significant deficiencies, material weaknesses and material instances of noncompliance, including questioned costs, and significant instances of abuse).

FINDING 2024-002

Federal Program Information:

University Transportation Centers Program (ALN 20.701)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

B. Allowable Costs - In order for costs to be allowable under federal awards, they must be necessary and reasonable for the performance of the federal award and be allocable thereto under the principles in 2 CFR Part 200, Subpart E, be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the non-federal entity, be accorded consistent treatment, and be determined in accordance with generally accepted accounting principles.

L. Reporting - The Office of Management and Budget (“OMB”) requires recipients and subrecipients with fiscal year ends of June 30, 2023 to submit Single Audit reports to the Federal Audit Clearinghouse within the required time frame.

Condition:

Certain expenditures reported on the schedule of expenditures and federal awards were not allowable under federal guidelines, and were not appropriately approved nor supported by sufficient documentation.

In addition, the University did not submit the June 30, 2023 Single Audit to the Federal Audit Clearinghouse by the required deadline.

Cause:

Suspected misappropriation of assets arising from insufficient internal controls and administrative oversight with respect to review of federal expenditures for allowable costs. Submission of the University’s fiscal year 2023 Single Audit was delayed due to the resulting investigation.

Effect or Potential Effect:

These costs were inappropriately reimbursed with federal funds during the year. The related investigation also resulted in the University not submitting its 2023 Single Audit to the Federal Audit Clearinghouse within the required timeframe.

Questioned Costs:

\$196,258

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Context:

As discussed in Finding 2024-001, there was a failure with respect to the system of internal control that allowed for suspected misappropriation from specific individuals. The University performed an investigation that covered expenditures as presented on the schedule of expenditure of federal awards for the year ended June 30, 2024 that identified both the suspected misappropriation and the related questioned costs.

Identification as a Repeat Finding:

This is a repeat of prior year Finding 2023-002.

Recommendation:

We recommend the University revise its procedures and internal controls surrounding the review of expenditures charged to federal grants by defining the expectations of those that are approving the various aspects of expenditures, including clarifying expectations for reviewing supporting documentation. We also recommend that the University engage in additional training for those that are a part of the approval process for such expenditures, with the objective of renewing understanding of the procurement requirements under the Uniform Guidance as well as the expectations commensurate with their roles as approvers. Such changes will help the University ensure that expenditures are allowable based on the grant agreement and federal regulations.

Views of Responsible Officials:

Accounts Payable (AP) will create a Corrective Action plan to include the following.

1. The process to review Payment Request Forms (“PRFs”), used for payment to vendors that do not require the use of a purchase order, will be improved by requiring the review of supporting documents to ensure expenses are allowable by the newly established Sponsored Program Office (SPO) post award team. This team will thoroughly review supporting documents to ensure expenses are allowable, allocable, and reasonable according to University policies and grant terms. PRFs will be reviewed by SPO and Grants and Contracts Accounting (GCA) and will serve as the key control point before transactions are forwarded to accounting to post to sponsored awards.
2. AP is working with Enterprise Technology Services (ETS) to modify the Workday Ad Hoc Business process to require additional review by PI, SPO, and GCA before payments can be issued. Each approval role will receive guidance regarding
3. AP will collaborate with SPO and GCA to issue communications and provide training to all PIs, SPO, GCA, and AP personnel.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

FINDING 2024-003

Federal Program Information:

Federal Pell Grant Program (ALN: 84.063); Federal Direct Student Loans (ALN: 84.268)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

N. Special Tests and Provisions - Enrollment Reporting - Institutions are required to report enrollment information under the Pell grant and the Direct and Federal Family Education Loan (“FFEL”) loan programs via the National Student Loan Data System (“NSLDS”) (OMB No. 1845-0035), although FFEL loans are no longer made or a part of the Student Financial Assistance Cluster, a student may have a FFEL loan from previous years that would require enrollment reporting for that student (Pell, 34 CFR 690.83(b)(2); FFEL, 34 CFR 682.610; Direct Loan, 34 CFR 685.309). The administration of the Title IV programs depends heavily on the accuracy and timeliness of the enrollment information reported by institutions. Institutions must review, update, and verify student enrollment statuses, program information, and effective dates that appear on the Enrollment Reporting Roster file or on the Enrollment Maintenance page of the NSLDS Professional Access (“NSLDSFAP”) website which the financial aid administrator can access for the auditor. The data on the institution’s Enrollment Reporting Roster, or Enrollment Maintenance page, is what NSLDS has as the most recently certified enrollment information. There are two categories of enrollment information, “Campus Level” and “Program Level,” both of which need to be reported accurately and have separate record types. The NSLDS Enrollment Reporting Guide provides the requirements and guidance for reporting enrollment details using the NSLDS Enrollment Reporting Process.

Campus Level: Institutions are responsible for accurately reporting certain significant data elements under the Campus-Level Record that the U.S. Department of Education considers high risk, including enrollment status, which is the student’s enrollment status as of the reporting date; full-time (F), three-quarter time (Q), half-time (H), less than half-time (L), leave of absence (A), graduated (G), withdrawn (W), deceased (D), never attended (X) and record not found (Z).

Program Level: Institutions are responsible for accurately reporting certain significant data elements under the Program Level Record that the U.S. Department of Education considers high risk, including CIP Code - The Classification of Instructional Programs (“CIP”) is a set of codes that define fields of study. CIP Codes are maintained by ED’s National Center for Education Statistics (“NCES”). They were most recently updated in 2020 and are usually updated every ten years.

Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer. Institutions must complete and return within 15 days the Enrollment Reporting roster file placed in their Student Aid Internet Gateway (“SAIG”) (OMB No. 1845-0002) mailboxes sent by ED via NSLDS.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Condition:

The University did not submit an accurate status change notification or failed to submit timely notification to the NSLDS website for certain students who graduated, withdrew or had a change in their enrollment status (full time, half time or less than half time) during the year. Additionally, the University's fiscal year SCHER1 report, included multiple instances in which error records were not corrected within the required timeframe.

Cause:

Insufficient internal controls and administrative oversight with respect to enrollment reporting requirements.

Effect or Potential Effect:

The University is not in compliance with enrollment reporting requirements. Failure to promptly report accurate and timely changes in enrollment status may adversely impact the repayment status for student loan borrowers.

Questioned Costs:

None.

Context:

We noted the following exceptions:

- For 2 of 40 campus level records tested, the University did not certify the students' enrollment data within 60 days.
- For 2 of 40 campus level records tested, the University did not accurately report the students' enrollment effective date.
- For 2 of 40 program level records tested, the University did not certify the students' enrollment data within 60 days.
- For 13 of 40 program level records tested, the University did not accurately report one or more program enrollment data elements.
- Error records identified in Error/Acknowledgment files were not corrected within the required timeframe, resulting in multiple errors during the 2024 fiscal year.

Identification as a Repeat Finding:

This is a repeat of prior year Finding 2023-003.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Recommendation:

We recommend the University enhance its procedures and internal controls over enrollment reporting to ensure that significant data elements under both campus-level and program-level records are reported accurately and timely to NSLDS.

Views of Responsible Officials:

The Enrollment Reporting process is supervised by the University Registrar and is responsible for transmitting enrollment reports to Howard University's third-party servicer, National Student Clearinghouse (NSC), who then submits the enrollment status report to NSLDS. The University Registrar resigned in July 2024 and the Associate Registrar position was also vacant at that time. These "peak time" staffing issues helped create confusion as to which enrollment files had been scheduled and sent to NSC. 1 of the 2 findings where the University did not certify the students' enrollment data within 60 days was due to volume at NSC and deemed out of institutional control. Based on email correspondence with the Compliance Team at the National Student Clearinghouse, it was determined,

"For the delay between DV file being submitted by Howard University to NSC 08.27.2024 and processed by NSC 09.16.2024, I assess this was due to volume on NSC side at the time and outside institution control."

The University hired an experienced Associate Director Registrar for Compliance in December 2024 and is currently searching for a University Registrar with experience working in the Workday Enterprise Resource Planning system (ERP).

Howard moved to using Workday Student as the University's ERP beginning Fall 2024 and it has been confirmed the accurate program lengths for each program were entered in Workday. The transition to Workday Student allowed the University to review each program to ensure accuracy when integrating the data from Banner to Workday and certifying the correct program lengths are reported to NSLDS. Screenshots of the programs reported to NSLDS incorrectly have been provided to BDO as a way to document the program length will be accurately reported in the future.

Graduation files are scheduled to be transmitted on the first of every month to NSC. This will allow students cleared for graduation to be transmitted monthly and ensure the 60-day timeline will be met. In Workday, the date the student has been cleared for graduation (i.e. the effective day) is available on the "Academics" tab. This should make it easier to show an audit trail for the student's graduation clearance date.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

FINDING 2024-004

Federal Program Information:

Federal Work-Study Program (ALN: 84.033)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

C. *Cash Management* - Institutions are permitted to draw down Title IV funds prior to disbursing funds to eligible students and parents. The institution's request must not exceed the amount immediately needed to disburse funds to students or parents. A disbursement of funds occurs on the date an institution credits a student's account or pays a student or parent directly with either student financial aid funds or institutional funds. The institution must make the disbursements as soon as administratively feasible, but no later than 3 business days following the receipt of funds. Any amounts not disbursed by the end of the third business day are considered to be excess cash and generally are required to be promptly returned to the U.S. Department of Education (the "ED") (34 CFR section 668.166(a)(1)). Excess cash includes any funds received from the ED that are deposited or transferred to the institution's Federal account as a result of an award adjustment, cancellation, or recovery. However, an excess cash balance tolerance is allowed if that balance: (1) is less than one percent of its prior-year drawdowns; and (2) is eliminated within the next 7 calendar days (34 CFR sections 668.166(a) and (b)).

Condition:

Certain instances during the year were identified in which Title IV funds drawn were held in excess of the allowable time frame.

Cause:

Insufficient internal controls and administrative oversight with respect to Cash Management compliance requirements.

Effect or Potential Effect:

The University is not in compliance with Cash Management compliance requirements. While amounts were within allowable thresholds, certain funds were overdrawn and held in excess of the allowable time frame.

Questioned Costs:

None.

Context:

Two instances of excess cash that were not eliminated within the allowable time frame were identified for the Federal Work-Study Program for the year ended June 30, 2024.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Identification as a Repeat Finding:

This is a repeat of prior year Finding 2023-004.

Recommendation:

We recommend the University continue to enhance its internal controls, policies and procedures to ensure that an account review occurs no later than the third business date after a federal draw to determine whether amounts were appropriately disbursed in accordance with federal regulations or require a return to ED.

Views of Responsible Officials:

A statement of procedure and workflow will be implemented to formally reconcile FWS - Title IV expenses to the general ledger on a monthly basis to ensure timely draws and adjustments. Adjustments and updates to the FISAP including prior year adjustments will be included in the Title IV reconciliation process and communicated immediately. The reconciliations will require two-tier approvals.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

FINDING 2024-005

Federal Program Information:

Federal Work-Study Program (ALN: 84.033)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

N. Special Test and Provisions - Disbursements to or on Behalf of Students - General Disbursement Criteria - Federal Work-Study Program - In accordance with 34 CFR 675.19(b)(2)(i), the institution must establish and maintain fiscal records that include a certification by the student's supervisor, an official of the institution or off-campus agency, that each student has worked and earned the amount being paid. The certification must include or be supported by, for students paid on an hourly basis, a time record showing the hours each student worked in clock time sequence, or the total hours worked per day.

Condition:

Certain time records were prematurely approved by the students' supervisors prior to the performance of the work by the students being completed. In addition, an instance was identified in which a student was not paid at least once per month as required.

Cause:

Insufficiently designed internal controls and administrative oversight with respect to FWS disbursements.

Effect or Potential Effect:

Federal awards were not disbursed in accordance with federal regulations, and the University was not in compliance with recordkeeping requirements.

Questioned Costs:

None.

Context:

- For 4 of 40 Federal Work-Study ("FWS") payments tested, the University reviewed and approved students' timesheets before time was incurred.
- For 1 of 40 FWS payments tested, the student was not paid within the required timeframe.

Identification as a Repeat Finding:

This is a repeat of prior year Finding 2023-008.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Recommendation:

We recommend the University enhance its internal controls, policies and procedures to ensure that student timesheets are appropriately reviewed.

Views of Responsible Officials:

Federal Work Study (FWS) supervisors are required to have training on the appropriate policies and procedures when hiring a FWS student. They sign off on the Federal Work Study supervisor agreement stating they understand they must follow these procedures and losing the privilege of hiring FWS students can be the result of not following these policies and procedures. One of these policies is that students cannot have time approved prior to working those hours, as this is not a best practice. The Center for Career & Professional Success began using this updated FWS supervisor agreement beginning with the Spring 2025 semester. All FWS supervisors who had students for Fall 2024 were required to review and sign the updated agreement as well.

The Federal Work Study Coordinator (located in the Center for Career & Professional Services) is responsible for reviewing the hours a student works. The Federal Work Study Coordinator also ensures supervisors have approved the correct number of hours and the hours were approved after the student worked those hours. The full-time Federal Work Study Coordinator position was filled prior to the end of the Fall 2024 semester, and this ensures a full-time employee is now in place to help provide a more active review of the Federal Work Study program.

One student was not paid FWS earnings within 30 days. At the time, Howard University did not print out paper checks, only providing FWS payments as a direct deposit. The student was to be paid for those two pay periods (10/8/23-10/21/23 and 10/22/23-11/4/23) on 11/3/23 and 11/17/23. The student did not have any payment selections set up in the system for the earnings to be deposited into and this delayed the receipt of the Federal Work Study payment. Working with the AVP for Enrollment Management, we have discussed with Payroll the need to process a paper check if a student chooses this delivery method. The University is also working on an awareness campaign that will encourage students to set up their direct deposit information in Workday. Students understanding the need to set up direct deposit and the willingness to process paper checks, if necessary, should prevent this finding from recurring.

The Associate Director for Compliance or designee will review when the supervisor approved the students' hours as a part of the bi-semester Federal Work Study sample. These reviews are completed to ensure students are paid on-time and accurately, as well as ensure the student is not working during class hours. These reviews of FWS hours matching the students' earnings will provide another layer of oversight.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

FINDING 2024-006

Federal Program Information:

Student Financial Assistance Cluster (Various ALN's)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

L. Special Reporting - Fiscal Operations Report and Application to Participate ("FISAP") - An institution is required to submit the FISAP annually by September 30, following the end of the award year, and to accurately complete all required key line items containing critical information. The deadline for submitting data corrections is December 15 of the year in which a school submits its FISAP.

Condition:

The University was unable to provide documentation to support certain data within the submitted FISAP for purposes of our testing procedures.

Cause:

Insufficient internal controls and administrative oversight with respect to FISAP reporting.

Effect or Potential Effect:

The University is not in compliance with special reporting requirements.

Questioned Costs:

None.

Context:

The University was unable to provide documentation corroborating the amounts reported for tuition and fees as well as the Federal Perkins Loan Program cash on hand.

Identification as a Repeat Finding:

This is a repeat of prior year Finding 2023-006.

Recommendation:

We recommend the University enhance its internal controls, policies and procedures to ensure that the FISAP is completed accurately prior to submission.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Views of Responsible Officials:

Discrepancies in the area of the Perkins Loan program (Perkins) - unfortunately - are not unusual at any institution. This is due to the nature and complexity of the program being historically paper-based and required since inception to be administered and tracked by institutions. Institutions as a whole are not (have not been) adequately and equitably equipped to properly monitor decades-old and now-ended programs. To our knowledge the U.S. Department of Education (ED) did not (does not) have an issue with the response to errors provided by Howard University.

Howard University is currently liquidating the Perkins program and have assigned all outstanding Perkins loans to the ED, as well as notified borrowers their loans have been assigned to ED. The University has not originated Federal Perkins Loans since the end of the 2017-2018 award year. The majority of the fields represented in Part III Section A on the FISAP remain static and should not be changed. Educational Computer Systems, Inc. (ECSI) provides these values on the FISAP report they provide as of June 30 of each year. The only field in Part III Section A the University should tie back to the General Ledger at this time are Fields 1.1 and 1.2, which are the Cash on Hand amounts on June 30 and October 31 of each year. Parity is difficult to obtain because the vast majority of the fields in Part III Section A are static. Cash on Hand as of October 31 is calculated based on a FISAP report provided by ECSI. The report shows in Column H the change in Cash on Hand from June 30, which will be entered on the FISAP as the Cash on Hand as of October 31.

Educational Computer Systems, Inc., the University's third-party Perkins servicer, has also stated to Howard University that mismatches on FISAP values such as Cash on Hand, Federal Capital Contribution (FCC)/ Institutional Capital Contribution. (ICC), Administrative Cost Allowance, Collection Costs and Cumulative Loan Advance and Principal Collected can frequently occur. Most ECSI clients do not attempt parity between ECSI and their ledger, so because parity is difficult to obtain, not being able to tie back data in Part III of the FISAP is not unusual. Educational Computer Systems, Inc. collaborates with schools that do not have their General Ledger match what is on the FISAP in Part III. Awareness of what data does not match and why is more important than parity.

It was discovered in December 2021 that Part III Perkins portion of the FISAP had experienced data conversion issues after the conversion from ACS Loan Servicing to ECSI as the University's third-party servicer. There were Perkins Loans disbursed to students not included in the conversion, so the data provided annually by ECSI had accuracy issues. ECSI has stated to Howard that most institutions do not attempt to reach this parity, as it can be difficult to accomplish. Howard is liquidating the Perkins program, and assuming the University can assign all Federal Perkins Loans to ED, the Cash on Hand will then be reported as \$0 in the FISAP.

The tuition and fees discrepancy on the 2526 FISAP and Financial Reporting Audit is explained by the Tuition & Fees amounts reported as of FY24 including a portion of Summer 2023 that was recognized in FY24, and a portion of Summer 2024. The charged tuition and fees amounts will not exactly agree to the financial statements due to the related GAAP deferrals and revenue recognition. Prior to the September 30, submission of the FISAP during the upcoming year, the tuition and fees will be reconciled with the tuition and fees that is reflected on the Financial Reporting audit. The tuition and fees will then be reviewed and reconciled again with the amounts reflected on the Financial Reporting Audit prior to final submission of the FISAP on December 15.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

FINDING 2024-007

Federal Program Information:

Student Financial Assistance Cluster (Various ALN's)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

N. Special Tests and Provisions - Disbursements to or on Behalf of Students - Credit Balances - An institution is required to refund credit balances on student accounts within 14 days of the creation of the credit balance. If an institution attempts to refund the credit balance by check and the check is not cashed, the institution must return the funds to ED no later than 240 days after the date the school issued the check.

Condition:

The University did not refund credit balances to certain students within the required timeframe.

Cause:

Insufficient internal control and administrative oversight with respect to the disbursement of federal awards.

Effect or Potential Effect:

The University was also not in compliance with the required federal guidelines over credit balances from student financial assistance.

Questioned Costs:

None.

Context:

For 1 of 40 credit balances selected for testing, the credit balance created by the disbursement of Title IV awards was not refunded to the student within the required 14-day timeframe.

Identification as a Repeat Finding:

No similar findings noted in the prior year.

Recommendation:

We recommend the University enhance its internal controls, policies and procedures to ensure that Title IV credit balances are paid timely to students.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Views of Responsible Officials:

There was one credit balance in the sample (from early August 2023) that was not processed within 14 days. The Title IV refund was delivered the 19th day after the credit balance was created on the student's account. The student in question did not appear on the Bursar's refund report until August 2, 2023. Once the student's refund did show up, a loan adjustment was required to ensure the Bloomberg scholarship the student received did not cause an overaward. After this adjustment to prevent the overaward was made, the refund was delivered on August 8, 2023.

The Associate Director for Compliance performed five Fall 2023 and Spring 2024 reviews of 375 Title IV refunds sent to students and found zero students who had a Title IV credit balance disbursed after 14 days. Bi-semester reviews such as this are intended to catch students who may have a Title IV credit balance delivered after the 14-day timeline. In the future, there will be a sample size of one hundred students for each review and will encompass the smaller cohort of Title IV refunds sent to medical students in late July and early August. The Title IV credit balance that was not delivered within 14 days was in the Doctor of Medicine cohort who began classes a month before undergraduate students begin the Fall 2024 semester.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

FINDING 2024-008

Federal Program Information:

Federal Direct Student Loans (ALN: 84.268)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

N. Special Tests and Provisions - Disbursements To or On Behalf of Students - Loan Disbursement Notification - Federal regulations (34 CFR section 668.165 (a)(6)(i)) require that the institution notify the student, or parent, in writing of (1) the date and amount of the disbursement; (2) the student's right, or parent's right, to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to the holder of that loan or the TEACH Grant payments returned to the U.S. Department of Education; and (3) the procedure and time by which the student or parent must notify the institution that he or she wishes to cancel the loan, TEACH Grant, or TEACH Grant disbursement. Institutions that implement an affirmative confirmation process (as described in 34 CFR section 668.165 (a)(6)(i)) must make this notification to the student or parent no earlier than 30 days before, and no later than 30 days after, crediting the student's account at the institution with Direct Loan, FPL funds, or TEACH Grants. The Federal Student Aid Handbook further clarifies that in general, there are two types of notifications a school must provide: (1) a general notification to parent Direct PLUS borrowers and all students receiving Federal Student Aid ("FSA") funds, and (2) a notice when FSA loan funds or TEACH Grant funds are credited to a student's account.

Condition:

Certain loan disbursement notifications were not sent timely.

Cause:

Insufficient internal controls and administrative oversight with respect to loan disbursement notifications.

Effect or Potential Effect:

The University is not in compliance with loan disbursement notification requirements.

Questioned Costs:

None.

Context:

For 16 of 40 loan disbursements selected for testing, the notification was not sent to the borrower within the required timeframe.

Identification as a Repeat Finding:

No similar findings noted in the prior year.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Recommendation:

We recommend the University enhance its internal controls, policies and procedures over loan disbursement notifications to ensure that such notifications are sent to students and/or parents within the required timeframe.

Views of Responsible Officials:

Howard University uses automated processes to identify and send loan disbursement notifications to parents and students. The nightly UC4 process prompted Banner to send out a Direct Loan notification to the student and/or parent. This UC4 process showed all students who had a Direct Loan disbursement after the last nightly UC4 process was run. During a compliance review of disbursement notifications during the Fall 2023 semester and the Loans Team worked with Banner consultants to determine the reason for this. While this issue was being reviewed and a solution created, the Loans Team used the RLRDLDD report in Banner, which is a report that showed all loans disbursed. This report could be matched against the UC4 listing of loans disbursed. This check between UC4 and the RLRDLDD report was used to send out loan notifications that was missed during the UC4 process during the Fall 2023 semester. During a Spring 2024 compliance review of disbursement notifications, it was discovered the RLRDLDD report was missing disbursements as well. As a corrective action, the Loans Team then began using a loan audit report out of the Argos reporting system to identify students who may have a disbursement not included in the UC4 and/or RLRDLDD report. The support time required for maintenance of Banner was also reduced due to the ongoing integration and implementation efforts to prepare Workday for the Fall 2024 semester. This increased the length of time it took to correct the UC4 process and RLRDLDD reports.

Howard no longer uses Banner to send out Graduate PLUS, Subsidized and Unsubsidized loan notifications. Workday now is now responsible for sending out the disbursement notification after a loan has disbursed and there is a record in the student's Activity History to document the loan notification has been sent. Parent PLUS Loan notifications must be sent out manually due to Workday not having the capability to send a disbursement notification to the parent's email on file. The "FA CR Parent PLUS Disbursement Notification Report" is run weekly out of Workday to identify all Parent Plus Loan disbursements and a notification is sent to the parent's email address on file.

Bi-semester reviews are completed by the Associate Director for Compliance to ensure the loan disbursement notifications are being sent to students and parent in the required 30-day timeline. These reviews also ensure inclusion in the loan notification of all federally required information.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

FINDING 2024-009

Federal Program Information:

Research and Development Cluster (ALN: Various)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

I. Procurement and Suspension and Debarment - The Uniform Guidance requires recipients of federal awards to have adequate procedures and controls in place to ensure that the procurement transactions are properly documented in the entity's files, provide full and open competition supported by a cost or price analysis, provide a vendor debarment or suspension certification, provide for retention of files, and that supporting documentation corroborates compliance with these requirements. All procurement transactions are required to be conducted in a manner to provide, to the maximum extent practical, open and free competition. Additionally, procurement records and files for purchases in excess of the small purchase threshold (\$25,000) shall include a) a basis for contractor selection, b) justification for the lack of competition when competitive bids or offers are not obtained, and c) a basis for award cost or price. Organizations are also required to be alert to any organizational conflicts of interest (2 CFR 215.40 - 215.48).

Condition:

The University's purchasing policy and procedures are not being appropriately followed in certain cases with respect to the procurement of goods and services funded by federal awards. Certain competitive bidding documentation was not retained, and certain sole source documentation could not be provided or did not appear to give adequate reasoning for the lack of a competitive bidding process.

Cause:

Insufficient internal controls and administrative oversight over Procurement compliance requirements.

Effect or Potential Effect:

The University was not in compliance with Procurement compliance requirements.

Questioned Costs:

None.

Context:

For 3 of 11 procurement transactions tested, the University was unable to provide adequate sole source justification or competitive bidding documentation.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Identification as a Repeat Finding:

This is a repeat of prior year Finding 2023-009.

Recommendation:

We recommend the University enhance its internal controls and implement formal policies and procedures to ensure that its personnel, especially those responsible for making procurement decisions, are aware of and comply with all federal purchasing rules and regulations.

Views of Responsible Officials:

The Office of Procurement and Contracting (OPC) will create a Corrective Action plan to include the following.

1. OPC worked with Enterprise Technology Services (ETS) to modify the Workday requisition workflow to require OPC to review all documents to ensure that procurement policies and uniform guidance are followed.
2. OPC hired three full time employees with experience with Uniform Guidance and will be responsible for processing grant related requisitions.
3. AP will collaborate with SPO and GCA to issue communications and provide training to all PIs, SPO, GCA, and AP personnel.
4. OPC management team will conduct intermittent audits to ensure transactions are processed according to Uniform Guidance and provide additional training to staff accordingly.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

FINDING 2024-010

Federal Program Information:

Research and Development Cluster (ALN: Various)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

F. Equipment and Real Property Management - Equipment property records should contain the following information about the equipment: description (including serial number or other identification number), source, who holds title, acquisition date and cost, percentage of Federal participation in the cost, location, condition, and any ultimate disposition data including, the date of disposal and sales price or method used to determine current fair market value. Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, further states that equipment owned by the Federal Government shall be identified (tagged) to indicate Federal ownership.

Condition:

Certain federally funded equipment was not appropriately tagged as required. In addition, certain property records were not properly maintained.

Cause:

Insufficient internal controls and administrative oversight with respect to Equipment and Real Property Management requirements.

Effect or Potential Effect:

The University did not comply with the requirements of Equipment and Real Property Management.

Questioned Costs:

None.

Context:

We noted the following exceptions:

- For 4 of 18 equipment items selected for testing, the University was unable to provide documentation to support that the equipment was appropriately tagged to indicate Federal ownership.
- For 2 of 18 equipment items selected for testing, property records were not appropriately updated for disposition data.

Identification as a Repeat Finding:

This is a repeat of prior year Finding 2023-010.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Recommendation:

We recommend the University enhance its procedures and internal controls over equipment management to ensure that federally-funded equipment is appropriately tagged/maintained and that adequate records are kept.

Views of Responsible Officials:

The Office of Procurement and Contracting (OPC) will create a Corrective Action plan to include the following.

1. Updating the following policies:
 - Asset Capitalization Policy
 - Sponsored Program Equipment Management Policy
2. Train all Principal Investigators (PIs), OPC staff, Sponsored Programs Office (SPO), and Grants and Contracts Accounting (GCA) personnel on all policies and equipment management protocols
3. OPC worked with Enterprise Technology Services (ETS) to require management review of all assets processed before the receipt is completed in Workday.
4. Implement an asset management platform to track assets throughout the organization.
5. Require intermittent inventory by PIs to confirm assets are available and in use.
6. In conjunction with GCA, OPC is reconciling inventory to the Workday system and ensuring all assets are appropriately tagged. On a quarterly basis, GCA forwards a report to OPC that are missing a tag number in the system. OPC must then track down each item on the list and either tag the item or update the asset in the system with the tag number."
7. OPC will collaborate with the Sponsored Programs Office (SPO), GCA, and the Controller's Office to issue communications and provide training to all affected personnel.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

FINDING 2024-011

Federal Program Information:

Research and Development Cluster (ALN: Various)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

N. Special Tests and Provisions - Publications - Per grant agreements between the University and multiple federal agencies, all publications (including conference presentations, promotional material, agendas and internet sites) that result from federal grant support by the grantors must include an acknowledgement of support and a disclaimer that the contents are the responsibility of the authors and not of the grantors.

Condition:

The University did not properly include the appropriate disclaimer of responsibility in certain publications selected for testing.

Cause:

Insufficient internal controls and administrative oversight with respect to Special Tests and Provisions requirements.

Effect or Potential Effect:

The University is not properly following its policies and procedures in place to ensure that compliance is maintained with respect to the compliance requirements associated with published information resulting from federal grant support.

Questioned Costs:

None.

Context:

For 3 of 6 publications selected for testing, the publication did not include the appropriate disclaimer of responsibility.

Identification as a Repeat Finding:

This is a repeat of prior year Finding 2023-011.

Recommendation:

We recommend the University enhance its procedures and internal controls over publications to ensure that acknowledgement of support and disclaimer of responsibility are included.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Views of Responsible Officials:

Awards between the University and federal sponsors, publications (including conference presentations, promotional material, agendas, and internet sites) that result from federal grant support must include an acknowledgment of support and a disclaimer that the contents are the authors' responsibility. The University is revising internal procedures and internal controls to promote compliance with federal agreements by including the required acknowledgments and disclaimers in all relevant publications.

During the Award Kickoff Meetings award, specific requirements for acknowledgment of support and a disclaimer terms and conditions will be reviewed with the Principal Investigator. Sponsored Programs Office Pre-Award and University Compliance will be responsible for quarterly random spot checks of publications.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

FINDING 2024-012

Federal Program Information:

Research and Development Cluster (various ALN #'s)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

B. Allowable Costs/Cost Principles - Per 2 CFR Part 200.430(g)(1)(vii), budget estimates (meaning, estimates determined before the services are performed alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that: (A) The system for establishing the estimates produces reasonable approximations of the activity performed; (B) Significant changes in the related work activity (as defined by the recipient's or subrecipient's written policies) are promptly identified and entered into the records. Short-term (such as one or two months) fluctuations between workload categories do not need to be considered as long as the distribution of salaries and wages is reasonable over the longer term; and (C) The recipient's or subrecipient's system of internal controls includes processes to perform periodic after-the-fact reviews of interim charges made to a Federal award based on budget estimates. All necessary adjustments must be made so that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

Condition:

The University's system of internal controls did not timely identify missing grant-related earnings allocations.

Cause:

Insufficient internal controls and administrative oversight with respect to recordkeeping of employee time and effort.

Effect or Potential Effect:

Effort certifications supporting payroll costs charged to federal awards were not completed timely or appropriately monitored during the year.

Questioned Costs:

None.

Context:

For 2 of 40 payroll charges selected for testing, allocation of the employee's earnings was not performed timely, resulting in the delayed submission and approval of the corresponding effort certification.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Identification as a Repeat Finding:

This is a repeat of prior year Finding 2023-012.

Recommendation:

We recommend that the University enhance its internal controls and procedures to ensure that the University is appropriately monitoring time and effort reporting.

Views of Responsible Officials:

A new office is being developed to address the timeliness of the personnel payment request forms. In Phase I, CRAs will be assigned to high-volume research colleges to provide support for costing allocations. Phase 2 will encompass existing departmental administrators who will gradually transition into more centralized research workflows supported by CRAs. A shared services model for the remaining colleges is planned for FY26.

Quarterly checklist and updates outlining cost allocation statuses will be completed with Deans and Associate Deans to determine the process needed to complete cost allocations timely.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

FINDING 2024-013

Federal Program Information:

Research and Development Cluster (various ALN #'s)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

M. Subrecipient Monitoring - per 2 CFR Part 200.305(b), for recipients and subrecipients other than States, payment methods must minimize the time elapsing between the transfer of funds from the Federal agency or the pass-through entity and the disbursement of funds by the recipient or subrecipient regardless of whether the payment is made by electronic funds transfer or by other means.

Condition:

The University's procedures failed to minimize the time elapsing between the transfer of federal funds to the subrecipient and the disbursement of such funds for program purposes by the subrecipient.

Cause:

Insufficient internal controls and administrative oversight with respect to subrecipient invoice approval.

Effect or Potential Effect:

The University was not in compliance with the cash management requirements of a pass-through entity.

Questioned Costs:

None.

Context:

For 4 of 21 subrecipient invoices selected for testing, the University did not review and pay the subrecipient in a timely manner.

Identification as a Repeat Finding:

This is a repeat of prior year finding 2023-015.

Recommendation:

We recommend that the University enhance its internal controls and procedures to ensure timely review and payment of subrecipient invoices.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Views of Responsible Officials:

The process to review subrecipient invoices will be improved by requiring the review of supporting documents to ensure expenses are allowable by the Sponsored Program Office (SPO) post award team. This team will thoroughly review supporting documents to ensure expenses are allowable, allocable, reasonable and recorded in the proper period according to university policies and grant terms. Invoices will be reviewed by SPO and will serve as the key control point before transactions are forwarded to accounting to post to sponsored awards. Subrecipient invoices will be paid by Accounts Payable only after approval by SPO and GCA.

The Director of Compliance will conduct spot checks on all sponsored transactional activity, especially for high-risk grants to provide an additional layer of oversight.

The new review process and training for these responsibilities will be implemented by spring 2025 as part of the broader campus-wide workflow training and staffing up of the new SPO Post-Award office.

The Howard University

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

FINDING 2024-014

Federal Program Information:

University Transportation Centers Program (ALN 20.701)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

G. Matching - According to the grant agreement, a non-federal match of not less than 50% of the Federal funds paid by the grantor to the grant recipient under this grant is required as a condition of the grant.

Condition:

The University was unable to provide documentation showing that its cost share requirement had been met.

Cause:

Insufficient internal controls and administrative oversight with respect to cost share/matching requirements.

Effect or Potential Effect:

The University was not in compliance with the mandated matching requirements.

Questioned Costs:

None.

Context:

The University was unable to provide documentation supporting that its cost share requirement had been met for the program.

Identification as a Repeat Finding:

No similar findings noted in the prior year.

Recommendation:

We recommend the University enhance its internal controls and procedures to ensure that matching funds are appropriately tracked.

Views of Responsible Officials:

Due to the ongoing U S Department of Transportation investigation, the awarded grants cost share is on hold. Once the investigation is concluded, Howard University will meet the cost share obligations and requirements.

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2024**

Change FINDING 2023-001

Type of Finding:

Yellow Book finding.

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

The University is responsible for the design, implementation, and maintenance of internal control relevant to the accounts payable and procurement processes, and the incurrence of institutional and federal expenditures.

Condition:

The University employed an “ad hoc process” as an alternative to the University’s normal procurement process that allowed for expedited payments to students, employees and/or vendors once certain approvals were obtained. During the year, management became aware of a concern with respect to certain payments that were made through the ad hoc process. Management’s initial analysis of the payments revealed that these payments were funded by institutional dollars as well as through various federal research grants. The University’s internal controls require that all ad hoc disbursement requests are appropriately approved, supported with sufficient documentation, and if applicable, allowable costs as defined by the Uniform Guidance if disbursed from a federal award. The University determined that these policies were not being followed by specific individuals, resulting in suspected misappropriation and/or unsupported disbursements. Given the facts and nature of this matter, management’s investigation is ongoing and the appropriate law enforcement authorities have been notified.

Status of Findings as of June 30, 2024:

This finding was not fully remediated as of June 30, 2024 and is part of Finding 2024-001.

FINDING 2023-002

Type of Finding:

Federal award finding.

Federal Program Information:

Highway Planning and Construction (ALN 20.205), Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements (ALN 20.237), State and Community Highway Safety Grants (ALN 20.600) and Mineta Consortium for Transportation Mobility (“MCTM”) (ALN 20.701)

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2024**

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

§ 200.516(4) and (6) requires the auditor to report the following as audit findings in a schedule of findings and questioned costs:

a) Known questioned costs greater than \$25,000 for a Federal program that is not audited as a major program. Except for audit follow-up, the auditor is not required to perform audit procedures for such a Federal program; therefore, the auditor will normally not find questioned costs for a program that is not audited as a major program. However, if the auditor does become aware of questioned costs for a Federal program that is not audited as a major program (for example, as part of audit follow-up or other audit procedures) and the known questioned costs are greater than \$25,000, the auditor must report this as an audit finding.

b) Known or likely fraud affecting a Federal award, unless such fraud is otherwise reported as an audit finding in the schedule of findings and questioned costs for Federal awards. This paragraph does not require the auditor to report publicly information which could compromise investigative or legal proceedings or to make an additional reporting when the auditor confirms that the fraud was reported outside the auditor's reports under the direct reporting requirements of Generally Accepted Government Auditing Standards ("GAGAS").

B. Allowable Costs - In order for costs to be allowable under federal awards, they must be necessary and reasonable for the performance of the federal award and be allocable thereto under the principles in 2 CFR Part 200, Subpart E, be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the non-federal entity, be accorded consistent treatment, and be determined in accordance with generally accepted accounting principles.

Condition:

Certain expenditures reported on the schedule of expenditures and federal awards were not allowable under federal guidelines, and were not appropriately approved nor supported by sufficient documentation.

Status of Findings as of June 30, 2024:

This finding was not fully remediated as of June 30, 2024 and is part of Findings 2024-002 and 2024-003.

FINDING 2023-003

Type of Finding:

Federal award finding.

Federal Program Information:

Federal Pell Grant Program (ALN: 84.063); Federal Direct Student Loans (ALN: 84.268)

Summary Schedule of Prior Year Findings
Year Ended June 30, 2024

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

N. Special Tests and Provisions - Enrollment Reporting - Institutions are required to report enrollment information under the Pell grant and the Direct and Federal Family Education Loan (“FFEL”) loan programs via the National Student Loan Data System (“NSLDS”) (OMB No. 1845-0035), although FFEL loans are no longer made or a part of the Student Financial Assistance Cluster, a student may have a FFEL loan from previous years that would require enrollment reporting for that student (Pell, 34 CFR 690.83(b)(2); FFEL, 34 CFR 682.610; Direct Loan, 34 CFR 685.309). The administration of the Title IV programs depends heavily on the accuracy and timeliness of the enrollment information reported by institutions. Institutions must review, update, and verify student enrollment statuses, program information, and effective dates that appear on the Enrollment Reporting Roster file or on the Enrollment Maintenance page of the NSLDS Professional Access (“NSLDSFAP”) website which the financial aid administrator can access for the auditor. The data on the institution’s Enrollment Reporting Roster, or Enrollment Maintenance page, is what NSLDS has as the most recently certified enrollment information. There are two categories of enrollment information, “Campus Level” and “Program Level,” both of which need to be reported accurately and have separate record types. The NSLDS Enrollment Reporting Guide provides the requirements and guidance for reporting enrollment details using the NSLDS Enrollment Reporting Process.

Campus Level: Institutions are responsible for accurately reporting certain significant data elements under the Campus-Level Record that the U.S. Department of Education considers high risk, including enrollment status, which is the student’s enrollment status as of the reporting date; full-time (F), three-quarter time (Q), half-time (H), less than half-time (L), leave of absence (A), graduated (G), withdrawn (W), deceased (D), never attended (X) and record not found (Z).

Program Level: Institutions are responsible for accurately reporting certain significant data elements under the Program Level Record that the U.S. Department of Education considers high risk, including CIP Code - The Classification of Instructional Programs (“CIP”) is a set of codes that define fields of study. CIP Codes are maintained by ED’s National Center for Education Statistics (“NCES”). They were most recently updated in 2020 and are usually updated every ten years.

Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer. Institutions must complete and return within 15 days the Enrollment Reporting roster file placed in their Student Aid Internet Gateway (“SAIG”) (OMB No. 1845-0002) mailboxes sent by ED via NSLDS.

Condition:

The University did not submit an accurate status change notification or failed to submit timely notification to the NSLDS website for certain students who graduated, withdrew or had a change in their enrollment status (full time, half time or less than half time) during the year. Additionally, the University’s fiscal year SCHER1 report, included multiple instances in which error records were not corrected within the required timeframe.

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2024**

Status of Findings as of June 30, 2024:

This finding was not fully remediated as of June 30, 2024 and is part of Finding 2024-004.

FINDING 2023-004

Type of Finding:

Federal award finding.

Federal Program Information:

Federal Supplemental Educational Opportunity Grant (ALN: 84.007) and Federal Work-Study Program (ALN: 84.033)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

C. Cash Management - Institutions are permitted to draw down Title IV funds prior to disbursing funds to eligible students and parents. The institution's request must not exceed the amount immediately needed to disburse funds to students or parents. A disbursement of funds occurs on the date an institution credits a student's account or pays a student or parent directly with either student financial aid funds or institutional funds. The institution must make the disbursements as soon as administratively feasible, but no later than 3 business days following the receipt of funds. Any amounts not disbursed by the end of the third business day are considered to be excess cash and generally are required to be promptly returned to the U.S. Department of Education (the "ED") (34 CFR section 668.166(a)(1)). Excess cash includes any funds received from the ED that are deposited or transferred to the institution's Federal account as a result of an award adjustment, cancellation, or recovery. However, an excess cash balance tolerance is allowed if that balance: (1) is less than one percent of its prior-year drawdowns; and (2) is eliminated within the next 7 calendar days (34 CFR sections 668.166(a) and (b)).

Condition:

Certain instances during the year were identified in which Title IV funds drawn were held in excess of the allowable time frame.

Status of Findings as of June 30, 2024:

This finding was not fully remediated as of June 30, 2024 and is part of Finding 2024-005.

FINDING 2023-005

Type of Finding:

Federal award finding.

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2024**

Federal Program Information:

Federal Pell Grant (ALN: 84.063)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

L. Reporting - Financial Reporting - Federal regulations require that the University submit origination and disbursement records for students to the Common Origination and Disbursement ("COD") system. Items considered key in student origination records, if applicable, are: Social Security number, award amount, enrollment date, verification status code (when the applicate is selected for verification), transaction number, COA, and the "Academic Start Date" and "Academic End Date."

Condition:

For certain students identified through our testing, the University did not submit Federal Pell Grant payment data through the COD website within the required timeframes.

Status of Findings as of June 30, 2024:

No similar findings noted in the current year.

FINDING 2023-006

Type of Finding:

Federal award finding.

Federal Program Information:

Student Financial Assistance Cluster (Various ALN's)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

L. Special Reporting - Fiscal Operations Report and Application to Participate ("FISAP") - An institution is required to submit the FISAP annually by September 30, following the end of the award year, and to accurately complete all required key line items containing critical information. The deadline for submitting data corrections is December 15 of the year in which a school submits its FISAP.

Condition:

The University submitted the 2022-2023 FISAP with errors in the report and data corrections were not submitted by the required deadline. Additionally, the University was unable to provide documentation to support certain data within the submitted FISAP for purposes of our testing procedures.

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2024**

Status of Findings as of June 30, 2024:

This finding was not fully remediated as of June 30, 2024 and is part of Finding 2024-007.

FINDING 2023-007

Type of Finding:

Federal award finding.

Federal Program Information:

Student Financial Assistance Cluster (Various ALN's)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

N. Special Test and Provisions - Verification - An institution shall require an applicant selected for verification to submit acceptable documentation that will verify or update the following information used to determine the applicant's EFC: adjusted gross income, U.S. income tax paid, aggregate number of family members in the household, number of family members in the household who are enrolled in as at least half-time students in postsecondary educational institutions if that number is greater than one and untaxed income subject to U.S. income tax reporting requirements in the base year which is included on the tax return form, excluding information contained on schedules appended to such forms. Untaxed income and benefits include: Social Security benefits if the institution has reason to believe that those benefits were received and were not reported or were not correctly reported; child support if the institution has reason to believe child support was received; U.S. income tax deductions for a payment made to an individual retirement account or Keough account; interest on tax-free bond; foreign income excluded from U.S. income taxation if the institution has reason to believe that foreign income was received; and all other untaxed income subject to U.S. income tax reporting requirements in the base year included on the tax return form, excluding information contained on schedules appended to such forms. (34 CFR section 668.56).

Condition:

The University was unable to provide documentation evidencing that verification was completed for a student. In addition, for a separate student the University provided documentation that appeared to be altered after it was completed.

Status of Findings as of June 30, 2024:

No similar findings noted in the current year.

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2024**

FINDING 2023-008

Type of Finding:

Federal award finding.

Federal Program Information:

Federal Work-Study Program (ALN: 84.033)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

N. Special Test and Provisions - Disbursements to or on Behalf of Students - General Disbursement Criteria - Federal Work-Study Program - In accordance with 34 CFR 675.19(b)(2)(i), the institution must establish and maintain fiscal records that include a certification by the student's supervisor, an official of the institution or off-campus agency, that each student has worked and earned the amount being paid. The certification must include or be supported by, for students paid on an hourly basis, a time record showing the hours each student worked in clock time sequence, or the total hours worked per day.

Condition:

Certain time records were prematurely approved by the students' supervisors prior to performance of the work by the students.

Status of Findings as of June 30, 2024:

This finding was not fully remediated as of June 30, 2024 and is part of Finding 2024-006.

FINDING 2023-009

Type of Finding:

Federal award finding.

Federal Program Information:

Research and Development Cluster (ALN: Various)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

I. Procurement and Suspension and Debarment - The Uniform Guidance requires recipients of federal awards to have adequate procedures and controls in place to ensure that the procurement transactions are properly documented in the entity's files, provide full and open competition supported by a cost or price analysis, provide a vendor debarment or suspension certification, provide for retention of files, and that supporting documentation corroborates compliance with

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2024**

these requirements. All procurement transactions are required to be conducted in a manner to provide, to the maximum extent practical, open and free competition. Additionally, procurement records and files for purchases in excess of the small purchase threshold (\$25,000) shall include a) a basis for contractor selection, b) justification for the lack of competition when competitive bids or offers are not obtained, and c) a basis for award cost or price. Organizations are also required to be alert to any organizational conflicts of interest (2 CFR 215.40 - 215.48).

Condition:

The University's purchasing policy and procedures are not being appropriately followed in certain cases with respect to the procurement of goods and services funded by federal awards. Certain competitive bidding documentation was not retained, and certain sole source documentation could not be provided or did not appear to give adequate reasoning for the lack of a competitive bidding process.

Status of Findings as of June 30, 2024:

This finding was not fully remediated as of June 30, 2024 and is part of Finding 2024-010.

FINDING 2023-010

Type of Finding:

Federal award finding.

Federal Program Information:

Research and Development Cluster (ALN: Various)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

F. Equipment and Real Property Management - Equipment property records should contain the following information about the equipment: description (including serial number or other identification number), source, who holds title, acquisition date and cost, percentage of Federal participation in the cost, location, condition, and any ultimate disposition data including, the date of disposal and sales price or method used to determine current fair market value. Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, further states that equipment owned by the Federal Government shall be identified (tagged) to indicate Federal ownership.

Condition:

Certain federally funded equipment was not appropriately tagged as required.

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2024**

Status of Findings as of June 30, 2024:

This finding was not fully remediated as of June 30, 2024 and is part of Finding 2024-011.

FINDING 2023-011

Type of Finding:

Federal award finding.

Federal Program Information:

Research and Development Cluster (ALN: Various)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

N. Special Tests and Provisions - Publications - Per grant agreements between the University and multiple federal agencies, all publications (including conference presentations, promotional material, agendas and internet sites) that result from federal grant support by the grantors must include an acknowledgement of support and a disclaimer that the contents are the responsibility of the authors and not of the grantors.

Condition:

The University did not properly include the appropriate disclaimer of responsibility in certain publications selected for testing.

Status of Findings as of June 30, 2024:

This finding was not fully remediated as of June 30, 2024 and is part of Finding 2024-012.

FINDING 2023-012

Type of Finding:

Federal award finding.

Federal Program Information:

Research and Development Cluster (various ALN #'s) and Thomas R. Pickering Fellowship Program (ALN:19.013)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

B. Allowable Costs/Cost Principles - Per 2 CRF Part 220, the method used for apportioning salaries must recognize the principle of after-the-fact confirmation or determination so that costs

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2024**

distributed represent actual costs, unless a mutually satisfactory alternative agreement is reached. Direct cost activities and F&A cost activities may be confirmed by responsible persons with suitable means of verification that the work was performed. Confirmation by the employee is not a requirement for either direct or F&A cost activities if other responsible persons make appropriate confirmations. *After-the-fact Activity Records:* a) Activity reports will reflect the distribution of activity expended by employees covered by the system (compensation for incidental work as described in subsection a need not be included; (b) These reports will reflect an after-the-fact reporting of the percentage distribution of activity of employees. Charges may be made initially on the basis of estimates made before the services are performed, provided that such charges are promptly adjusted if significant differences are indicated by activity records. Labor costs charged to federal awards must reasonably reflect the actual labor effort contributed by the employee to meet the objectives of the award and that adequate documentation must be maintained to support labor costs charged to sponsored agreements.

For professorial and professional staff, effort certifications will be prepared each academic term, but no less frequently than every six months. For other employees, unless alternate arrangements are agreed to, the reports will be prepared no less frequently than monthly and will coincide with one or more pay periods.

Condition:

For certain payroll costs charged to federal awards, effort certifications were not prepared and/or reviewed timely during the fiscal year.

Status of Findings as of June 30, 2024:

This finding was not fully remediated as of June 30, 2024 and is part of Finding 2024-013.

FINDING 2023-013

Type of Finding:

Federal award finding.

Federal Program Information:

Provider Relief Fund (ALN: 93.498) and Thomas R. Pickering Fellowship (ALN:19.013)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

L. Reporting - The University is required to comply with the requirements of Reporting associated with its federal awards. According to the Uniform Guidance, the University may be required to submit performance reports at least annually but not more frequently than quarterly. Additionally, if required based on the terms of the grant agreement, the University should submit financial reports that are complete, accurate, and prepared in accordance with the required accounting basis.

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2024**

Amounts reported should agree to accounting records that support the audited financial statements and the Schedule of Expenditures of Federal Awards.

Condition:

The University is not in compliance with certain reporting requirements. Certain progress and financial reports were not submitted in a timely manner.

Status of Findings as of June 30, 2024:

No similar findings noted in the current year.

FINDING 2023-014

Type of Finding:

Federal award finding.

Federal Program Information:

Research and Development Cluster (various ALN #'s) and Thomas R. Pickering Fellowship (ALN:19.013)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

B. Allowable Costs/Cost Principles - per 2 CFR Part 200.302, the recipient's and subrecipient's financial management system must provide for maintaining records that sufficiently identify the amount, source, and expenditure of Federal funds for Federal awards. These records must contain information necessary to identify Federal awards, authorizations, financial obligations, unobligated balances, as well as assets, expenditures, income, and interest. All records must be supported by source documentation.

Condition:

The University is not in compliance with certain allowable cost/cost principle requirements. Certain expenditure amounts did not agree to source documentation. Certain expenditures recorded to grant with insufficient funds.

Status of Findings as of June 30, 2024:

No similar findings noted in the current year.

Summary Schedule of Prior Year Findings
Year Ended June 30, 2024

FINDING 2023-015

Type of Finding:

Federal award finding.

Federal Program Information:

Research and Development Cluster (various ALN #'s)

Criteria or Specific Requirement (Including Statutory, Regulatory or Other Citation):

M. Subrecipient Monitoring - per 2 CFR Part 200.403, the University shall monitor the activities of a subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved. In monitoring a subrecipient, a pass-through entity must: (1) Review financial and performance reports.

Condition:

The University is not in compliance with certain subrecipient monitoring conditions as required. Subrecipient invoices not reviewed by the University or review was not performed within required timeframe.

Status of Findings as of June 30, 2024:

This finding was not fully remediated as of June 30, 2024 and is part of Finding 2024-014.

**Management's Corrective Action Plan
Year Ended June 30, 2024**

FINDING 2024-001

Name of Responsible Individual: Rawle Howard, Assistant Vice President, Procurement

Corrective Action: Accounts Payable (AP) will create a Corrective Action plan to include the following.

1. The process to review Payment Request Forms ("PRFs"), used for payment to vendors that do not require the use of a purchase order, will be improved by requiring the review of supporting documents to ensure expenses are allowable by the newly established Sponsored Program Office (SPO) post award team. This team will thoroughly review supporting documents to ensure expenses are allowable, allocable, and reasonable according to University policies and grant terms. PRFs will be reviewed by SPO and Grants and Contracts Accounting (GCA) and will serve as the key control point before transactions are forwarded to accounting to post to sponsored awards.
2. AP will collaborate with SPO and GCA to issue communications and provide training to all Principal Investigators (PIs), SPO, GCA, and AP personnel.
3. AP will conduct intermittent audits whereby PIs will provide all documents of recipient eligibility and recipient document verification (W9, bank account information, etc)

Anticipated Completion Date: December 31, 2025

FINDING 2024-002

Name of Responsible Individual: Rawle Howard, Assistant Vice President, Procurement

Corrective Action: Accounts Payable (AP) will create a Corrective Action plan to include the following.

1. The process to review Payment Request Forms ("PRFs"), used for payment to vendors that do not require the use of a purchase order, will be improved by requiring the review of supporting documents to ensure expenses are allowable by the newly established Sponsored Program Office (SPO) post award team. This team will thoroughly review supporting documents to ensure expenses are allowable, allocable, and reasonable according to University policies and grant terms. PRFs will be reviewed by SPO and Grants and Contracts Accounting (GCA) and will serve as the key control point before transactions are forwarded to accounting to post to sponsored awards.
2. AP is working with Enterprise Technology Services (ETS) to modify the Workday Ad Hoc Business process to require additional review by PI, SPO, and GCA before payments can be issued. Each approval role will receive guidance regarding
3. AP will collaborate with SPO and GCA to issue communications and provide training to all PIs, SPO, GCA, and AP personnel.

Management's Corrective Action Plan
Year Ended June 30, 2024

Anticipated Completion Date: December 31, 2025

FINDING 2024-003

Name of Responsible Individual: Oliver Street, Interim University Registrar; Saleem Sullivan, Associate Registrar for Compliance; La Estes, Records Specialist; Ben Carmichael, Associate Director for Compliance, Enrollment Reporting; Sarah Mariner, Assistant Director for Compliance, Financial Aid

Corrective Action: The Enrollment Reporting process is supervised by the University Registrar and is responsible for transmitting enrollment reports to Howard University's third-party servicer, National Student Clearinghouse (NSC), who then submits the enrollment status report to NSLDS. The University Registrar resigned in July 2024 and the Associate Registrar position was also vacant at that time. These "peak time" staffing issues helped create confusion as to which enrollment files had been scheduled and sent to NSC. The University hired an experienced Associate Director Registrar for Compliance in December 2024 and is currently searching for a University Registrar with experience working in the Workday Enterprise Resource Planning system (ERP).

Howard moved to using Workday Student as the University's ERP beginning Fall 2024 and it has been confirmed the accurate program lengths for each program were entered in Workday. The transition to Workday Student allowed the University to review each program to ensure accuracy when integrating the data from Banner to Workday and certifying the correct program lengths are reported to NSLDS. Screenshots of the programs reported to NSLDS incorrectly have been provided to BDO as a way to document the program length will be accurately reported in the future.

Graduation files are scheduled to be transmitted on the first of every month to NSC. This will allow students cleared for graduation to be transmitted monthly and ensure the 60-day timeline will be met. In Workday, the date the student has been cleared for graduation (i.e. the effective day) is available on the "Academics" tab. This should make it easier to show an audit trail for the student's graduation clearance date.

Anticipated Completion Date: The correction to the length of each program in Workday was implemented during setup prior to the start of the Fall 2024 semester. There will be a Spring 2025 review performed by the Associate Director for Compliance to ensure the program length is accurately reported and testing shows this issue to be resolved. Each semester, enrollment reporting samples will be selected (approximately) 2 to 3 weeks after the first enrollment file for the semester is sent to NSC. Howard has set up a transmittal calendar with NSC which determines when enrollment files, including the graduate files, are transmitted. Due to work completed regarding the integration of Workday with NSC, Howard worked closely with NSC during Fall 2024 to troubleshoot issues that could delay enrollment files transmission. The schedule for submission of files was setup during this time. Howard currently has a vacancy at the University Registrar position and experienced individuals with Workday user knowledge will be pursued for hire. The hiring date for the University Registrar has not been approximated due to the positional requirement of Workday experience and the newness of the ERP system into the higher education space. The current Interim Registrar has prior University Registrar experience with knowledge of the requirements to be effective in the position.

Management's Corrective Action Plan
Year Ended June 30, 2024

FINDING 2024-004

Name of Responsible Individual: Ben Carmichael, Associate Director for Compliance, Enrollment Management; Robert Muhammad; Executive Director of Financial Aid; Brenda Willis, Senior Executive Director of Financial Grants & Contracts; Teshome Metaferiya, Director of Reporting

Corrective Action: A statement of procedure and workflow will be implemented to formally reconcile FWS - Title IV expenses to the general ledger on a monthly basis to ensure timely draws and adjustments. Adjustments and updates to the FISAP including prior year adjustments will be included in the Title IV reconciliation process and communicated immediately. The reconciliations will require two-tier approvals.

Anticipated Completion Date: May 30, 2025

FINDING 2024-005

Name of Responsible Individual: Keith Anderson, Associate Provost, Office of Undergraduate Studies; Paapa Berko, Federal Work-Study Coordinator; Tina Knight, Director, Center for Career & Professional Success; Ben Carmichael, Associate Director for Compliance, Enrollment Management; Dani Hollis, Associate Director of Operations & Customer Service; John Hooth, Senior Director of Payroll; Sasha Quinga, Senior Director, Human Resources Information Systems

Corrective Action: Federal Work Study (FWS) supervisors are required to have training on the appropriate policies and procedures when hiring a FWS student. They sign off on the Federal Work Study supervisor agreement stating they understand they must follow these procedures and losing the privilege of hiring FWS students can be the result of not following these policies and procedures. One of these policies is that students cannot have time approved prior to working those hours, as this is not a best practice. The Center for Career & Professional Success began using this updated FWS supervisor agreement beginning with the Spring 2025 semester. All FWS supervisors who had students for Fall 2024 were required to review and sign the updated agreement as well.

The Federal Work Study Coordinator (located in the Center for Career & Professional Services) is responsible for reviewing the hours a student works. The Federal Work Study Coordinator also ensures supervisors have approved the correct number of hours and the hours were approved after the student worked those hours. The full-time Federal Work Study Coordinator position was filled prior to the end of the Fall 2024 semester, and this ensures a full-time employee is now in place to help provide a more active review of the Federal Work Study program.

One student was not paid FWS earnings within 30 days. At the time, Howard University did not print out paper checks, only providing FWS payments as a direct deposit. The student was to be paid for those two pay periods (10/8/23-10/21/23 and 10/22/23-11/4/23) on 11/3/23 and 11/17/23. The student did not have any payment selections set up in the system for the earnings to be deposited into and this delayed the receipt of the Federal Work Study payment. Working with the AVP for Enrollment Management, we have discussed with Payroll the need to process a paper check if a student chooses this delivery method. The University is also working on an awareness campaign that will encourage students to set up their direct deposit information in Workday. Students

**Management's Corrective Action Plan
Year Ended June 30, 2024**

understanding the need to set up direct deposit and the willingness to process paper checks, if necessary, should prevent this finding from recurring.

The Associate Director for Compliance or designee will review when the supervisor approved the students' hours as a part of the bi-semester Federal Work Study sample. These reviews are completed to ensure students are paid on-time and accurately, as well as ensure the student is not working during class hours. These reviews of FWS hours matching the students' earnings will provide another layer of oversight.

Anticipated Completion Date: The Center for Career and Professional Services hired a full-time Federal Work Study Coordinator towards the end of the Fall 2024 semester. All FWS supervisor training occurs prior to the hire of any FWS students, and the supervisor agreement has been updated as of December 2024 to reflect supervisors signing they understand students are not to have time approved prior to working those hours. The awareness campaign encouraging students to choose the direct deposit option in Workday will begin in late Spring as the Fall 2025 class prepares to enter Howard.

FINDING 2024-006

Name of Responsible Individual: Ben Carmichael, Associate Director for Compliance, Enrollment Management; Sarah Mariner, Assistant Director for Compliance, Financial Aid; Robin Whitfield, Associate VP for Finance & Bursar; Guillermo Creamer, Collections Manager; Robert Muhammad, Executive Director of Financial Aid; Brenda Willis, Senior Executive Director of Financial Grants & Contracts; Educational Computer Systems, Inc.

Corrective Action: Discrepancies in the area of the Perkins Loan program (Perkins) - unfortunately - are not unusual at any institution. This is due to the nature and complexity of the program being historically paper-based and required since inception to be administered and tracked by institutions. Institutions as a whole are not (have not been) adequately and equitably equipped to properly monitor decades-old and now-ended programs. To our knowledge the U.S. Department of Education (ED) did not (does not) have an issue with the response to errors provided by Howard University.

Howard University is currently liquidating the Perkins program and have assigned all outstanding Perkins loans to the ED, as well as notified borrowers their loans have been assigned to ED. The University has not originated Federal Perkins Loans since the end of the 2017-2018 award year. The majority of the fields represented in Part III Section A on the FISAP remain static and should not be changed. Educational Computer Systems, Inc. (ECSI) provides these values on the FISAP report they provide as of June 30 of each year. The only field in Part III Section A the University should tie back to the General Ledger at this time are Fields 1.1 and 1.2, which are the Cash on Hand amounts on June 30 and October 31 of each year. Parity is difficult to obtain because the vast majority of the fields in Part III Section A are static. Cash on Hand as of October 31 is calculated based on a FISAP report provided by ECSI. The report shows in Column H the change in Cash on Hand from June 30, which will be entered on the FISAP as the Cash on Hand as of October 31.

Educational Computer Systems, Inc., the University's third-party Perkins servicer, has also stated to Howard University that mismatches on FISAP values such as Cash on Hand, Federal Capital

**Management's Corrective Action Plan
Year Ended June 30, 2024**

Contribution (FCC)/ Institutional Capital Contribution. (ICC), Administrative Cost Allowance, Collection Costs and Cumulative Loan Advance and Principal Collected can frequently occur. Most ECSI clients do not attempt parity between ECSI and their ledger, so because parity is difficult to obtain, not being able to tie back data in Part III of the FISAP is not unusual. Educational Computer Systems, Inc. collaborates with schools that do not have their General Ledger match what is on the FISAP in Part III. Awareness of what data does not match and why is more important than parity.

It was discovered in December 2021 that Part III Perkins portion of the FISAP had experienced data conversion issues after the conversion from ACS Loan Servicing to ECSI as the University's third-party servicer. There were Perkins Loans disbursed to students not included in the conversion, so the data provided annually by ECSI had accuracy issues. ECSI has stated to Howard that most institutions do not attempt to reach this parity, as it can be difficult to accomplish. Howard is liquidating the Perkins program, and assuming the University can assign all Federal Perkins Loans to ED, the Cash on Hand will then be reported as \$0 in the FISAP.

The tuition and fees discrepancy on the 2526 FISAP and Financial Reporting Audit is explained by the Tuition & Fees amounts reported as of FY24 including a portion of Summer 2023 that was recognized in FY24, and a portion of Summer 2024. The charged tuition and fees amounts will not exactly agree to the financial statements due to the related GAAP deferrals and revenue recognition. Prior to the September 30, submission of the FISAP during the upcoming year, the tuition and fees will be reconciled with the tuition and fees that is reflected on the Financial Reporting audit. The tuition and fees will then be reviewed and reconciled again with the amounts reflected on the Financial Reporting Audit prior to final submission of the FISAP on December 15.

Anticipated Completion Date: Summer 2025 is the date the University anticipates having liquidated the Perkins program. Cash on Hand will be reported as of June 30 and updated again on October 31. Completion of the FISAP is due September 30, 2025 and final edits to the FISAP are due December 15, 2025. Howard will update the Cash on Hand and tuition and fees as of December 15, 2025 for final submission. The U.S. Department of Education will then review the submitted FISAP for errors or inconsistencies. Should there be no errors or inconsistencies from ED's review, they will accept the FISAP and begin basing any Excess Liquid Capital return request on the Cash on Hand reported.

FINDING 2024-007

Name of Responsible Individual: Carmela Goodall, Manager, Systems and Administration (Office of the Bursar); Robin Whitfield, Associate Vice President for Finance & Bursar; Ben Carmichael, Associate Director for Compliance, Enrollment Management; Linda Coles, Director of Cash Management, Treasury Operations; Keynesha Wilson, Treasury Specialist; Kathleen Harrod, Accounts Payable Disbursement Manager; Rawle Howard, Assistant Vice President, Procurement

Corrective Action: There was one credit balance in the sample (from early August 2023) that was not processed within 14 days. The Title IV refund was delivered the 19th day after the credit balance was created on the student's account. The student in question did not appear on the Bursar's refund report until August 2, 2023. Once the student's refund did show up, a loan adjustment was required to ensure the Bloomberg scholarship the student received did not cause an overaward. After this adjustment to prevent the overaward was made, the refund was delivered on August 8, 2023.

Management's Corrective Action Plan
Year Ended June 30, 2024

The Associate Director for Compliance performed five Fall 2023 and Spring 2024 reviews of 375 Title IV refunds sent to students and found zero students who had a Title IV credit balance disbursed after 14 days. Bi-semester reviews such as this are intended to catch students who may have a Title IV credit balance delivered after the 14-day timeline. In the future, there will be a sample size of one hundred students for each review and will encompass the smaller cohort of Title IV refunds sent to medical students in late July and early August. The Title IV credit balance that was not delivered within 14 days was in the Doctor of Medicine cohort who began classes a month before undergraduate students begin the Fall 2024 semester.

Anticipated Completion Date: Howard feels this finding has been mitigated and there will be no further findings where students received a Title IV credit balance check past the 14-day deadline. Semester or bi-semester reviews will be completed by Financial Aid to ensure the University is sufficiently meeting the federal requirements for students and/or parents to receive the Title IV credit balance check within 14 days.

FINDING 2024-008

Name of Responsible Individual: Benjamin Carmichael, Associate Director for Compliance, Enrollment Management; Christina Veith, Associate Director of Loans, Financial Aid; Malik Artis, Interim Director of System, Office of Enrollment Systems; Sarah Mariner, Assistant Director for Compliance, Financial Aid

Corrective Action: Howard University uses automated processes to identify and send loan disbursement notifications to parents and students. The nightly UC4 process prompted Banner to send out a Direct Loan notification to the student and/or parent. This UC4 process showed all students who had a Direct Loan disbursement after the last nightly UC4 process was run. During a compliance review of disbursement notifications during the Fall 2023 semester and the Loans Team worked with Banner consultants to determine the reason for this. While this issue was being reviewed and a solution created, the Loans Team used the RLRDLDD report in Banner, which is a report that showed all loans disbursed. This report could be matched against the UC4 listing of loans disbursed. This check between UC4 and the RLRDLDD report was used to send out loan notifications that was missed during the UC4 process during the Fall 2023 semester. During a Spring 2024 compliance review of disbursement notifications, it was discovered the RLRDLDD report was missing disbursements as well. As a corrective action, the Loans Team then began using a loan audit report out of the Argos reporting system to identify students who may have a disbursement not included in the UC4 and/or RLRDLDD report. The support time required for maintenance of Banner was also reduced due to the ongoing integration and implementation efforts to prepare Workday for the Fall 2024 semester. This increased the length of time it took to correct the UC4 process and RLRDLDD reports.

Howard no longer uses Banner to send out Graduate PLUS, Subsidized and Unsubsidized loan notifications. Workday now is now responsible for sending out the disbursement notification after a loan has disbursed and there is a record in the student's Activity History to document the loan notification has been sent. Parent PLUS Loan notifications must be sent out manually due to Workday not having the capability to send a disbursement notification to the parent's email on file. The "FA

**Management's Corrective Action Plan
Year Ended June 30, 2024**

CR Parent PLUS Disbursement Notification Report” is run weekly out of Workday to identify all Parent Plus Loan disbursements and a notification is sent to the parent’s email address on file.

Bi-semester reviews are completed by the Associate Director for Compliance to ensure the loan disbursement notifications are being sent to students and parent in the required 30-day timeline. These reviews also ensure inclusion in the loan notification of all federally required information.

Anticipated Completion Date: This corrective action plan was completed during Fall 2024 implementation of Workday. Monitoring and reviewing of loan disbursements has been ongoing to ensure the Workday system is correctly identifying and transmitting Direct Loan disbursements. Given that Workday is a new ERP, Howard recognizes maintenance and review of the disbursement notification process will be ongoing.

FINDING 2024-009

Name of Responsible Individual: Rawle Howard, Assistant Vice President, Procurement

Corrective Action: The Office of Procurement and Contracting (OPC) will create a Corrective Action plan to include the following.

1. OPC worked with Enterprise Technology Services (ETS) to modify the Workday requisition workflow to require OPC to review all documents to ensure that procurement policies and uniform guidance are followed
2. OPC hired three full time employees with experience with Uniform Guidance and will be responsible for processing grant related requisitions
3. AP will collaborate with SPO and GCA to issue communications and provide training to all Pls, SPO, GCA, and AP personnel.
4. OPC management team will conduct intermittent audits to ensure transactions are processed according to Uniform Guidance and provide additional training to staff accordingly.

Anticipated Completion Date: December 31, 2025

FINDING 2024-010

Name of Responsible Individual: Rawle Howard, Assistant Vice President, Procurement

Corrective Action: The Office of Procurement and Contracting (OPC) will create a Corrective Action plan to include the following.

1. Updating the following policies:
 - Asset Capitalization Policy
 - Sponsored Program Equipment Management Policy

**Management's Corrective Action Plan
Year Ended June 30, 2024**

2. Train all Principal Investigators (PIs), OPC staff, Sponsored Programs Office (SPO), and Grants and Contracts Accounting (GCA) personnel on all policies and equipment management protocols
3. OPC worked with Enterprise Technology Services (ETS) to require management review of all assets processed before the receipt is completed in Workday
4. Implement an asset management platform to track assets throughout the organization
5. Require intermittent inventory by PIs to confirm assets are available and in use
6. In conjunction with GCA, OPC is reconciling inventory to the Workday system and ensuring all assets are appropriately tagged. On a quarterly basis, GCA forwards a report to OPC that are missing a tag number in the system. OPC must then track down each item on the list and either tag the item or update the asset in the system with the tag number."
7. OPC will collaborate with the Sponsored Programs Office (SPO), GCA, and the Controller's Office to issue communications and provide training to all affected personnel.

Anticipated Completion Date: December 31, 2025

FINDING 2024-011

Name of Responsible Individual: Marchon Jackson, Associate Vice President for Research; Robert Clark, Chief Audit & Compliance Officer

Corrective Action: Awards between the University and federal sponsors, publications (including conference presentations, promotional material, agendas, and internet sites) that result from federal grant support must include an acknowledgment of support and a disclaimer that the contents are the authors' responsibility. The University is revising internal procedures and internal controls to promote compliance with federal agreements by including the required acknowledgments and disclaimers in all relevant publications.

During the Award Kickoff Meetings award, specific requirements for acknowledgment of support and a disclaimer terms and conditions will be reviewed with the Principal Investigator. Sponsored Programs Office Pre-Award and University Compliance will be responsible for quarterly random spot checks of publications.

Anticipated Completion Date: June 30, 2025

FINDING 2024-012

Name of Responsible Individual: Marchon Jackson, Associate Vice President for Research, Brenda Willis, Senior Executive Director of Financial Grants & Contracts, Jaquion Gholston, Assistant Vice President for Post-Award and UARC Operations

Corrective Action: A new office is being developed to address the timeliness of the personnel payment request forms. In Phase I, CRAs will be assigned to high-volume research colleges to provide support for costing allocations. Phase 2 will encompass existing departmental administrators who

Management's Corrective Action Plan
Year Ended June 30, 2024

will gradually transition into more centralized research workflows supported by CRAs. A shared services model for the remaining colleges is planned for FY26.

Quarterly checklist and updates outlining cost allocation statuses will be completed with Deans and Associate Deans to determine the process needed to complete cost allocations timely.

Anticipated Completion Date: July 1, 2025

FINDING 2024-013

Name of Responsible Individual: Marchon Jackson, Associate Vice President of Research; Jaquion Gholston, Assistant Vice President for Post-Award and UARC Operations; Rawle Howard, Assistant Vice President, Procurement

Corrective Action: The process to review subrecipient invoices will be improved by requiring the review of supporting documents to ensure expenses are allowable by the Sponsored Program Office (SPO) post award team. This team will thoroughly review supporting documents to ensure expenses are allowable, allocable, reasonable and recorded in the proper period according to university policies and grant terms. Invoices will be reviewed by SPO and will serve as the key control point before transactions are forwarded to accounting to post to sponsored awards. Subrecipient invoices will be paid by Accounts Payable only after approval by SPO and GCA.

The Director of Compliance will conduct spot checks on all sponsored transactional activity, especially for high-risk grants to provide an additional layer of oversight.

The new review process and training for these responsibilities will be implemented by spring 2025 as part of the broader campus-wide workflow training and staffing up of the new SPO Post-Award office.

Anticipated Completion Date: June 30, 2025

FINDING 2024-014

Name of Responsible Individual: Brenda Willis, Senior Executive Director of Financial Grants & Contracts

Corrective Action: Due to the ongoing U S Department of Transportation investigation, the awarded grants cost share is on hold. Once the investigation is concluded, Howard University will meet the cost share obligations and requirements.

Anticipated Completion Date: December 31, 2025