



Commonwealth of Massachusetts  
Office of the State Auditor  
Suzanne M. Bump

*Making government work better*

Official Audit Report – Issued July 12, 2021

---

## Greenfield Community College

For the period March 1, 2020 through September 30, 2020





Commonwealth of Massachusetts  
Office of the State Auditor  
Suzanne M. Bump

*Making government work better*

July 12, 2021

Dr. Yves Salomon-Fernandez, President  
Greenfield Community College  
One College Drive  
Greenfield, MA 01301

Dear Dr. Salomon-Fernandez:

I am pleased to provide this performance audit of Greenfield Community College. This report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, March 1, 2020 through September 30, 2020. My audit staff discussed the contents of this report with management of the college, whose comments are reflected in this report.

I would also like to express my appreciation to Greenfield Community College for the cooperation and assistance provided to my staff during the audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "SMBump".

Suzanne M. Bump  
Auditor of the Commonwealth

cc: Robert Cohn, Chair of the Board of Trustees, Greenfield Community College  
Carlos E. Santiago, Commissioner of the Department of Higher Education  
Chris Gabrieli, Chair of the Board of Higher Education

---

## TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>OVERVIEW OF AUDITED ENTITY .....</b>	<b>2</b>
<b>AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY.....</b>	<b>5</b>
<b>OTHER MATTERS.....</b>	<b>8</b>
<b>1. New Higher Education Emergency Relief Fund Guidance Regarding Lost Revenue .....</b>	<b>8</b>
<b>2. Information Security Training .....</b>	<b>8</b>

---

## LIST OF ABBREVIATIONS

CARES	Coronavirus Aid, Relief, and Economic Security
COVID-19	2019 coronavirus
US DOE	United States Department of Education
ESF	Education Stabilization Fund
GCC	Greenfield Community College
GEER	Governor’s Emergency Education Relief
HEERF	Higher Education Emergency Relief Fund
IHE	institution of higher education
MDHE	Massachusetts Department of Higher Education

## EXECUTIVE SUMMARY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of Greenfield Community College (GCC) for the period March 1, 2020 through September 30, 2020.

In this performance audit, we reviewed financial activity from federal funds provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted by Congress on March 27, 2020. GCC received grant funds under two components of the CARES Act's Education Stabilization Fund: direct funding from the United States Department of Education (US DOE), provided through the Higher Education Emergency Relief Fund (HEERF), and funding from the Massachusetts Department of Higher Education (MDHE), allocated through the Governor's Emergency Education Relief Fund. The purpose of our audit was to determine whether GCC administered the CARES Act funds it received according to the criteria established by US DOE and MDHE.

Our audit revealed no significant instances of noncompliance by GCC that must be reported under generally accepted government auditing standards. However, in the "Other Matters" section of this report, we discuss modified guidance from US DOE that provides increased flexibility regarding the use of funds received from the HEERF award. We also provide some recommendations to improve internal controls over GCC's information security system.

---

## OVERVIEW OF AUDITED ENTITY

Greenfield Community College (GCC) is authorized by Section 5 of Chapter 15A of the Massachusetts General Laws and operates under the direction of a board of trustees, the members of which are appointed by the Governor. The president of GCC is the administrative head of the college and reports to the board of trustees. According to its website, GCC's mission is as follows:

*Greenfield Community College provides a high quality education to all who seek the knowledge and skills necessary to thrive and effect positive change in their lives, communities, and the world. With excellence, innovation, and an unwavering commitment to teaching and learning together in an inclusive and caring environment, we empower all learners to reach their full potential.*

GCC is a member of the Massachusetts public higher education system, which consists of 15 community colleges, nine state universities, and five University of Massachusetts campuses. GCC was founded in 1962, and its current campus was constructed and opened in 1974. In the 2019–2020 academic year, 3,409 students were enrolled at GCC, and as of December 2020, GCC offered 76 degree and certificate programs to students.

### **Coronavirus Aid, Relief, and Economic Security Act**

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted by Congress on March 27, 2020, provided \$30.75 billion for an Education Stabilization Fund (ESF) to prevent, prepare for, and respond to the impact of the 2019 coronavirus (COVID-19) pandemic. The ESF includes the Governor's Emergency Education Relief (GEER) Fund, the Elementary and Secondary School Emergency Relief Fund, and ESF grants to state educational agencies and Governors' offices. The ESF also allocated money for the Higher Education Emergency Relief Fund (HEERF) Program.

The United States Department of Education (US DOE) awarded grants to states under the GEER Fund to provide local educational agencies, institutions of higher education (IHEs), and other education-related entities with emergency assistance funds. States can use GEER funds to provide emergency support through allocations to their IHEs that serve the students who have been most significantly affected by COVID-19. The Massachusetts Department of Education received \$50.8 million of GEER funding. The Massachusetts Department of Higher Education has a shared responsibility with the Massachusetts Department of Elementary and Secondary Education to allocate the funding to eligible recipients.

---

According to the *Frequently Asked Questions about the Governor's Emergency Education Relief Fund (GEER Fund)* document distributed by US DOE, IHEs may use GEER funds to provide the following:

- *Staff, infrastructure and technology to support distance education, or remote learning;*
- *Academic support for libraries, laboratories, and other academic facilities;*
- *Institutional support for activities related to personnel, payroll, security, environmental health and safety, and administrative offices;*
- *Student services that promote a student's emotional and physical well-being outside the context of the formal instructional program; and*
- *Student financial aid, such as IHE-sponsored grants and scholarships.*

Section 18004(a)(1) of the CARES Act provided funding from the HEERF Program based on student enrollment. It required IHEs to spend at least 50% of the funding (referred to as the student portion) to provide students with emergency financial aid grants to help cover expenses related to the “disruption of campus operations due to coronavirus” and the remaining funds (the institutional portion) to cover institutional costs associated with “significant changes to the delivery of instruction due to the coronavirus.”

The student portion was to provide funding for items related to students’ cost of attendance, such as tuition, course materials, technology, food, housing, healthcare, and childcare. To be eligible for these funds, students must have completed the Free Application for Federal Student Aid and could not be enrolled in an online-only academic program on March 13, 2020, the date the President declared the national emergency due to COVID-19. According to Section E(19) of the HEERF *Frequently Asked Questions (FAQ) Rollup Document*,

*Institutions may provide emergency financial aid grants to students using checks, electronic transfer payments, debit cards, and payment apps that adhere to [US DOE's] requirements for paying credit balances [i.e., money paid directly] to students.*

The institutional portion could be used for campus safety and operations (disinfecting, cleaning, and reconfiguring classrooms to promote social distancing), upgrading Wi-Fi and technology, providing laptops to students, and training faculty members in online instruction. It could also be used to reimburse tuition and fees paid by students and to provide additional emergency financial aid grants to students. All expenses paid using these funds must have been incurred on or after March 13, 2020.

GCC also received funding from HEERF under Section 18004(a)(2) of the CARES Act for the Strengthening Institutions Program, a component of Title III of the federal Higher Education Act. This funding can be used to defray expenses, including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff training, payroll, and grants given to students for any component of their cost of attendance, including food, housing, course materials, technology, healthcare, and childcare.

Below is a summary of GCC's financial activity related to CARES Act grants during the audit period.

**Financial Activity Related to CARES Act Grants  
March 1, 2020 through September 30, 2020**

<b>Grant Type</b>	<b>Receipts</b>	<b>Disbursements</b>
<b>CARES 18004(a)(1) Student</b>	\$ 443,758	\$416,575
<b>CARES 18004(a)(1) Institutional</b>	443,757	292,674
<b>CARES 18004(a)(2) Title III</b>	43,533	0
<b>GEER Institutional</b>	139,475	0
<b>GEER Student*</b>	0	0
<b>Totals</b>	<u>\$1,070,523</u>	<u>\$709,249</u>

\* GCC received \$106,195 of student-portion GEER funding after the audit period.



## AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of certain activities of Greenfield Community College (GCC) for the period March 1, 2020 through September 30, 2020.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Below is a list of our audit objectives, indicating each question we intended our audit to answer and the conclusion we reached regarding each objective.

Objective	Conclusion
1. Did GCC receive and administer the student portion of funding under Section 18004(a)(1) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act in accordance with Sections C, D, and E of the United States Department of Education’s (US DOE’s) <i>Frequently Asked Questions (FAQ) Rollup Document</i> ? <sup>1</sup>	Yes
2. Did GCC receive and administer the institutional portion of CARES 18004(a)(1) funding in accordance with Section F of the <i>Frequently Asked Questions (FAQ) Rollup Document</i> ?	See <u>Other Matters</u>
3. Did GCC receive and allocate CARES 18004(a)(2) funding in accordance with Section F of the <i>Frequently Asked Questions (FAQ) Rollup Document</i> ?	Yes
4. Did GCC receive and allocate Governor’s Emergency Education Relief (GEER) funds in accordance with the guidance issued by US DOE <sup>2</sup> and/or the Massachusetts Department of Higher Education interdepartmental service agreement? <sup>3</sup>	Yes

1. Because of the federal mandate to accelerate the distribution of money from the Higher Education Emergency Relief Fund to students, there was not sufficient time to develop detailed guidance to govern the administration of these funds. Guidance was provided through a series of documents responding to frequently asked questions. In October 2020, US DOE issued a *Frequently Asked Questions (FAQ) Rollup Document* that combined all prior frequently asked questions into one document. We used this document as a criterion in conducting the audit.
2. US DOE issued guidance for using CARES GEER funds in a document called *Frequently Asked Questions about the Governor’s Emergency Education Relief Fund*. In addition, Governors or state education authorities were required to sign a “Certification and Agreement for Funding” that described compliance requirements.
3. The Massachusetts Department of Higher Education issued an interdepartmental service agreement that accompanied the GEER award to each recipient for institutional costs. The agreement noted requirements for administering the funds.

To achieve our objectives, we gained an understanding of the internal controls related to the objectives by reviewing applicable policies and interviewing GCC officials. We evaluated the design and implementation of controls over GCC's purchasing process and tested the operating effectiveness of these controls. In addition, we performed the following procedures to address the objectives.

- To determine whether GCC had appropriately received and allocated the student and institutional portions of CARES 18004(a)(1) funding, we obtained screenshots of the funding authorization in the federal government's grant system and the allocations in GCC's Banner<sup>4</sup> financial system. We compared the grant screenshots to the award notification from the federal government and the trial balance of GCC's general ledger.
- To determine whether GCC had expended CARES 18004(a)(1) student-portion funding in accordance with the guidance issued by US DOE, we selected a random, nonstatistical sample of 50 student payments from a population of 647. We reviewed each student's Institutional Student Information Record to verify that the student had completed the Free Application for Student Aid. To determine that the payment method was allowable, we verified that payments to students were made by a method approved by US DOE and examined transcripts to verify that the students were not enrolled in an online-only program on March 13, 2020.
- To determine whether GCC had received and administered CARES 18004(a)(1) institutional funding in accordance with guidance issued by US DOE, we selected a random, nonstatistical sample of 27 expense transactions from a population of 101. We reviewed invoices, payment vouchers, purchase orders, and approvals to determine whether each transaction was related to the disruption of campus operations due to the 2019 coronavirus, whether the documentation supported the need for each item or service, and whether each purchase was allowable.
- To determine whether GCC had appropriately received and allocated CARES 18004(a)(2) funding, we obtained screenshots of the funding authorization in the federal government's grant system and the allocations in Banner. We compared the grant screenshots to the award notification from the federal government and the trial balance of GCC's general ledger.
- To determine whether GCC had appropriately received and allocated institutional GEER funding, we obtained screenshots of the institutional funding allocation in Banner. We compared these screenshots to the award notification and to the trial balance of GCC's general ledger.

Because we used a nonstatistical approach for our audit samples, we could not project our results to the populations of CARES fund expenditures.

## Data Reliability

We interviewed knowledgeable officials about the data and tested the data for missing, invalid, and duplicate records, as well as dates outside the audit period. We also assessed the completeness and

---

4. Banner is the database system for GCC's administrative activities, accounting, and student files. It is designed to link various integrated modules, including modules for registration, student billing, and financial aid, to the college's financial system.

accuracy of the CARES 18004(a)(1) institutional transaction list and the CARES 18004(a)(1) student disbursement list by reconciling the lists with the general ledger and trial balances provided by the GCC comptroller. Finally, we tested GCC's information system controls (access and security management). As a result of our data reliability analysis and reconciliations, we found that the data in the lists were sufficiently reliable for the purpose of our audit objectives.

---

## OTHER MATTERS

### 1. New Higher Education Emergency Relief Fund Guidance Regarding Lost Revenue

During our audit testing of institutional funding related to Section 18004(a)(1) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, we found that 2 of 27 expense transactions were not allowable under the guidance issued by the United States Department of Education (US DOE). The 2 transactions were used for revenue recovery, which is an unallowable expense for CARES 18004(a)(1) institutional funds. Upon discussion with management at Greenfield Community College (GCC), we noted that both transactions were identified by management and subsequently transferred to CARES 18004(a)(2) Title III funding. We further noted that US DOE had issued modified guidance on March 19, 2021, reinterpreting how grantees may calculate “lost revenue” and charge it to their Higher Education Emergency Relief Fund awards. The modified guidance provides reimbursement for lost revenue from CARES 18004(a)(1) institutional funding that may be applied retroactively to March 13, 2020, the date a national emergency was declared. Although we identified the 2 transactions mentioned above as exceptions during our testing, we subsequently determined that disclosing them as findings would not be appropriate because of the modified guidance.

### 2. Information Security Training

According to the Association of Certified Fraud Examiners’ article “Cyberattacks in Higher Education at an Epidemic Level,” each year colleges and universities nationwide lose millions of dollars to cybercriminals. The article states,

*Higher education is highly susceptible. . . .*

*[University servers] hold treasure troves of valuable data, including sensitive student and employee data, such as addresses, passwords, payment details, bank information and confidential research. . . .*

*During the global pandemic . . . the risks are greatly increased and access points for hackers are multiplied.*

This has resulted in an escalation in cyberattacks on institutions of higher education. The most effective way to prevent such cyberattacks is through information security training.

During our audit, we noted that GCC had not established a program to ensure that system users received information security training. Contrary to the Information Security Risk Management Standard IS.010 issued by the Enterprise Security Office within the Executive Office of Technology Services and Security, and industry best practices promoted in the National Institute of Standards and Technology's Special Publication 800-53r5 (*Security and Privacy Controls for Information Systems and Organizations*), GCC does not require new employees to take initial information security training as part of new hire orientation, nor does it require employees to take refresher training annually thereafter. Instead, information security training at GCC is voluntary.

Without educating all system users on their responsibility of helping protect the security of information assets by requiring training, GCC is exposed to a higher risk of cybersecurity attacks and financial and/or reputation losses. We strongly encourage GCC to require information security training for all new employees and annual refresher training for all personnel.