Overview

The Division of Audit and Compliance completed a compliance review of corrective actions to address the audit findings related to Student Financial Assistance contained in the Auditor General Report No. 2007-146. The objective of the compliance review was to: a) verify and validate the implementation of the University’s corrective actions to determine if they resolve the Auditor General’s financial aid audit findings, and b) determine whether the University’s Student Financial Assistance procedures are effective by conducting tests of transactions for the spring semester 2008. The compliance review covered the following financial aid categories:

1. Administrative Capability,
2. Cash Management – Prohibition on Escheating the Title IV Higher Education Funds,
3. Cash Management – Interest Earning,
4. Cash Management – Reconciliations,
5. Eligibility – Over-Awards and Under-Awards,
6. Return of Title IV HEA Funds – Official Withdrawals,
7. Return of Title IV HEA Funds – Non Attendance,
8. Special Test and Provisions – Disbursements,
9. Special Test and Provisions – Student Status Changes-Exit Counseling, and
10. Special Test and Provisions-Student Status Changes-NSLDS.

Administrative Capability

In order to determine that improvements have been implemented in the administration and delivery processes in the Financial Aid Office, the Division of Audit and Compliance performed the following procedures:

- Reviewed the organizational chart for the University’s Financial Aid Office as of February 1, 2008, to determine the total number of available permanent positions in the office. The review revealed 25 permanent positions in the office.
- Verified that 23 of the 25 permanent positions are filled and two positions are vacant. The two vacant positions include an Assistant Director for Federal
Programs/Outreach and a Financial Aid Coordinator. The vacant positions have been advertised and management expects to fill the positions in the near future.

- Determined the adequacy of the qualifications of the staff presently occupying the four manager positions within the Financial Aid Office by reviewing their resumes. As a result of this review, we determined that the current managers in the Financial Aid Office have extensive experience and qualifications necessary for performing the responsibilities of the office.

- Reviewed the revised Financial Aid Office policies and procedures manual effective January 28, 2008. We determined the manual is comprehensive and includes procedures for addressing the issues previously cited in the Summary Schedule of Prior Audit Findings for the fiscal year ended June 30, 2006.

**Conclusion**

Based on the compliance review, we determined that improvements have been made to address the administrative and delivery processes in the Financial Aid Office. The Financial Aid Office has a capable leadership team and full-time employees to provide appropriate administration of the University’s Student Financial Assistance programs. In addition, the office has published a policies and procedures manual that addresses each of the issues previously cited in the Summary Schedule of Prior Audit Findings for the fiscal year ended June 30, 2006. Based on this information, audit finding FA 06-083 has been fully corrected.

**Cash Management – Prohibition on Escheating the Title IV Higher Education Funds**

In order to determine whether appropriate procedures have been implemented to ensure funds for outstanding checks over 180 days old are returned to the applicable Federal Program, the Division of Audit and Compliance performed the following procedures:

- Reviewed the University’s policy and procedures on Stale Dated Checks/Return of Title IV Funds (checks outstanding for more than 180 days old) for fiscal year 2006-07.

- Reviewed the reconciliation process for stale dated checks to determine if the process adequately addressed outstanding checks over 180 days old. We determined that checks which remain in the Controller’s safe after 180 days are forwarded to the General Accounting Office and marked void. Additionally, the
Student Financial Aid staff place “stop payment” on checks that are not physically received.

- Reviewed the stale dated checks polices and procedures and determined that the policies and procedures adequately addresses the controls necessary to mitigate University risk related to stale dated checks.

**Conclusion**

The University has made significant progress in addressing the issue of stale dated checks. The current polices and procedures that have been implemented will mitigate the University’s risk related to stale dated checks in the future. Based on this review, audit finding FA 06-084 has been fully corrected.

**Cash Management – Interest Earning**

The University Treasury Operations is responsible for investing Federal Perkins Loan (FPL) funds. Funds are invested in the State Treasurer’s Special Purpose Investment Account; interest is credited to the account annually based on a report of interest received from the State Treasury. The University revised its investments procedures on July 26, 2007 to ensure that FPL funds are being invested and that the interest is properly credited to the FPL program account.

In order to determine whether procedures have been implemented to ensure the institution is investing excess FPL funds and that the interest earned is credited to the FPL program account, the following procedures were performed:

- Reviewed PeopleSoft reports to determine whether excess FPL funds are being deposited into an interest bearing account and that the interest is properly credited to the FPL program account.

- Traced the FPL interest returned to the FPL program and compared it to the PeopleSoft code sheet and the journal entry report to determine if the interest was appropriately credited to the program account. Further, a comparison was performed to determine if the FPL interest amount was properly entered into the University’s general ledger.
Conclusion

The University has developed adequate investment Policy and Procedures (P&P) including a method for allocating interest earned on Federal Perkins Loans (FPL) fund deposited in investment accounts. Additionally, excess FPL funds are being deposited in an interest bearing bank account. Based on this information, audit finding FA 06-085 has been fully corrected.

Cash Management – Reconciliations

In order to determine whether the institution is reconciling the Title IV Higher Education Act (HEA) program accounts to the federal records of draws and expenditures and if procedures have been implemented to ensure the institution is making returns of Title IV funds in the proper amount, the Division of Audit and Compliance performed the following procedures:

- Interviewed the Director of Financial Aid and Assistant Vice President for Treasury Operations to determine that Title IV HEA funds are properly reconciled and documented.
- Verified that the University returns all funds over-awarded to students who received subsidized and unsubsidized federal grants to the United States Department of Education.
- Reviewed the reconciliation process to ensure that accurate and complete monthly reconciliations of all Title IV HEA program accounts are performed in a timely manner and in accordance with established procedures.

Conclusion

Based on the review, we determined that comprehensive monthly reconciliations are being performed in a timely manner. Further, all recommended adjustments to students’ accounts were properly completed. Therefore, audit finding FA 06-086 has been fully corrected.
Eligibility – Over-Awards and Under-Awards

In order to determine whether satisfactory academic progress is documented for those students eligible for Federal Supplemental Education Grants (FSEOG), the Division of Audit and Compliance performed the following procedures:

- Reviewed the policies and procedures manual and determined that adequate steps are taken to prevent over-award and under-award of federal funds to students.
- Reviewed the Financial Aid Office listing of all students who received a grade of F, W, U, or N in the spring semester 2008 to determine if any federal funds are required to be returned to the United States Department of Education.

Conclusion

The University has established adequate policies and procedures to ensure that Title IV HEA funds are properly awarded to eligible students. The new procedures are designed to prevent over-award and under-award of federal funds to students. Based on this information, audit finding FA 06-089 has been fully corrected.

Return of Title IV HEA Funds – Official Withdrawals

Any student who withdraws from the University is required to submit a withdrawal form to the Registrar’s Office. The Registrar’s Office enters the information into the PeopleSoft system. The system automatically calculates the amount of financial aid to be returned to the United States Department of Education. As part of the office procedure, repayments to the Department of Education are made electronically on a daily basis, as needed.

In order to determine whether the institution is returning Title IV funds to the Federal Programs in the proper amount and in a timely manner, as required, the Division of Audit and Compliance performed the following procedures:

- Requested a listing of students who had withdrawn from the University from the Financial Aid Office; and
- Verified that only one student, who did not receive any Title IV funds, officially withdrew from the University as of February 1, 2008.


**Conclusion**

At the time of this review, only one student who did not receive Title IV funds had officially withdrawn from the University. Based on the review and verification audit finding FA 06-095 has been fully corrected.

**Return of Title IV HEA Funds—Non Attendance**

In order to determine whether the institution is making timely returns of Title IV funds in the proper amount, the Division of Audit and Compliance performed the following procedures:

- Reviewed a letter issued on August 26, 2005 to faculty requiring them to verify attendance and instructions for entering attendance data in the PeopleSoft system.
- Reviewed a similar letter issued by the University to faculty on August 23, 2007, requiring them to verify student attendance.
- Verified that faculty are required to: a) take attendance during the first week of classes, and b) enter attendance data in the PeopleSoft system. If no attendance is recorded in PeopleSoft system, a letter is generated and sent to the students. Further, the PeopleSoft system automatically withholds the distribution of financial aid if a student does not attend class, and funds are returned to the appropriate federal program.

**Conclusion**

The University has established adequate procedures for ensuring timely return of Title IV HEA funds to applicable Federal programs for students who officially or unofficially withdrew or had not attended. In addition, the PeopleSoft system automatically calculates the amount of financial aid to be returned. Based on the review and verification of the implemented procedures, audit finding FA 06-097 has been fully corrected.
**Special Test and Provisions – Disbursements**

In order to determine whether student or parent borrowers are being notified within 30 days of crediting a student’s account with FDSL or FPL funds, the Division of Audit and Compliance performed the following procedures:

- Reviewed a sample record of students who received FDSL or FPL funds to determine a) whether borrowers received notifications within 30 days before or after crediting a student’s account, and b) if the notifications are documented.

**Conclusion**

The Student Financial Aid Office properly submits notifications of FDSL or FPL student or parent loan borrowers within 30 days before or after crediting a student’s account with FDSL or FPL funds. Further, the notifications are documented. Based on this information, audit finding FA 06-094.

**Special Test and Provisions – Student Status Changes and Exit Counseling**

In order to determine whether the institution has implemented adequate procedures to ensure that exit counseling is performed or exit counseling materials is provided to FDSL and FPL student loan borrowers, who graduated, withdrew, or ceased to be enrolled at least half-time, the Division of Audit and Compliance performed the following procedures:

- Interviewed the Director of the Student Financial Aid Services to determine the process for performing exit counseling for FDSL and FPL borrowers.
- Reviewed the procedures for providing exit counseling to student loan borrowers after graduation, withdrawal, or ceasing to be enrolled at least half-time.
- Reviewed the exit interview form and procedures for adjusting loans.
- Verified that the institution had not disbursed FPL funds in the last two and one-half years.
- Reviewed the financial aid status report to determine if students had completed on-line student counseling or had received loan exit counseling letters from the financial aid office.
Conclusions

The University has developed and implemented adequate procedures to ensure that exit counseling is performed and exit counseling materials are provided to FDSL and FPL student loan borrowers after graduation, withdrawal, or ceasing to be enrolled at least half-time. Based on this information, audit findings FA 06-100 and FA 06-099 have been fully corrected.

10) Special Test and Provisions-Student Status Changes-NSLDS

In order to determine whether the institution is promptly notifying the National Student Loan Data System (NSLDS) of changes in student status within 30 days, the Division of Audit and Compliance performed the following procedures:

- Reviewed a listing of students who have status changes (withdrawal or changed to part-time) that is transmitted to the National Student Clearinghouse. The National Student Clearinghouse transmits this information to the National Student Loan Data System (NSLDS).
- Reviewed a listing of students who had status changes during the spring semester 2008.
- Verified and matched the listing to the National Student Clearinghouse database.

Conclusion

Currently, the University reports FDSL student loan borrowers’ enrollment status changes to the National Student Loan Data System promptly and accurately. Based on the review, audit finding FA 06-098 has been fully corrected.
1. **Administrative Capability**
   b. Office of Student Aid organizational chart
   c. Employee resumes
   d. Employee job descriptions
   e. Documentation determining that financial aid staff provides exit counseling services to students

2. **Cash Management – Prohibition on Escheating the Title IV Higher Education Funds**
   a. Business Manager of Student Services
   b. Outstanding Check list as of June 2007
   c. Policy on Stale Dated Checks/Return of Title IV Funds

3. **Cash Management – Interest Earning**
   a. Investment procedures update on July 26, 2007
   b. People Soft Reports/ journal entries
   c. People Soft journal entry code sheet
   d. Federal Perkins Loan interest calculation worksheet
   e. Florida Treasury gross rate for trust funds/SPIA
   f. Determination letter from Department of Education dated August 20, 2007

4. **Cash Management – Reconciliations**
   a. Financial Aid Director and Assistant Vice President of Cash Management
   b. PeopleSoft award activity report
   c. Student Financial Aid Office, policy and procedures, Section 14 through Section 19

5. **Eligibility – Over and Under-Awards**
   a. PeopleSoft Reports
b. GAPS reconciliation report

c. General ledger activity report/Detail

d. Procedure for Title IV PELL and SEOG grant draw-downs and reconciliations

e. Financial Aid Office policies and procedures – Section 21

f. Title IV aid recipients – all F, W, U, N grades (Report ID: FAMSR019)


g. PeopleSoft return TIV aid report

h. PeopleSoft return of funds worksheet report

i. Financial Aid policy and procedure 19.4.2 Unofficial Withdrawal through 19.4 Distribution of Refund Policies

j. Procedure on how to process F grades

k. Procedure on alterations to a student’s withdrawal date

l. FFEL loan processing flow chart

m. Financial Aid Director

6. Return of Title IV HEA Funds – Official Withdrawals

a. Email from US Department of Education

b. PeopleSoft report FATIVRTN.SQR, Title IV return of Funds Report.

c. PeopleSoft Title IV Worksheet

   d. Financial Aid Status report

7. Return of Title IV HEA Funds – Non Attendance

a. Letter dated August 26, 2005 requiring faculty to verify attendance and instruction for faculty to input student attendance into PeopleSoft

b. Letter dated August 23, 2007 requiring faculty to verify attendance

   c. Instruction for Registrar’s Office attendance recording

   d. Letter to students who faculty did not record attendance

8. Special Test and Provisions – Disbursements

a. Form letter to students/parents receiving federal loans


   c. Population of students who received federal loans - 2,395 students

   d. PeopleSoft account detail report for the spring semester 2008
9. **Special Test and Provisions –Student Status Changes-Exit Counseling**
   a. Financial Aid Director
   b. Federal Perkins exit loan procedure as of August 31, 2007
   c. Exit interview forms
   d. Copy of a Federal Perkins Loan master agreement
   e. Loan interview, personal and confidential information sheet
   f. Student loan repayment and discler statement
   h. Financial Aid Director
   i. Population of students that graduated in fall 2007
   j. PeopleSoft financial aid status report
   k. Get smart about student loan debt pamphlet
   l. Entrance/exit counseling form

10. **Special Test and Provisions-Student Status Changes-NSLDS**
    a. List of Student who have withdrawn from the University during the spring semester 2008
    b. National Student Clearinghouse Student Enrollment History
    c. National Student Clearinghouse SSCR Processing History
    d. National Student Clearinghouse School transmission history