Student Financial Assistance Regulatory Update

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Title IV - Federal Financial Aid Programs

Federal Direct Loans: $12,341,671.00
Federal Grants: $14,846,235.00
Federal Work Study: $162,055.66
Summary

- Aggressive Banner Implementation Schedule
- Departmental Transition of Staff
- Failure to Respond to Regulatory Requirements
- Timely Reporting Requirements
Background

- **Annual Reviews by Independent Auditors**
  - KPMG
    - 2008/09 and 2009/10
    - Mid-year audit review 2010-11
  - Crowe Horwath
    - 2010/11

- **U.S. Department of Education (DOE) Resolution Review Process**
  - May require schools to provide additional documentation
  - May require the return federal funds
  - May impose other restrictions
Key Developments 2008 - 09

- Banner Implementation
  - Student Financial Assistance was the first module to go live in April of 2008
  - Processing aid in multiple systems
    - Regent
    - Banner
    - Oracle

- Transition of staff in the Office of Student Financial Assistance

- Increase in the volume of awards made to students by 15%

- Transitioning into the Federal Direct Student Loan program
2008 - 2009 Audit

U.S. Department of Education Requested back up documentation for 5 of the 7 findings included in the A133 – Single Audit Report for the 2008-2009 Award Year

- **Federal Work Study (FWS):**
  - Students awarded FWS in question
  - 5 students over awarded FWS
  - Item resolved
  - No financial liability incurred

- **Cost of Attendance:**
  - 1 student loan in question
  - Awarded a loan that exceeded the cost of attendance
  - Estimated liability: $1,375
Federal Student Loans - $7 Million Awarded in 2008-09

- 150 student loans in question
- Loans calculated using incorrect student grade level
- Estimated liability: $7,599

Pell Grant Awards - $5.8 Million Awarded in 2008-09

- 13 students Pell awards in question
- Awards were calculated using incorrect payment schedule
- Estimated liability: $969
2008 - 2009 Audit

Continued…

- **Return of Title IV Funds - 2008-09:**
  - 3,130 students awarded Federal Student Aid
  - 245 students who withdrew completely from the institution had their aid recalculated
  - Formula used incorrectly
  - Estimated liability unknown
  - Awaiting DOE response
2009-2010 Audit

U.S. Department of Education reviewed single audit report and provided the College with a final audit determination.

- Federal Student Loans - $12 Million in Loans Awarded in 2009-10:
  - Improper loan calculations
  - Paid DOE $8,462
Summary

- Aggressive Banner Implementation Schedule
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- Timely Reporting Requirements
Corrective Action Plan

Failure to take corrective action regarding improper calculation of aid; must be rectified for 2010/21

- **Correspondence with DOE**
  - Conference calls and daily emails providing materials/documentation needed to rectify all items questioned

- **Hired Banner Consultant**
  - Train and assess technical and system deficiencies
  - Have resolved and adjusted processes and procedures thus far
Corrective Action Plan

- Hired Financial Aid Services Consultants
  - Review all of the records for 2010/11 award year
  - Identify any procedural deficiencies and address all regulatory/compliance requirements
  - Assure that repeated findings have been corrected for 2010-11 and going forward

- 2010 - 2011 Audit Delay
  - Have requested a 45-day extension on the annual audit to assure that we are fully compliant with the Title IV - Federal Financial Aid programs.