



**GEORGIA
SOUTHWESTERN STATE
UNIVERSITY
AMERICUS, GEORGIA**

INDEPENDENT ACCOUNTANTS
REPORT ON APPLYING AGREED-
UPON PROCEDURES
FOR FISCAL YEAR ENDED
JUNE 30, 2019

A Member Institution of the
University System of Georgia



GEORGIA SOUTHWESTERN STATE UNIVERSITY

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DEPARTMENT OF AUDITS AND ACCOUNTS

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GREG S. GRIFFIN
STATE AUDITOR
(404) 656-2174

Independent Accountant's Report on Applying Agreed-Upon Procedures

Members of the State Board of Regents of the
University System of Georgia
and
Dr. Neal Weaver, President
Georgia Southwestern State University

We have performed the procedures enumerated below, which were agreed to by Georgia Southwestern State University and the University System Office of the Board of Regents of the University System of Georgia, solely to assist you in evaluating compliance with federal student financial assistance regulations and meeting the requirements of COC Comprehensive Standard 13.6 for the year ended June 30, 2019. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. Also included in this report is a section on findings and other matters that came to our attention during our engagement.

The procedures for each Student Financial Assistance Cluster compliance requirement and the associated findings are as follows:

1. Complete applicable procedures reflected in the 2019 OMB Compliance Supplement for the Activities Allowed or Unallowed compliance requirement.

We did not note any exceptions as a result of our procedures.

2. Complete applicable procedures reflected in the 2019 OMB Compliance Supplement for the Cash Management compliance requirement.

We did not note any exceptions as a result of our procedures.

3. Complete applicable procedures reflected in the 2019 OMB Compliance Supplement for the Eligibility compliance requirement.

See FA-2019-001 in the Schedule of Findings and Questioned Costs for a detail of exceptions noted.

4. Complete applicable procedures reflected in the 2019 OMB Compliance Supplement for the Matching, Level of Effort, Earmarking compliance requirement.

We did not note any exceptions as a result of our procedures.

5. Complete applicable procedures reflected in the 2019 OMB Compliance Supplement for the Reporting compliance requirement.

We did not note any exceptions as a result of our procedures.

6. Complete applicable procedures reflected in the 2019 OMB Compliance Supplement for the Special Tests and Provisions compliance requirement.

Our review of a sample of 19 students to test the Institution's compliance with 34 CFR 668.22, which is related to the return of Title IV funds, revealed a variance in the refund calculated for one student. This student was requested to return \$55.69 less than the required amount to various SFA programs. Insignificant variances were noted in the proration between the school and student portion of the refund for two students due to the use of the incorrect semester start date and/or incorrect institutional charges. In addition, the refund returned in the student information system did not agree to the calculation for one student.

Our testing of nine students who withdrew during the Fall 2018 and Spring 2019 semesters revealed that eight students' withdrawn enrollment statuses were never reported to NSLDS.

See FA-2019-002 in the Schedule of Findings and Questioned Costs for a detail of exceptions noted.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which is to express an opinion or conclusion, respectively, on the Federal Student Aid compliance requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Georgia Southwestern State University, the University System Office of the Board of Regents of the University System of Georgia and the Southern Association of Colleges and Schools – Commission on Colleges and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully,



Greg S. Griffin
State Auditor

February 12, 2020

GEORGIA SOUTHWESTERN STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA-2019-001

Improve Controls over Cost of Attendance Budgets

Compliance Requirement: Eligibility
Internal Control Impact: Significant Deficiency
Compliance Impact: Nonmaterial Noncompliance
Federal Awarding Agency: U. S. Department of Education
Pass-Through Entity: None
CFDA Numbers and Titles: 84.007 – Federal Supplemental Educational Opportunity Grants
84.033 – Federal Work-Study Program
84.063 – Federal Pell Grant Program
84.268 – Federal Direct Student Loans Program
Federal Award Numbers: P007A181005 (Year 2019), P033A181005 (Year 2019),
P063P181307 (Year 2019), P268K191307 (Year: 2019)
Questioned Cost: None Identified

Description:

The Institution's Student Financial Aid Office did not appropriately document and award students based upon final amended Cost of Attendance (COA) budgets.

Criteria:

Provisions included in 34 CFR 668 provide general provisions for administering Student Financial Aid (SFA) programs. In addition, Section 472 of the Higher Education Act of 1965 specifies the components that can be included in COA budgets.

Condition:

A review of the Institution's COA budgets was performed to determine if the budgets were reasonable, included allowable components, and were calculated based upon appropriate supporting documentation. The following deficiencies were noted:

- Institution personnel could not provide supporting documentation or explanations for the Childcare component of one COA budget.
- The Tuition component reflected in one COA budget did not agree to the supporting documentation provided.
- Two COA budgets were increased after the Fall 2018 semester had begun. Students who submitted a Free Application for Federal Student Aid (FAFSA) after the date of the adjustment were awarded based upon the new COA budget amount. However, students who submitted a FAFSA before the date of the adjustment were awarded based upon the original, lower COA budget, and a reevaluation of their award was not performed to ensure that the students received the appropriate amount of aid and types of aid.

Cause:

In discussing these deficiencies with management, they stated that a change in administrative leadership prompted a review of the Institution's COA budgets and the new administration requested that the COA budgets be adjusted after the award year had begun.

Effect or Potential Effect:

The Institution was not in compliance with Federal regulations concerning the COA budgets used as the basis for determining SFA eligibility. The COA is the cornerstone of establishing a student's financial need and sets a limit on the total aid a student may receive. If the estimated costs used for components in the COA budget are unreasonable and do not represent average costs for students at the Institution, a majority of the student population may have been over or under awarded.

GEORGIA SOUTHWESTERN STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Recommendation:

The Institution should reevaluate the components used in the COA budgets and document that these costs represent average costs for students enrolled at the Institution. The Institution should modify its procedures to ensure that any future changes to the COA budgets are reasonable and based on documented average costs for students. In addition, the Institution should ensure that COA budgets are finalized and appropriately supported prior to awarding any students. The Institution should also contact the U.S. Department of Education regarding resolution of this finding.

Views of Responsible Officials:

We concur with this finding.

FA-2019-002

Improve Controls over Unofficial Withdrawals

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U. S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans Program
Federal Award Numbers:	P007A181005 (Year 2019), P033A181005 (Year 2019), P063P181307 (Year 2019), P268K191307 (Year: 2019)
Questioned Costs:	\$7,125.20

Description:

Unearned Title IV funds were not identified and returned for students who unofficially withdrew from the Institution.

Criteria:

The provisions in 34 CFR 668.22 provides requirements over the treatment of Title IV funds when a student withdraws. The Institution is required to determine the amount of Title IV grant that the student earned as of the student's withdrawal date when a recipient of a Title IV grant withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance. A refund must be returned to Title IV programs when the total amount of Title IV grant or loan assistance, or both, that the student earned is less than the amount of the Title IV grant or loan assistance that was disbursed to the student as of the withdrawal date.

Condition:

Eight students who received Federal financial assistance for the Fall 2018 and Spring 2019 semesters and withdrew from the Institution but for whom no Return of Title IV calculation was performed were selected to determine if a refund should have been calculated. Our examination revealed that refund calculations were not performed appropriately for one of these students who unofficially withdrew during the Spring 2019 semester.

GEORGIA SOUTHWESTERN STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Questioned Costs:

Questioned costs of \$7,125.20, with likely questioned costs of \$43,851.26, were identified for omitted Return of Title IV calculations. The following CFDA numbers are affected by the known and likely questioned costs: 84.063 and 84.268.

Cause:

In discussing these deficiencies with management, they stated that the unofficial withdrawal was identified, and it was determined that a Return of Title IV calculation was necessary for the student. However, the documentation was misfiled, and the calculation was never entered into the student information system.

Effect or Potential Effect:

Unearned Title IV funds were not returned to the U.S Department of Education appropriately. Improperly identifying withdrawn students, not performing Return of Title IV calculations, and/or not returning unearned Title IV funds to the U.S Department of Education in a timely manner may result in adverse actions and impact the Institution's participation in Title IV programs.

Recommendation:

The Institution should implement policies and procedures to ensure that students who unofficially withdrew and received Title IV funds are identified and the required refund calculation is performed. The Institution should also contact the U.S. Department of Education regarding resolution of this finding.

Views of Responsible Officials:

We concur with this finding.

CORRECTIVE ACTION PLANS - FEDERAL AWARD FINDINGS

FA-2019-001

Improve Controls over Cost of Attendance Budgets

Compliance Requirement: Eligibility
Internal Control Impact: Significant Deficiency
Compliance Impact: Nonmaterial Noncompliance
Federal Awarding Agency: U. S. Department of Education
Pass-Through Entity: None
CFDA Numbers and Titles: 84.007 – Federal Supplemental Educational Opportunity Grants
84.033 – Federal Work-Study Program
84.063 – Federal Pell Grant Program
84.268 – Federal Direct Student Loans Program
Federal Award Numbers: P007A181005 (Year 2019), P033A181005 (Year 2019),
P063P181307 (Year 2019), P268K191307 (Year: 2019)
Questioned Cost: None Identified

Description:

The Institution's Student Financial Aid Office did not appropriately document and award students based upon final amended Cost of Attendance (COA) budgets.

Corrective Action Plans:

Once the Vice President for Student Engagement and Success confirms the COA all students will be re-evaluated. Furthermore, the University will attempt to set the COA before evaluations begin for the aid year.

Estimated Completion Date: February 17, 2020

Contact Person: Sandra Johnson
Title: Assistant Director of Financial Aid
Phone Number: 229-931-2031
Email: sandra.johnson@gsw.edu



Office of Accounting Services

CORRECTIVE ACTION PLANS - FEDERAL AWARD FINDINGS

FA-2019-002

Improve Controls over Unofficial Withdrawals

Compliance Requirement: Special Tests and Provisions
Internal Control Impact: Significant Deficiency
Compliance Impact: Nonmaterial Noncompliance
Federal Awarding Agency: U. S. Department of Education
Pass-Through Entity: None
CFDA Numbers and Titles: 84.007 – Federal Supplemental Educational Opportunity Grants
84.033 – Federal Work-Study Program
84.063 – Federal Pell Grant Program
84.268 – Federal Direct Student Loans Program
Federal Award Numbers: P007A181005 (Year 2019), P033A181005 (Year 2019),
P063P181307 (Year 2019), P268K191307 (Year: 2019)
Questioned Costs: \$7,125.20

Description:

Unearned Title IV funds were not identified and returned for students who unofficially withdrew from the Institution.

Corrective Action Plans:

The Financial Aid Office will run the unofficial withdrawal report and share the original report with the Student Accounts Office, so that no students will be missed in future processes.

Estimated Completion Date: February 17, 2020

Contact Person: Sandra Johnson
Title: Assistant Director of Financial Aid
Phone Number: 229-931-2031
Email: sandra.johnson@gsw.edu

