



STUDENT FINANCIAL ASSISTANCE PROGRAMS CLUSTER

REPORT ON AUDIT
FOR THE YEAR ENDED
JUNE 30, 2024

Auditor of Public Accounts
Staci A. Henshaw, CPA

www.apa.virginia.gov

(804) 225-3350



AUDIT SUMMARY

We audited the major federal program of the Student Financial Assistance Programs Cluster, administered by the following public higher education institutions in the Commonwealth of Virginia:

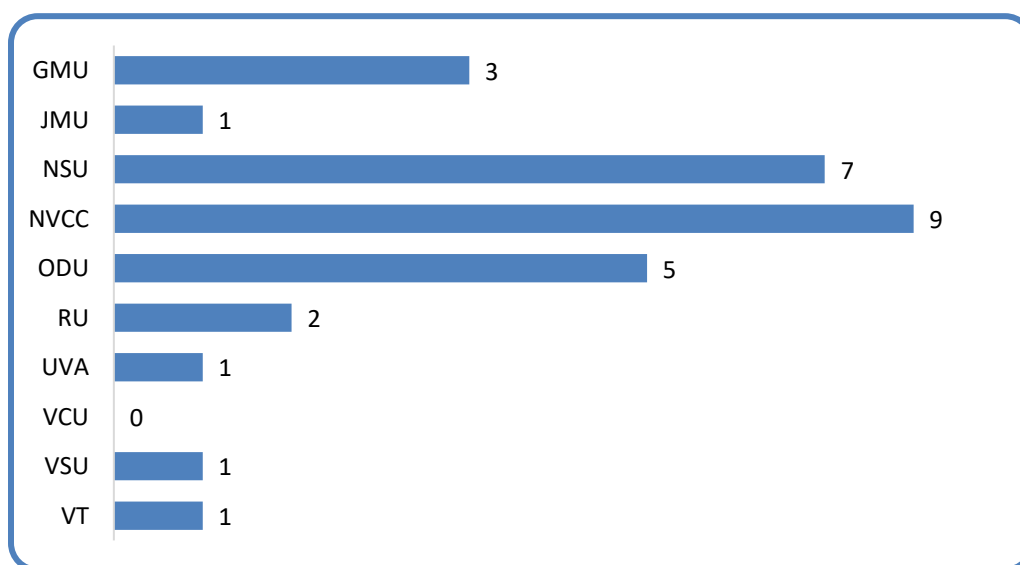
George Mason University (GMU)	Radford University (RU)
James Madison University (JMU)	University of Virginia (UVA)
Norfolk State University (NSU)	Virginia Commonwealth University (VCU)
Northern Virginia Community College (NVCC)	Virginia State University (VSU)
Old Dominion University (ODU)	Virginia Tech (VT)

Our audit for the fiscal year ended June 30, 2024, found:

- proper recording and reporting of all transactions, in all material respects, in each institution's accounting and reporting system and applicable federal student financial assistance system, and attachments submitted to the Department of Accounts (Accounts);
- matters involving internal control and its operation necessary to bring to the attention of management of each institution that also represent instances of noncompliance with applicable laws and regulations or other matters that are required to be reported; and
- adequate corrective action with respect to prior audit findings and recommendations identified as complete in the [Findings Summary](#) included in the Appendix.

Our audit identified thirteen recommendations for the ten higher education institutions included in as part of our review. The chart below summarizes the number of findings for each institution:

Findings by Institution



In the section titled “Internal Control and Compliance Findings and Recommendations,” we have included our assessment of the conditions and causes resulting in the internal control and compliance findings identified through our audits as well as recommendations for addressing those findings. Our assessment does not remove the responsibility from management at each institution to perform a thorough assessment of the conditions and causes of the findings and develop and appropriately implement adequate corrective actions to resolve the findings as required by Accounts in Topic 10205 – Agency Response to APA Audit of the Commonwealth Accounting Policies and Procedures Manual. Those corrective actions may include additional items beyond our recommendations.

–TABLE OF CONTENTS–

	<u>Pages</u>
AUDIT SUMMARY	
AUDIT FINDINGS AND RECOMMENDATIONS	1-14
INDEPENDENT AUDITOR’S REPORT	15-17
APPENDIX	18-19
INSTITUTION RESPONSES	20-38

INTERNAL CONTROL AND COMPLIANCE FINDINGS AND RECOMMENDATIONS

Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act

Applicable to: Northern Virginia Community College

Type of Finding: Internal Control and Compliance

Severity: Significant Deficiency

Northern Virginia Community College (NVCC) does not comply with certain elements of the Gramm-Leach Bliley Act (GLBA) related to its information security program. Public Law 106-102, known as GLBA, considers institutions of higher education to be financial institutions because of their engagement in financial assistance programs. Related regulations at Title 16 Code of Federal Regulations (CFR) § 314.3 and 16 CFR § 314.4 require organizations to develop, implement, and maintain the information security program to safeguard customer information. Specifically, NVCC does not comply with the following GLBA requirements:

- NVCC's written information security program states the college will fully vet any third-party service provider who requires access to personal information and the college stated it uses an external vendor for the vetting process. However, NVCC does not have procedures for how it interacts with and uses the final reports from the external vendor to oversee its third-party service providers. GLBA requires organizations to oversee service providers by periodically assessing service providers based on the risk they present and the continued adequacy of their safeguards. Additionally, GLBA requires organizations to document procedures for evaluating, assessing, or testing the security of externally developed applications utilized for transmitting, accessing, or storing customer information. Not formally developing procedures to periodically assess its service providers could result in unaddressed vulnerabilities, which may result in the compromise of NVCC's sensitive information and data.
- NVCC does not have a written procedure to conduct a periodic inventory of data. GLBA requires the college to include as part of its written information security program a requirement for identifying and managing data, staff, devices, systems, and facilities that enable it to achieve business purposes in accordance with their relative importance to business objectives and risk strategy. Without a written procedure to periodically conduct an inventory of data, NVCC increases the risk that it may misplace or improperly account for data within its systems, which could result in the lack of appropriate security controls and the compromise of NVCC's confidential data.
- NVCC does not have a written policy and procedure for monitoring data retention periods. Without such a policy and procedure, NVCC may not consistently, timely, or securely dispose of customer data at the end of their retention periods. GLBA requires organizations to develop, implement, and maintain procedures for the secure disposal of customer information in any format no later than two years after the last date the information is used in connection to the customer, unless such information is necessary for business operations or for other legitimate business purposes. Without a written policy and procedure to monitor

data retention periods and secure disposal methods, NVCC cannot verify that its staff is using appropriate methods to dispose of customer data in a timely manner.

NVCC's recent transition to new applications and external service providers contributed to the college not having current policies and procedures for the elements described above. NVCC should dedicate the necessary resources to develop the policies and procedures needed to support its information security program to ensure that it includes all elements required by GLBA. Completing the requirements outlined by GLBA will assist NVCC in evaluating its information security program and protecting the confidentiality, integrity, and availability of customer information within its environment.

Perform an Evaluation of Student Information System Access Roles

Applicable to: Northern Virginia Community College

Type of Finding: Internal Control and Compliance

Severity: Significant Deficiency

NVCC staff did not properly grant student information system roles and privileges. Specifically, we found seven of 45 (16%) employees have access to financial aid data beyond the requirements to complete their job responsibilities. The underlying cause of improper access is due to management not aligning the assignment of access roles with the concept of least privilege and not properly reviewing access levels of staff. By not properly assigning access based on job responsibilities, NVCC increases the risk it will have employees with improper access levels that do not align with concept of least privilege nor allow for segregation of duties.

In accordance with 16 CFR § 200.303(e), the non-federal entity must take reasonable measures to safeguard protected personally identifiable information and other information the federal awarding agency or pass-through entity designates as sensitive, or the non-federal entity considers sensitive, consistent with applicable, federal, state, and local laws regarding privacy and responsibility over confidentiality. In addition, the International Organization for Standardization and International Electrotechnical Commission Standard (ISO Standard), states that care should be taken with role-based access control systems to ensure that employees are not granted conflicting roles. Roles should be carefully designed and provisioned to minimize access problems if a role is removed or reassigned. The ISO Standard further states that care should be taken when specifying access control rules to consider establishing rules based on the premise of least privilege.

NVCC information security staff and management should perform a thorough evaluation of employees and grant student information system roles based upon the concept of least privilege and considering job responsibilities.

Improve Reporting to the National Student Loan Data System

Applicable to: George Mason University, Norfolk State University, Northern Virginia Community College, Old Dominion University, Radford University, University of Virginia, Virginia State University

Type of Finding: Internal Control and Compliance

Severity: Significant Deficiency

First Reported: See [Findings Summary](#) in Appendix

The institutions noted below did not properly report accurate and/or timely enrollment data to the Department of Education (ED) using the National Student Loan Data System (NSLDS) in accordance with 34 CFR § 685.309 and the NSLDS Enrollment Guide, for students that had withdrawn, graduated or changed enrollment levels. The accuracy of Title IV enrollment data depends heavily on information reported by institutions. The institutions' inaccurate and untimely enrollment data submissions to NSLDS can affect ED's reliance on NSLDS for monitoring purposes and may interfere with establishing a student's loan status, deferment privileges and grace periods. In addition, noncompliance may also impact an institution's participation in Title IV programs.

George Mason University

GMU management determined the discrepancies in its enrollment reporting submissions were due to a lack of communication between the Office of the University Registrar and the Office of Student Financial Aid. From our sample of 40 students, we noted the following instances of noncompliance:

- GMU reported an inaccurate enrollment status for seven students (18%);
- GMU reported an inaccurate enrollment status effective date for nine students (23%);
- GMU did not report enrollment status changes timely for seven students (18%);
- GMU reported inaccurate information in at least one campus or program-level field deemed critical for nine students (23%); and
- GMU did not provide evidence supporting that it reported accurate physical addresses in NSLDS for eight students (20%).

Norfolk State University

NSU management indicated the errors in its enrollment reporting submissions were due to staff turnover in the Office of the Registrar and programming issues within the student information system. From our sample of 39 students, we noted the following instances of noncompliance:

- NSU reported an inaccurate enrollment status for six students (15%);
- NSU reported an inaccurate enrollment status effective date for 26 students (67%);

- NSU did not report enrollment status changes timely for one student (3%); and
- NSU reported inaccurate information in at least one campus or program-level field deemed critical for 17 students (44%).

Northern Virginia Community College

A lack of management oversight in NVCC's Registrar's Office led to the discrepancies in its enrollment reporting submissions. From our sample of 40 students, we noted the following instances of noncompliance:

- NVCC reported an inaccurate enrollment status for ten students (25%);
- NVCC reported an inaccurate enrollment status effective date for 12 students (30%);
- NVCC did not report enrollment status changes timely for eight students (20%);
- NVCC reported inaccurate information in at least one campus or program-level field deemed critical for 14 students (35%); and
- NVCC could not demonstrate proper approval for the academic program for one student (3%), since the academic program did not appear on the State Council of Higher Education for Virginia (SCHEV) degree inventory report.

Old Dominion University

ODU management indicated the errors in its enrollment reporting submission were due to staff turnover. From our sample of 50 students, we noted the following instances of noncompliance:

- ODU reported an inaccurate enrollment status for nine students (18%);
- ODU reported an inaccurate enrollment status effective date for 29 students (58%);
- ODU did not report enrollment status changes timely for 15 students (30%); and
- ODU reported inaccurate information in at least one campus or program-level field deemed critical for 29 students (58%).

Radford University

The primary cause of the discrepancies in RU's enrollment reporting submissions was staff turnover and the time required for new staff to become proficient in their responsibilities. From our sample of 43 students, we noted the following instances of noncompliance:

- RU reported an inaccurate enrollment status for one student (2%);
- RU reported an inaccurate enrollment status effective date for three students (7%);
- RU did not report enrollment status changes timely for 10 students (23%);
- RU reported inaccurate information in at least one campus or program-level field deemed critical for three students (7%); and
- RU could not demonstrate proper approval for the academic program for one student (2%), since the academic program did not appear on the SCHEV degree inventory report.

University of Virginia

The underlying causes for the discrepancies in UVA's enrollment reporting submissions were data entry errors and batch processing issues. Specifically, UVA recorded a student's social security number inaccurately in its Student Information System. Additionally, batch enrollment updates caused new data submissions to overwrite previous data, which resulted in deactivated and inaccurate enrollment records. From our review of 40 students, we noted the following instances of noncompliance:

- UVA reported an inaccurate enrollment status effective date for four students (10%);
- UVA did not report enrollment status changes timely for five students (13%); and
- UVA reported inaccurate information in at least one campus or program-level field deemed critical for four students (10%).

Virginia State University

A lack of management oversight in VSU's enrollment reporting process led to the discrepancies in its enrollment reporting submissions. From our sample of 49 students, we noted the following instances of noncompliance:

- VSU reported an inaccurate enrollment status for three students (6%);
- VSU reported an inaccurate enrollment status effective date for six students (12%);
- VSU did not report enrollment status changes timely for 21 students (43%);
- VSU reported inaccurate information in at least one campus or program-level field deemed critical for 10 students (20%);
- VSU could not demonstrate proper approval for the academic program for eight students (16%), since the academic program did not appear on the SCHEV degree inventory report; and

- The permanent address for two out of 39 applicable federal Direct Loan borrowers (5%) did not agree between the student information system and NSLDS.

Recommendation

Each institution should evaluate its current enrollment reporting procedures and implement corrective action to ensure it reports accurate and timely student enrollment data to NSLDS to prevent future noncompliance. Where applicable, institutions should also consider implementing a quality control review process to monitor the accuracy of campus and program-level batch submissions.

Properly Identify Title IV Withdrawals

Applicable to: George Mason University, Norfolk State University, Northern Virginia Community College

Type of Finding: Internal Control and Compliance

Severity: Significant Deficiency

The institutions noted below did not identify Title IV withdrawals timely. In accordance with 34 CFR § 668.22(j)(2) and Volume 5 of the federal Student Financial Aid Handbook, for institutions that are not required to take attendance, an institution must determine the withdrawal date for a student who withdraws without providing notification to the institution no later than 30 days after the end of the earlier of the (i) payment period or period of enrollment; (ii) academic year in which the student withdrew; or (iii) the educational program from which the student withdrew. By not identifying students who withdraw timely, the institutions are not in compliance with federal requirements and may be subject to potential adverse actions impacting the institutions' participation in Title IV programs.

George Mason University

For two of 25 students (8%), GMU did not timely identify the students requiring a return of Title IV calculation. GMU management indicated the delays in the fall 2023 and summer 2024 terms were due to a combination of issues including the timing constraints of waiting on the posting of grades following a scheduled holiday break and delays in submitting disbursement records through the federal Common Origination and Disbursement System (COD).

Norfolk State University

For six of 25 students (24%), NSU did not timely identify all students requiring a return of Title IV calculation timely. At the end of the spring 2024 term, a turnover in Registrar Office management contributed to the dissemination of inaccurate withdrawal information to the Financial Aid Office. As a result, the Financial Aid Office experienced delays in identifying students requiring a return of Title IV calculation due to the initial inaccuracies.

Northern Virginia Community College

For three of 25 students (12%), Northern Virginia did not identify students requiring a return of Title IV calculation timely. NVCC management stated that the Financial Aid Office delays resulted from instructors waiting to confirm attendance after the spring 2024 term concluded.

Recommendation

Each institution should implement necessary corrective actions to timely identify students receiving Title IV aid that have withdrawn.

Properly Perform Return of Title IV Calculations

Applicable to: Norfolk State University, Northern Virginia Community College

Type of Finding: Internal Control and Compliance

Severity: Significant Deficiency

The institutions noted below did not perform the return of Title IV calculation in accordance with 34 CFR § 668.22 and Volume 5 of the federal Student Financial Aid Handbook. When a recipient of Title IV grant or loan assistance withdraws from an institution during a period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date. The total number of calendar days in a payment period includes all days within the period that the student completed, excluding scheduled breaks of at least five consecutive days. By not performing accurate return of Title IV calculations, the institutions are not in compliance with federal requirements and may be subject to potential adverse actions affecting the institutions' participation in Title IV programs.

Norfolk State University

NSU management indicated staff did not follow established written policies and procedures and did not properly set up the academic periods in the student information system. As a result, we noted the following instances of noncompliance:

- For one of 25 students (4%) tested, the Financial Aid Office staff incorrectly returned direct loans totaling \$1,732 to ED after determining the student earned the funds.
- For two of 25 students (8%) tested, the Financial Aid Office staff did not perform the return calculation in accordance with federal regulations because the staff inappropriately excluded scheduled break days from the calculations resulting in underpayments of Pell grants to ED totaling \$241.

Northern Virginia Community College

NVCC management indicated that the errors in the fall 2023 term resulted from staff not updating the system with the correct holiday information. In two of two students (100%), reviewed for the fall

term, NVCC Financial Aid Office staff did not perform the return calculation in accordance with federal regulations because the staff inappropriately excluded break days from the calculations resulting in underpayments to ED totaling \$41.

Recommendation

Each institution should properly train staff on the written policies and procedures for setting up term information in the student information system and performing the return of Title IV calculation accurately. Further, institution management should ensure staff correctly enter the scheduled breaks into the student information system to prevent future noncompliance.

Promptly Return Unearned Title IV Funds to Department of Education

Applicable to: Norfolk State University, Northern Virginia Community College, Old Dominion University

Type of Finding: Internal Control and Compliance

Severity: Significant Deficiency

First Reported: See [Findings Summary](#) in Appendix

The following institutions did not return Title IV unearned funds in accordance with required timeframe in 34 CFR § 668.21(b) and Volume 5 of the federal Student Financial Aid Handbook. Each institution must return unearned funds for which it is responsible as soon as possible, but no later than 45 days after the date that the institution becomes aware that a student has withdrawn. By not returning funds in a timely manner, the institutions are not in compliance with federal requirements and may be subject to potential adverse actions affecting the institutions' participation in Title IV programs.

Norfolk State University

For five of 18 students (28%), the date of return of unearned funds was greater than 45 days after the date of determination. Staff turnover in the Financial Aid Office was the primary cause of the delay in returning the funds.

Northern Virginia Community College

For one of 11 students (9%) tested, NVCC Financial Aid Office staff did not return unearned funds to ED for five months. A lack of communication between the Controller's Office and the Financial Aid Office coupled with staff turnover in the Controller's Office contributed to the delay in returning the funds.

Old Dominion University

ODU management indicated a lack of effective processes to ensure compliance with reporting requirements contributed to delays in returning the funds. For ten of 17 students (59%) tested, the net portion of the Direct Loan was not returned within the required timeframe resulting in \$325 in unreturned federal aid.

Recommendation

Each institution should implement necessary corrective actions to ensure that it returns unearned Title IV funds to ED within the required timeframe. In addition, the institutions should train staff on the federal requirements to ensure compliance.

Properly Complete Federal Verification Prior to Disbursing Title IV Aid

Applicable to: George Mason University, Norfolk State University, Old Dominion University, Virginia Tech

Type of Finding: Internal Control and Compliance

Severity: Significant Deficiency

The institutions noted below did not properly complete student verification prior to disbursing Title IV aid. In accordance with 34 CFR § 668.54 through 34 CFR § 668.57, an institution must require an applicant, whose Free Application for Federal Student Aid (FAFSA) information has been selected for verification, to verify the information selected by ED. Federal Register 87 F.R. 40826 outlines the 2023 - 2024 Award Year FAFSA information ED requires to be verified and the acceptable documentation by Verification Tracking Flag and Verification Tracking Group. Further, in accordance with ED Electronic Announcement GRANTS 24-04, published on April 12, 2024, institutions are required to verify all recipients selected for verification by ED's Central Processing System (CPS) unless a recipient is exempt from verification in accordance with the exclusions from verification provided for in the regulations at 34 CFR § 668.54(b). By not performing or improperly performing the necessary verification, institutions may provide financial aid disbursements to students based upon inaccurate information and may be subject to potential adverse actions affecting the institutions' participation in Title IV programs.

George Mason University

GMU management indicated staff did not follow written verification policies and procedures which resulted in the errors. We noted the following instances of noncompliance:

- For one of seven (14%) students flagged for verification, the GMU Office of Student Financial Aid staff did not match the income tax paid from the FAFSA to the student information system prior to awarding Title IV aid totaling \$8,189.
- For one of 25 (4%) students tested for verification, the GMU Office of Student Financial Aid staff did not match the student's adjusted gross income from the FAFSA to the student information system prior to awarding Title IV aid totaling \$11,796.

Norfolk State University

NSU management indicated staff did not follow written verification policies and procedures, which resulted in the errors. We noted the following instances of noncompliance:

- For one of 25 students (4%) tested, the NSU Financial Aid Office staff inaccurately verified the number of family members in the household resulting in the student not receiving a Pell grant of \$4,245.
- For one of 25 students (4%) tested, the NSU Financial Aid Office staff inaccurately verified the adjusted gross income resulting in the student receiving an over award of a Pell grant of \$675.
- For one of 25 students (4%) tested, NSU Financial Aid Office staff inaccurately verified the adjusted gross income resulting in no impact to the student.

Old Dominion University

ODU management indicated staff turnover in the financial aid office resulted in the errors. We noted the following instances of noncompliance:

- For one of 25 students (4%) tested, ODU Financial Aid Office staff did not request or obtain appropriate documentation to verify the application data prior to awarding Title IV aid totaling \$9,479.
- For one of 25 students tested (4%), ODU Financial Aid Office staff used incorrect documentation while completing the verification. The student received Title IV aid totaling \$12,967.
- For one of two students tested (50%), ODU Financial Aid Office staff did not match the information on the FAFSA to the requested information prior to awarding the student Title IV aid totaling \$6,234.

Virginia Tech

VT management indicated a combination of factors including an error by the third-party vendor and an internal error in the computer logic that assigns students to specific tracking groups for required follow-up contributed to the errors. We noted the following instances of noncompliance:

- For two out of 33 (6%) students flagged for verification, the VT Office of University Scholarship and Financial Aid staff did not request or obtain appropriate documentation to verify applications prior to awarding Title IV aid totaling \$11,877.
- For one of twenty-five (4%) students tested, the third-party vendor verified an incorrect amount for the Education Tax Credit.

Recommendation

Each institution should ensure staff are knowledgeable of its written policies and procedures. Institution management should implement corrective action to prevent future noncompliance and

should consider implementing a quality control review to ensure that staff obtain, review, and retain acceptable documentation for audit purposes.

Promptly Return Unclaimed Aid to the Department of Education

Applicable to: Northern Virginia Community College, Old Dominion University, Radford University

Type of Finding: Internal Control and Compliance

Severity: Significant Deficiency

First Reported: See [Findings Summary](#) in Appendix

The institutions noted below did not return unclaimed Title IV aid timely. In accordance with 34 CFR § 668.164(l), If an institution attempts to disburse funds by check and the recipient does not cash the check, the institution must return the funds no later than 240 days after the date it issued that check or no later than 45 days after a rejected electronic funds transfer (EFT). By not returning funds timely, the institutions may be subject to potential adverse actions affecting participation in Title IV aid programs.

Northern Virginia Community College

For 11 out of 87 (13%) sampled, NVCC Controller's Office staff did not return a total of \$3,296 timely. Incorrectly placed holds on Title IV credit balances and staff turnover in the NVCC Controller's Office contributed to the untimely return of funds.

Old Dominion University

For four out of 17 (24%) students sampled, ODU Bursar's Office staff did not return a total of \$8,776 timely. A lack of effective processes to ensure compliance with the requirements contributed to the untimely return of funds.

Radford University

Upon review of the outstanding check list as of June 30, 2024, we noted one student refund totaling \$1,486, which RU staff did not return timely. RU management indicated staff turnover contributed to the untimely return of funds.

Recommendation

Each institution should ensure staff responsible for tracking unclaimed student financial aid have a thorough understanding of the federal requirements. If the institution is unable to contact the federal aid recipient, and the check remains uncashed or the banking institution rejects the EFT, the institution should return the unclaimed funds to ED within the required timeframe.

Improve Reporting to the Common Origination and Disbursement System

Applicable to: James Madison University

Type of Finding: Internal Control and Compliance

Severity: Significant Deficiency

JMU's Office of Financial Aid and Scholarships staff did not report accurate and/or timely disbursements to COD. JMU management indicated the errors were due to a combination of factors including staff selecting an incorrect disbursement date in the student information system when sending disbursement information to COD for one batch in January 2024 and staff delaying the reporting of disbursement information to COD for another batch in January 2024. JMU indicated the new FAFSA form resulted in additional pressure on financial aid staff during this time. We noted the following instances of noncompliance:

- For three of 40 students (8%), staff did not report the correct disbursement dates in COD.
- In one of forty students (3%), staff did not report the disbursement timely.

In accordance with 88 F.R. 41092, published on June 23, 2023, an institution must submit federal Pell Grant and Direct Loan disbursement records accurately and no later than 15 days after making the disbursement and no earlier than seven days prior to the disbursement date or becoming aware of the need to adjust a student's previously reported disbursement. In accordance with 34 CFR § 668.164(a), Title IV funds are disbursed on the date that the institution (a) credits those funds to the student's account in the institution's general ledger or any subledger of the general ledger, or (b) pays those funds to the student directly. ED considers Title IV funds disbursed even if the institution uses its own funds in advance of receiving program funds from ED.

If an institution does not submit accurate disbursement records within the required timeframe, it may result in ED rejecting all or part of the reported disbursement. Improper reporting may result in an audit or program review finding or the initiation of an adverse action, such as a fine or other penalty. JMU should review its current policies and procedures for submitting disbursement records and implement corrective action to ensure future compliance.

Improve Notification Process for Federal Direct Loan Awards to Students

Applicable to: Norfolk State University

Type of Finding: Internal Control and Compliance

Severity: Significant Deficiency

NSU Financial Aid Office staff did not provide proper federal Direct Loan notification for one of 25 (4%) borrowers. The Financial Aid Office manually enters data into the student information system which transmits the required notifications to borrowers. However, a staff member assigned to send notifications was out of the office and the Financial Aid Office did not have a designated back-up.

In accordance with 34 CFR § 668.165(a)(2), institutions should properly notify students receiving federal Direct Loans, in writing, of the date and amount of the disbursement, the student's right to cancel

all or a portion of a loan or loan disbursement, and the procedure and time by which the student must notify the institution that he or she wishes to cancel the loan. Additionally, 34 CFR § 668.165 (3) (i – ii) indicates that for Direct Loans, the institution must provide the notice in writing no earlier than 30 days before, and no later than 30 days after, crediting the student’s account at the institution if the institution obtains affirmative confirmation, and no later than seven days if the institution does not obtain an affirmative confirmation.

Not properly notifying students in accordance with federal regulations may result in adverse actions and impact participation in Title IV programs. Additionally, improper notification could limit the amount of time a student or parent has to make an informed decision on whether to accept or reject a loan. The Financial Aid Office should revise its existing procedures to cross train staff, thus providing for proper back-up when staff are absent. NSU management should ensure each federal Direct Loan borrower receives the required notification.

Promptly Disburse Credit Balances to Students

Applicable to: Norfolk State University, Old Dominion University

Type of Finding: Internal Control and Compliance

Severity: Significant Deficiency

The institutions noted below did not provide timely refunds to students after posting disbursements. In accordance with 34 CFR § 668.164(d)(1)(i)(a)(ii)(a) and 34 CFR § 668.164(h)(2)(i)(ii), a school may pay a credit balance by initiating an EFT to a bank account the student or parent designates. A school that is paying a student his or her credit balance with a direct disbursement must pay the student within 14 days or be able to provide payment to the student upon demand within 14 days of crediting the student’s account. Regardless of the method used, a school must disburse the credit balance within the regulatory time frame. By not disbursing the funds timely, the institutions may be subject to potential adverse actions that may affect participation in Title IV aid programs.

Norfolk State University

For two of 17 (12%) students, NSU Bursar’s Office staff refunded credit balances up to 26 days after each student received credit on their student account. NSU management indicated staff shortages, training new staff, and processing a large volume of refunds at the beginning of a term contributed to the delay in refunding the students.

Old Dominion University

For two of 20 (10%) students, ODU Bursar’s Office staff refunded credit balances up to 51 days after each student received credit on their student account. ODU management indicated staff shortages and manual processing contributed to the delay in refunding the students.

Recommendation

Each institution should take necessary corrective actions to disburse credit balances to students timely, thus ensuring disbursement of Title IV aid aligns with federal requirements.

Reconcile Federal Assistance Programs

Applicable to: Northern Virginia Community College

Type of Finding: Internal Control and Compliance

Severity: Significant Deficiency

First Reported: Fiscal Year 2021

NVCC Controller's Office and Financial Aid Office staff did not adequately reconcile its federal Direct Loan program. For two out of two (100%) reconciliations sampled, each had a reconciling difference. The January 2024 ending cash balance had a reconciling difference of \$144,734, and March 2024 had a reconciling difference of \$7,692. NVCC management indicated management and staff turnover in the Controller's Office, a lack of communication between the Controller's Office and the Financial Aid Office, and the Controller's Office not drawing down funds on a timely schedule contributed to the reconciling differences identified.

In accordance with 34 CFR § 676.19(b)(2), institutions shall establish and maintain program and fiscal records that are reconciled at least monthly. By not reconciling federal student aid programs properly each month, NVCC increases its risk of not identifying issues and resolving them before they become a systemic problem. Systemic problems may result in potential adverse actions and impact participation in Title IV programs.

The NVCC Financial Aid Office and Controller's Office should review and enhance their current reconciliation process for federal assistance programs. Management should ensure that staff complete reconciliations properly and timely including addressing reconciling differences.

Submit an Accurate Fiscal Operations Report and Application to Participate (FISAP)

Applicable to: Northern Virginia Community College

Type of Finding: Internal Control and Compliance

Severity: Significant Deficiency

NVCC inaccurately reported two fields on the college's FISAP. NVCC overstated its enrollment by 17,562 students in Field 7 and overstated tuition and fees by \$6,799,023 in Section II, Field 22. A lack of management oversight and a misunderstanding of the Virginia Community College System report that includes tuition and fees and additional revenue sources contributed to the reporting errors.

In accordance with 34 CFR § 675.19 (b)(3) and 34 CFR § 676.19(b)(3), each year, an institution shall submit a FISAP plus other information ED requires. The institution shall report accurate information on the form and submit it at the time ED specifies. The FISAP instructions provided by ED further inform institutions of what to report in Section II, Fields 7 and 22. Per this guidance, dual-enrolled high school students should be excluded from the enrollment total, and institutions should exclude tuition and fee revenue collected from individuals not meeting the description of an enrolled student.

Inaccurately reporting FISAP information provides ED with inaccurate information from which to make funding decisions. NVCC management should enhance policies and procedures and train staff on the FISAP instructions to ensure the college reports the proper amounts on the FISAP.



Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

February 5, 2025

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

We have audited the financial records and operations of the **Student Financial Assistance Programs Cluster**, administered by the Commonwealth of Virginia's public higher education institutions for the year ended June 30, 2024. We conducted this audit in accordance with 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, in support of the Commonwealth's Single Audit. 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.

Audit Objectives

Our audit's primary objective was to audit the Student Financial Assistance Programs Cluster in support of the Commonwealth's Single Audit for the year ended June 30, 2024. In support of this objective, we evaluated the accuracy of the amounts recorded and reported in each institution's accounting and financial reporting system, applicable federal student financial assistance systems, and for select institutions, attachments submitted to the Department of Accounts (Accounts). We reviewed the adequacy of each institution's internal controls over the federal program; tested compliance with applicable laws, regulations, contracts, and grant agreements; and reviewed corrective actions with respect to previously unresolved audit findings and recommendations from prior reports.

Audit Scope and Methodology

Management at each institution has responsibility for establishing and maintaining internal control and complying with applicable laws, regulations, contracts, and grant agreements. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws, regulations, contracts, and grant agreements.

We gained an understanding of the overall internal controls, both automated and manual, sufficient to plan the audit. We considered materiality and risk in determining the nature and extent of our audit procedures. Our review encompassed controls over the Student Financial Assistance Programs Cluster at the following Commonwealth of Virginia higher education institutions:

George Mason University (GMU)	Radford University (RU)
James Madison University (JMU)	University of Virginia (UVA)
Norfolk State University (NSU)	Virginia Commonwealth University (VCU)
Northern Virginia Community College (NVCC)	Virginia State University (VSU)
Old Dominion University (ODU)	Virginia Tech (VT)

We performed audit tests to determine whether internal controls relevant to the Student Financial Assistance Programs Cluster were adequate, had been placed in operation, and were being followed. Our audit also included tests of compliance with provisions of applicable laws, regulations, contracts, and grant agreements. Our audit procedures included inquiries of appropriate personnel; inspection of documents, records, and contracts; and observation of operations for the student financial assistance program at each institution. We performed analytical procedures and tested details of transactions to achieve our audit objectives.

A nonstatistical sampling approach was used. Our samples were designed to support conclusions about our audit objectives. An appropriate sampling methodology was used to ensure the samples selected were representative of the population and provided sufficient, appropriate evidence. We identified specific attributes for testing each of the samples and when appropriate, we projected our results to the population.

Our consideration of internal control over compliance was for the limited purpose described in the section “Audit Objectives” and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies; 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 over compliance that we consider to be material weaknesses. We did identify certain deficiencies in internal control, which are described in the section titled “Internal Control and Compliance Findings and Recommendations,” that we consider to be significant deficiencies.

A deficiency in internal control over compliance 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, noncompliance 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 material noncompliance with a type of compliance requirement of a federal program 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 over compliance that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Conclusions

We found that the institutions managing the federal Student Financial Assistance Programs Cluster properly stated, in all material respects, the amounts recorded and reported in each institution's accounting and financial reporting system and applicable federal student financial assistance systems, and where applicable, attachments submitted to Accounts.

We noted certain matters involving internal control and its operation and compliance with applicable laws, regulations, contracts and grant agreements that require the attention of management at each institution and corrective action. These matters are described in the section entitled "Internal Control and Compliance Findings and Recommendations."

The institutions have taken adequate corrective action with respect to the prior audit findings and recommendations identified as complete in the [Findings Summary](#) in the Appendix.

Since the findings noted above include those that have been identified as significant deficiencies, they will be reported as such in the "Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance," which is included in the Commonwealth of Virginia's Single Audit Report for the year ended June 30, 2024. The Single Audit Report will be available at www.apa.virginia.gov in February 2025.

Exit Conference and Report Distribution

We discussed this report with management of each institution at an exit conference and provided a draft report on January 20, 2025. Government Auditing Standards require the auditor to perform limited procedures on the institutions' responses to the findings identified in our audit, which are included in the accompanying section titled "Institution Responses." The institutions' responses were not subjected to the other auditing procedures applied in the audit and, accordingly, we express no opinion on the responses.

This report is intended for the information and use of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

DLR/clj

FINDINGS SUMMARY

Finding Title	Status of Corrective Action ¹	First Reported for Fiscal Year
Paul D. Camp Community College		
Improve Compliance Over Enrollment Reporting**	Complete	2015
George Mason University		
Improve Compliance Over Enrollment Reporting*	Complete	2018
Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act*	Complete	2021
Improve Reporting to the National Student Loan Data System	Ongoing	2024
Properly Identify Title IV Withdrawals	Ongoing	2024
Properly Complete Federal Verification Prior to Disbursing Title IV Aid	Ongoing	2024
James Madison University		
Improve Compliance Over Enrollment Reporting*	Complete	2021
Promptly Return Unclaimed Aid to the Department of Education*	Complete	2021
Properly Complete Exit Counseling for Federal Direct Loan Borrowers*	Complete	2021
Improve Reporting to the Common Origination and Disbursement System	Ongoing	2024
Norfolk State University		
Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act**	Complete	2021
Properly Process Return of Title IV Calculations*	Complete	2021
Improve Reporting to the National Student Loan Data System ²	Ongoing	2015
Properly Identify Title IV Withdrawals	Ongoing	2024
Properly Perform Return of Title IV Calculations	Ongoing	2024
Promptly Return Unearned Title IV Funds to Department of Education	Ongoing	2024
Properly Complete Federal Verification Prior to Disbursing Title IV Aid	Ongoing	2024
Improve Notification Process for Federal Direct Loan Awards to Students	Ongoing	2024
Promptly Disburse Credit Balances to Students	Ongoing	2024
Northern Virginia Community College		
Improve Notification Process for Federal Loan Awards to Students*	Complete	2021
Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act	Ongoing	2024
Perform an Evaluation of Student Information System Access Roles	Ongoing	2024
Improve Reporting to the National Student Loan Data System ²	Ongoing	2018
Properly Identify Title IV Withdrawals	Ongoing	2024
Properly Perform Return of Title IV Calculations	Ongoing	2024
Promptly Return Unearned Title IV Funds to Department of Education	Ongoing	2024
Promptly Return Unclaimed Aid to the Department of Education	Ongoing	2024

Finding Title	Status of Corrective Action ¹	First Reported for Fiscal Year
Reconcile Federal Assistance Programs	Ongoing	2021
Submit an Accurate Fiscal Operations Report and Application to Participate (FISAP)	Ongoing	2024
Old Dominion University		
Properly Complete Exit Counseling for Federal Direct Loan Borrowers*	Complete	2021
Improve Reporting to the National Student Loan Data System ²	Ongoing	2021
Promptly Return Unearned Title IV Funds to Department of Education	Ongoing	2021
Properly Complete Federal Verification Prior to Disbursing Title IV Aid	Ongoing	2024
Promptly Return Unclaimed Aid to the Department of Education	Ongoing	2021
Promptly Disburse Credit Balances to Students	Ongoing	2024
Radford University		
Improve Reporting to the National Student Loan Data System ²	Ongoing	2018
Promptly Return Unclaimed Aid to the Department of Education	Ongoing	2021
Tidewater Community College		
Improve Reporting to the National Student Loan Data System	Ongoing	2018
University of Virginia		
Implement Information Security Program Requirements for the Gramm-Leach-Bliley Act**	Complete	2021
Promptly Return Unclaimed Aid to the Department of Education*	Complete	2021
Properly Complete Exit Counseling for Federal Direct Loan Borrowers*	Complete	2021
Improve Reporting to the National Student Loan Data System	Ongoing	2024
Virginia State University		
Promptly Return Unclaimed Aid to the Department of Education***	Complete	2021
Properly Complete Exit Counseling for Federal Direct Loan Borrowers*	Complete	2021
Improve Reporting to the National Student Loan Data System ¹	Ongoing	2018
Virginia Tech		
Improve Compliance over Enrollment Reporting***	Complete	2018
Properly Complete Federal Verification Prior to Disbursing Title IV Aid	Ongoing	2024

¹ A status of **Complete** indicates management has taken adequate corrective action. **Ongoing** indicates new and/or existing findings that require management's corrective action as of fiscal year end.

² Title of Related Prior Finding: Improve Compliance over Enrollment Reporting

* University management reported that it completed corrective action on this finding as of June 30, 2022, and we confirmed the accuracy of the corrective action status during the Commonwealth's 2022 Single Audit.

** University management reported that it completed corrective action on this finding as of June 30, 2023, and we confirmed the accuracy of the corrective action status during the Commonwealth's 2023 Single Audit.

*** University management reported that it completed corrective action on this finding as of June 30, 2024, and we confirmed the accuracy of the corrective action status during the Commonwealth's 2024 Single Audit.



**GEORGE MASON
UNIVERSITY®**

4400 University Drive, Fairfax, Virginia 22030
Phone: 703-993-1000; Web: <https://fiscal.gmu.edu/>

February 5, 2025

Staci Henshaw, CPA
Auditor of Public Accounts
P. O. Box 1295
Richmond, Virginia 23218

Dear Ms. Henshaw:

We have reviewed the audit findings and recommendations resulting from the Student Financial Assistance Programs Cluster audit, for the fiscal year ended June 30, 2024, by the Auditor of Public Accounts (APA).

The following contains APA's findings and management's responses to the concerns and issues raised.

Promptly Identify Title IV Withdrawals

Type of Finding: Internal Control and Compliance

Severity: Significant Deficiency

Repeat: No

George Mason University (George Mason) Financial Aid office personnel did not identify students who withdrew in the fall 2023 and summer 2024 term within 30 days of the terms ending. For two of 25 students (8%), George Mason did not timely identify the students requiring a calculation. University management indicated the delays were due to a combination of issues including timing constraints of waiting on grades posting around a scheduled holiday break and pushing disbursement records through the Common Origination and Disbursement System (COD).

In accordance with 34 CFR § 668.22, (j) (2), for institutions that are not required to take attendance, an institution must determine the withdrawal date for a student who withdraws without providing notification to the institution no later than 30 days after the end of the earlier of the (i) payment period or period of enrollment; (ii) academic year in which the student withdrew; or (iii) the educational program from which the student withdrew. By not identifying students who withdraw timely, the institution is not in compliance with federal requirements and may be subject to potential adverse actions affecting George Mason's participation in Title IV programs.

George Mason management should implement necessary corrective measures to ensure timely identification of Title IV students that have withdrawn from the university.

Management's Response

George Mason acknowledges and concurs with the audit finding for the fiscal year ended June 30, 2024. George Mason is implementing corrective actions for the cited control deficiency in fiscal year 2025.



Properly Complete Federal Verification Prior to Disbursing Title IV Aid

Type of Finding: Internal Control and Compliance

Severity: Significant Deficiency

Repeat: No

George Mason personnel did not properly complete federal verification process prior to disbursing Title IV aid. Management indicated the errors were due to staff oversight. We noted the following instances of noncompliance:

- For one of seven (14%) students flagged for verification, George Mason staff did not match the appropriate documentation for the income tax paid prior to awarding Title IV aid totaling \$8,189.
- For one of 25 (4%) students tested for verification, George Mason staff did not match the appropriate documentation for the student's adjusted gross income prior to awarding Title IV aid totaling \$11,796.

In accordance with Title 34 U.S. Code of Federal Regulations (CFR) § 668.54 through 34 CFR § 668.57, an institution must require an applicant whose Free Application for Federal Student Aid (FAFSA) information has been selected for verification to verify the information required by the Secretary. Free Application for Federal Student Aid (FAFSA) Information to be Verified for the 2023–2024 Award Year, Federal Register 87 F.R. 40826 outlines the information the Secretary requires to be verified and the acceptable documentation by Verification Tracking Flag and Verification Tracking Group. Further, in accordance with U.S. Department of Education (ED) Electronic Announcement GRANTS 24-04, published on April 12, 2024, George Mason is required to verify all recipients selected for verification by ED's Central Processing System (CPS) unless a recipient is exempt from verification in accordance with the exclusions from verification provided for in the regulations at 34 CFR 668.54(b). By not performing or improperly performing the necessary verification, George Mason may provide financial aid disbursements to students based upon inaccurate information.

Management should provide additional training to staff for obtaining and reviewing mandatory documentation for students selected for verification. Management should implement corrective action to prevent future noncompliance and should consider implementing a quality control review to ensure that University personnel obtain, review, and retain acceptable documentation for audit purposes.

Management's Response

George Mason acknowledges and concurs with the audit finding for the fiscal year ended June 30, 2024. George Mason is implementing corrective actions for the cited control deficiency in fiscal year 2025.

Improve Reporting to National Student Loan Data System

Type of Finding: Internal Control and Compliance

Severity: Significant Deficiency

Repeat: No

George Mason registrar personnel did not report accurate and timely enrollment data to NSLDS for students that had graduated, withdrawn, or had an enrollment level change. The University Registrar's



office indicated the exceptions were due to a lack of communication within their office and a lack of communication between their office and the Office of Financial Aid. From our review of 40 students, we noted the following instances of noncompliance:

- The enrollment status was inaccurate for seven students (18%).
- The effective date was inaccurate for nine students (23%).
- George Mason did not report enrollment status changes timely for seven students (18%).
- At least one campus or program level field deemed critical was inaccurate for nine students (23%).
- The auditors did not receive audit evidence to determine if physical addresses were accurate in NSLDS for eight students (20%).

In accordance with 34 CFR § 690.83(b)(2) an institution shall submit, in accordance with deadline dates established by the Secretary, other reports and information the Secretary requires and shall comply with the procedures the Secretary finds necessary to ensure the reports are correct. As further outlined in the NSLDS Enrollment Guide, published by the Federal Department of Education (ED), at a minimum, institutions are required to certify enrollment every 60 days. The accuracy of Title IV enrollment data depends heavily on information reported by institutions. George Mason's inaccurate and untimely enrollment data submissions to the NSLDS can affect ED's reliance on the system for monitoring purposes. Noncompliance may also impact an institution's participation in Title IV programs.

George Mason management should enhance its communications relating to enrollment reporting in the Registrar and Financial Aid Offices and implement corrective action to ensure that the college is reporting accurate and timely student enrollment status changes to the National Student Loan Data System. Management should also consider implementing a quality control review process to monitor the accuracy of campus and program level batch submissions.

Management's Response

George Mason acknowledges and concurs with the audit finding for the fiscal year ended June 30, 2024. George Mason is implementing corrective actions for the cited control deficiency in fiscal year 2025.

Sincerely,

DocuSigned by:

787A18257098417
Deb Dickenson
Executive Vice President for Finance and Administration



February 4, 2025

Staci Henshaw
Auditor of Public Accounts
101 North 14th Street, 8th floor
Richmond VA, 23219

Dear Ms. Henshaw,

This letter confirms that we agree with the wording presented in the 2024 APA Student Financial Aid Report Draft as it pertains to the finding related to James Madison University, with the following response to be included in the report:

Improve Reporting to the Common Origination and Disbursement System (COD)

JMU financial aid office personnel did not report accurate and/or timely disbursements to the Federal Common Origination and Disbursement System (COD). JMU management indicated the errors were due to a combination of factors including staff selecting an incorrect disbursement date in the student information system when sending disbursement information to COD for one batch in January 2024 and the staff delaying the reporting of disbursement information to COD for another batch in January 2024. The financial aid staff was under additional pressure in January 2024 due to the FAFSA simplification roll out. We noted the following instances of noncompliance:

- *For three of 40 students (8%), JMU did not report the correct disbursement dates in COD.*
- *In one of forty students (3%), JMU did not report the disbursement timely.*

In accordance with 88 Federal Register 41092, an institution must submit Federal Pell Grant and Direct Loan disbursement records accurately and no later than 15 days after making the disbursement and more than seven days prior disbursement date or becoming aware of the need to adjust a student's previously reported disbursement. In accordance with Title 34 CFR § 668.164(a), Title IV funds are disbursed on the date that the institution (a) credits those funds to the student's account in the institution's general ledger or any subledger of the general ledger, or (b) pays those funds to the student directly. Title IV funds are disbursed even if the institution uses its own funds in advance of receiving program funds from ED.

If an institution does not submit accurate and disbursement records within the required timeframe, it may result in the Secretary rejecting all or part of the reported disbursement. This may result in an audit or program review finding or the initiation of an adverse action, such as a fine or other penalty. JMU should review their current policies and procedures for submitting disbursement records and implement corrective action to ensure future compliance.

JMU Response:

Disbursement date mismatches

These were human error. When disbursing manually (not via the overnight process), the disbursement date reported to COD is set by the person creating the disbursement file. It's possible to select the incorrect date. We ran the disbursement process on 1/8 with plans to post funds to student accounts on

MSC 3519
738 S. Mason Street
Harrisonburg, VA 22807
540.568.7820 Phone
540.568.7994 Fax
fin_aid@jmu.edu
www.jmu.edu/financialaid

OFFICE OF FINANCIAL AID AND SCHOLARSHIPS

1/11. When creating the file, we accidentally created a file with the 1/8 disbursement date. At the time, we may have realized it was incorrect after creating the file, but at that point, it was too late to stop the process. Moving forward, we plan to quickly identify and correct disbursement date mismatches between PeopleSoft and COD by comparing COD's Direct Loan Actual Disbursement list with PeopleSoft data each week to identify and resolve discrepancies.

To catch these posting date discrepancies in the future, we created the *Direct Loan Posting Date Audit Report Procedure*, which outlines how we compare posting dates in Peoplesoft to posting dates in COD. The procedure shows the steps to:

1. Download a report from COD weekly,
2. Upload the report data into Peoplesoft,
3. Run a report in Peoplesoft that lists loans/disbursement dates
4. Filter the report only to show date mismatches
5. Work the list

We are also adding a checklist item to our monthly reconciliation to confirm the new procedure is being followed.

Late disbursement reported in COD

In the busyness of January processing, we did not identify this loan as not reported to COD until we received the January SAS report from COD which clearly highlighted this as an outstanding issue. Since January, we have prevented similar delays in reporting by closely monitoring the message logs when creating files to ensure all loans are reported on time, reviewing and resolving any rejected loans immediately, quickly resolving any other oddities or discrepancies. Changing our cash management strategy in February, combined with COD only increasing our funding based on reported disbursements, forced us to resolve issues within days, easily preventing us from late reporting disbursements. While our increased efforts in the spring prevented similar reporting delays (the audit finding is for a single student; all others within the sample were reported within the required window), we will use the *Direct Loan Posting Date Audit Report Procedure* as an added method of ensuring all disbursements are reported within the required timeframe.

Sincerely,



Brad Barnett
Associate Vice President for Enrollment Management
Director of the Office of Financial Aid & Scholarships



FINANCE AND ADMINISTRATION

700 Park Ave., HBW Suite 310, Norfolk, Virginia 23504
P: 757-823-8011 | F. 757-823-8084 | nsu.edu

February 5, 2025

Ms. Staci Henshaw
The Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218

Dear Ms. Henshaw,

The Norfolk State University administration has reviewed the Compliance Findings and recommendations provided by the Auditor of Public Accounts for the Student Financial Federal Programs for the fiscal year ending June 30, 2024. NSU agrees, in principle, with the findings.

Attached for your consideration is a brief update as to where the University is with respect to the findings.

On behalf of Norfolk State University, please extend our appreciation to your staff for their professionalism and recommendations.

Sincerely,

Gerald Ellsworth Hunter, PhD
Vice President for Finance and Administration

Cc: Javaune Adams-Gaston, PhD, President
Justin Moses, J.D., EdD, VP for Operations & Chief Strategist for Institutional Effectiveness
Karla Amaya Gordon, AVP for Finance and Administration/University Controller
Derika Burgess, University Internal Auditor
S. Faye Monroe-Davis, Chief Information Officer
Melissa J. Barnes, EdD, Interim AVP for Enrollment Management
Carla L. Dailey, Director of Financial Aid
Keshia D. Woodous, Interim University Registrar



**FY 2024 – Student Financial Aid Internal Control & Compliance Findings
Management Response**

Properly Perform Return of Title IV Calculations

NSU Financial Aid Office has created a Certification Form of Countable Days in a Semester that is required to be signed off by the Director of Financial Aid, Associate Director of Financial Aid (Return of TIV Coordinator) and the University Registrar prior to the state of each semester. This process will be included in the annual financial aid set up process.

Properly Return Unearned Title IV Funds

NSU Financial Aid Office will ensure that the unearned funds for students will be sent to COD timely. We will ensure that all files are submitted timely so that this will not be a future issue. A reinforcement of procedures for exporting disbursements and staff training will be maintained as well as ensuring that a back-up staff member is in place.

Properly Identify Title IV Withdrawals

NSU Registrar's Office has documented procedures for running report(s) to identify all students who withdraw within a specific timeframe. A schedule will be created to ensure that the report is run accurately and timely. This will allow timely processing and submission of data by the Financial Aid Office. The Financial Aid Office will utilize the schedule created by the Registrar to ensure that the list of withdrawn students is completed timely.

Properly Complete Federal Verification Prior to Disbursing Title IV Aid

NSU Financial Aid Office has taken steps to review all verification updates made to students who have been selected for verification. Once a student has been verified, tracking of that student's correction will be made. A review of changes made will be conducted to ensure that all changes have been entered correctly into the system and that the correction has been imported correctly prior to releasing the tracking hold onto the account. Also, a sample of students will be randomly selected monthly to ensure students who have been selected for verification or who have an ISIR comment code that needs resolution are reviewed for accuracy.

Improve Notification Process for Federal Loan Awards to Students

NSU Financial Aid Office will ensure that the Direct Loan Notification Process will be sent out timely to all students with Direct Loan disbursements. Additional personnel have been named back-up to ensure notifications are submitted timely. The Student Accounts Office will notify our department via email when



**NORFOLK STATE
UNIVERSITY**

We see the future in you.

FINANCE AND ADMINISTRATION

700 Park Ave., HBW Suite 310, Norfolk, Virginia 23504
P: 757-823-8011 | F: 757-823-8084 | nsu.edu

disbursement of aid occurs. Calendar notifications can be created to ensure notifications are sent out timely.

Promptly Disburse Credit Balances to Students

To prevent delays in the processing of student refunds the University will review the refund process and ensure procedures are distributed to departments that are a part of the refund process. Student Accounts will work with the

Financial Aid Office and Housing Office to ensure timely disbursement once all charges have been posted to a students' account.

Improve Reporting to National Student Loan Data System

The University has developed detailed procedures to improve porting to NSLDS. These procedures include reviewing and updating Colleague system processing, designating staff members in both the Registrar and Financial Aid Offices to process, review and resolve reporting issues, and continued monitoring and verification of reports transmitted to NSLDS from the National Student Clearinghouse

February 5, 2025

Ms. Staci Henshaw
Auditor of Public Accounts
P. O. Box 1295
Richmond, Virginia 23218

Dear Ms. Henshaw:

In response to the 2024 APA Student Financial Aid audit findings, Northern Virginia Community College accepts and agrees with all findings. The following outlines the APA findings and management's response to the concerns and issues raised with appropriate corrective action to address and resolve each of the findings.

MP #1: Ensure an Accurate Fiscal Operations Report and Application to Participate (FISAP) is Submitted to Department of Education

W/P REF: Step 14 -- Reporting

Documentation for completing the FISAP has been updated to specifically identify which numbers on the reports from the VCCS should be used for reporting enrollment and total tuition and fees on the FISAP. Additionally, we reviewed the most recently submitted FISAP for any needed corrections to ensure accuracy and to prevent this from being a finding in future audits.

MP #2: Properly Perform Return of Title IV Calculations

W/P REF: Step 18 – Special Tests and Provisions (N5) Return of Title IV

There was a change in personnel for the non-financial aid staff member responsible for entering the calendar in SIS. The financial aid and staff have met to ensure staff was aware of requirements regarding entering calendar dates in SIS. Additionally, the director of financial aid has setup an Outlook calendar reminder to review the calendar setups in SIS for future academic years to ensure all breaks are setup in SIS accurately and to prevent this from being a finding in future audits. The R2T4 calculation was recalculated for all impacted students, resulting in refunds being released to the students.

MP #3: Properly Identify Title IV Withdrawals

W/P REF: Step 18 – Special Tests and Provisions (N5) Return of Title IV

Office of Student Affairs

4001 Wakefield Chapel Road, 350, Annandale, VA 22003
phone: 703-323-2401
www.nvcc.edu

Additional training was provided as the students identified were at the 60% attendance mark but adjustment still needed to be made. The financial aid staff will continue to use the SIS generated R2T4 report to identify students who are subject to Title IV adjustments/returns and will perform appropriate calculations and returns. The Associate Director of Financial Aid will administer quality control of R2T4s to prevent this from being a finding in future audits. The R2T4 calculation was completed and monies have been returned.

MP #4: Perform and Evaluation of Student Information System Access Roles for College Personnel

W/P REF: Step 23 – Employee Access

Financial aid leadership has a process for reviewing access for college staff copyid to financial aid data. The role used was added to these financial aid staff members copyid years ago and the roles did not change. The role has been removed from the copyid for each of the identified parties. Financial aid leadership will continue to review access roles to prevent this from being a finding in future audits.

MP #5: Promptly Return Unclaimed Aid to Department of Education (ED)

W/P REF: Step 17 – Unclaimed Title IV Funds

The NOVA financial aid and controller's offices met, developed, and implemented a due diligence process to ensure timely return of unclaimed student financial aid funds to address this compliance issue prevent this from being a finding in future audits. The college hired a new controller. Additionally, a shared network drive has been created for both the financial aid and the controller's office to share documentation and report across departments in a timely manner. Improved communication and coordinator across the financial aid and the controller's office have been implemented to ensure timely review and appropriate return of unclaimed Title IV funds.

MP #6: Reconcile Federal Account

W/P REF: Step 12 – Cash Management

The NOVA financial aid and controller's offices met, developed, and implemented the disbursement through reconciliation process to ensure proper reconciliation of financial aid funds. The financial aid and controller's officers have scheduled recurring monthly meetings to complete the reconciliation prevent this from being a finding in future audits. The college hired a new controller. Additionally, a shared network drive has been created for both the financial aid and the controller's office to share documentation and report across departments in a timely manner. Improved communication and coordinator across the financial aid and the controller's office have been implemented to ensure timely review and reconciliation of funds. Furthermore, to minimize reconciliation variances, the team, following a suggestion from the controller, agreed to move the reconciliation from the last day of the month to the last Friday or Monday of each month, after the Thursday drawdown, when the drawdown funds are available. This allows for greater flexibility and reduces reconciliation discrepancies.

Office of Student Affairs

4001 Wakefield Chapel Road, 350, Annandale, VA 22003

phone: 703-323-2401

www.nvcc.edu

MP #7: Promptly Return Unearned Title IV Funds

W/P REF: Step 18 – Special Tests and Provisions (N5) Return of Title IV

Additional training was provided. The financial aid staff will continue to use the SIS- generated R2T4 report to identify students subject to Title IV adjustments/returns and will perform appropriate calculations. The Associate Director or Director will administer quality control of R2T4s to prevent this from being a finding in future audits. The adjustment was made based on the calculation and the funds were returned.

MP #8: Improve Reporting to National Student Loan Data System

W/P REF: Step 19 – Enrollment Reporting

Late graduation reporting was due to the implementation of changes with the VCCS semi-automated graduation process, which had several issues. Changing from NOVA's manual graduation awarding process to the VCCS quasi-automated process and limited staffing delayed graduation reporting. We will continue to work with the VCCS to improve the automated graduation process. There has been a change in registrar personnel managing the enrollment reporting to take the appropriate steps to ensure accurate and timely reporting. A process has been implemented to review the accuracy of program plans to assist in preventing this from being a finding in future audits. Additionally, staff will continue to seek NSLDS Enrollment Reporting training and work with other areas of the college, including IT, advising, and academic affairs to improve attendance reporting and program plan change processes.

Additionally, to support compliance standards addressed in MP #1 through MP #7, the college will hire a financial aid compliance officer whose primary responsibility will be to focus on financial aid -related compliance topics.



Sincerely,

Linsha Xie
Controller

Office of Student Affairs

4001 Wakefield Chapel Road, 350, Annandale, VA 22003
phone: 703-323-2401
www.nvcc.edu



February 5, 2025

Ms. Staci Henshaw
Commonwealth of Virginia Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

Dear Ms. Henshaw,

We have reviewed the audit findings and recommendations resulting from the Student Financial Assistance Programs Cluster audit for the fiscal year ended June 30, 2024, related to Old Dominion University (University). The University appreciates the opportunity to address the management points and is committed to strengthening internal controls and compliance efforts. The University agrees with the auditors' finding and recommendations. Below are management's responses to those findings.

Promptly Disburse Credit Balances to Students

The University is taking corrective action to ensure credit balances are disbursed within the regulatory time frame. Corrective actions include training and cross training Bursar personnel, performing weekly audits to ensure credit balances are processed within the required timeframe, and increasing collaboration between the Bursar's office and Financial Aid to ensure Title IV funds are released timely.

Improve Reporting to National Student Loan Data

The University is taking corrective action to ensure accurate and timely reporting of student enrollment changes to NSLDS. Corrective actions include enhancing procedures, providing additional training, and improving internal reviews.

Promptly Return Unclaimed Aid to Department of Education

The University is taking corrective action to ensure unclaimed aid is promptly returned. Corrective action includes enhancing procedures for processing unclaimed checks containing Title IV funds. These enhancements include modifying the timing and frequency of outreach and follow up due diligence to students to ensure unclaimed Title IV funds are returned timely.

Properly Complete Federal Verification Prior to Disbursing Title IV Aid

The University is taking corrective action to ensure continued efficiency, accuracy, and adherence to federal regulations. Corrective actions include providing intensive training for new Financial Aid verification team members and annual training for all Financial Aid team members, implementing quality assurance reports, and increasing reviews throughout the verification cycle. The University is also exploring other tools to assist with the verification process. The three test cases identified during the audit have been reviewed and federal funds have been returned as warranted.

Promptly Return Unearned Title IV Funds to Department of Education

The University is taking corrective action to improve processes to ensure data accuracy and compliance with reporting requirements. Corrective actions include utilizing Banner system functionality and enhancing Office of Student Financial Aid procedures. Differences totaling \$325 that were identified during the audit have been returned to the Department of Education.

Sincerely,



Brandi Hephner LaBanc, Ed.D.
Vice President for Student Enrollment, Engagement & Services



Chad A. Reed
Executive Vice President for Administration and Finance and Chief Financial Officer



Brian Payne, Ph. D.
Interim Provost & Executive Vice President for Academic Affairs



February 5, 2025

The Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218

Dear Ms. Henshaw:

We have reviewed the audit findings and recommendations related to the Student Financial Aid Federal program for aid year 2024. We understand that these findings were in relation to the testing over the major federal program of the Student Financial Assistance Programs Cluster for the Commonwealth's Single Audit. Radford University acknowledges and concurs with the audit findings. The following contains management's response to each finding.

Improve Reporting to the National Student Loan Data System

Radford University acknowledges challenges with enrollment reporting and is committed to correcting our timely and accurate reporting. The University Registrar has already started meetings with the National Student Clearinghouse (NSC) to review reporting timelines so that we provide timely submissions that are ultimately provided to NSLDS. With this finding the Office of the Registrar will work with the NSC audit and support teams and explore internal process improvements to ensure that our reporting is completed for us to remain compliant. Additionally, specific actions with target completion dates have already been identified to address the instances of noncompliance noted in the finding.

Promptly Return Unclaimed Aid to the Department of Education

The University acknowledges there was a check for \$1,486 that was returned to the Department of Education untimely. This had been discovered internally by the University's Cash Accountant, and action was taken immediately to remedy the situation. Over the past year, the University has engaged its staff and revised its procedures in this area to help ensure that staff responsible for tracking unclaimed student financial aid have a thorough understanding of the federal requirements, to clarify accountability, and to tighten its controls. Radford University is dedicated to complying with Federal requirements, and these procedures continue to be monitored and revised as needed to ensure compliance.

We would like to thank you and your staff for the valuable services that you provide.

Sincerely,

A blue ink handwritten signature, appearing to read 'Bethany M Usher', with a long, sweeping flourish extending to the right.

Bethany M Usher
Provost and Senior Vice President for Academic Affairs



Dannette Gomez Beane
Vice President for Enrollment Management and Strategic Communications



Robert N. Hoover
Vice President for Finance and Administration and Chief Financial Officer



UVAFinance

February 5, 2025

Ms. Staci Henshaw
Commonwealth of Virginia Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

Dear Ms. Henshaw,

We have reviewed the audit findings and recommendations resulting from the fiscal year 2024 audit related to the University of Virginia (UVA) Academic Division (University) and Medical Center. Below are management's responses to those findings.

Improve Reporting to National Student Loan Data System

Management Response: The UVA academic division concurs with the APA's finding.

Responsible for Corrective Action: Associate Vice Provost for Enrollment and University Registrar

Anticipated Completion Date: June 30, 2025

The University will implement additional controls to ensure the accuracy and timeliness of enrollment data reported to NSLDS. This includes working collaboratively with Student Financial Services and Information Technology Services to monitor and report late withdrawals, review and update the SIS process for creating enrollment files, and implement a quality control review to check student status change batches for accuracy and timeliness.

Sincerely,

Augie Maurelli
Vice President for Finance, Chief Financial Officer

UVAFinance is the valued and trusted financial partner that the University community turns to first.
Carruthers Hall | 1001 N Emmet Street | PO Box 400210 | Charlottesville, VA 22904-4210
P 434.924.0716 | F 434.982.2315 | vpfinance@virginia.edu



VIRGINIA STATE UNIVERSITY

P.O. Box 9031

Virginia State University, Virginia 23806-0001

Kevin W. Davenport, Senior Vice President
Administration and Finance, and CFO

Phone: (804) 524-5995

January 31, 2025

Staci Henshaw
Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

Dear Ms. Henshaw,

The University concurs. Virginia State University ("VSU") appreciates the feedback and recommendations provided by the Audit of Public Accounts (APA) team. We view this audit as a valuable opportunity to enhance our compliance efforts and strengthen the integrity of our reporting to the National Student Loan Data System (NSLDS). We thank the APA for their collaboration in helping us ensure that our Federal Financial Aid program adheres to all compliance requirements.

The University is actively addressing identified issues to prevent future occurrences of non-compliance.

To date, the University has implemented the following corrective actions:

- An automated alert system to notify staff of upcoming reporting deadlines, ensuring submissions are made within the required 60-day timeframe.
- Cross-referencing Student Information System (SIS) data with the State Council of Higher Education for Virginia (SCHEV) Degree Inventory Report to verify the accuracy of CIP codes.
- Ongoing collaboration with SCHEV to resolve discrepancies related to program approvals and ensure alignment with the Degree Inventory Report.

In addition to the measures outlined above, the University will implement the following additional corrective actions:

- A comprehensive review of current enrollment reporting processes, with enhancements to ensure timely and accurate reporting of student enrollment changes to the NSLDS within the required 60-day certification window.
- Closer collaboration with our third-party service provider to streamline and improve the enrollment reporting process.
- Designating an individual within the Registrar's Office to oversee National Student Clearinghouse (NSC) and NSLDS reporting duties.

To further ensure data accuracy and reduce the likelihood of future discrepancies, the University will establish a robust quality control process to include monthly random sample audits of enrollment data, and where feasible, implementing automated data checks within the Student Information System (SIS). Additionally, we will reconcile student addresses between the SIS and NSLDS for Federal Direct Loan borrowers for alignment.



VIRGINIA STATE UNIVERSITY

P.O. Box 9031

Virginia State University, Virginia 23806-0001

The University remains committed to continuous improvement and to strengthening the integrity of our reporting processes. We look forward to further collaboration with the APA as we work to enhance the accuracy of our Federal Financial Aid program.

Sincerely,

Kevin W. Davenport
Senior Vice President for Administration and Finance
and CFO

Cc. Dr. Makola M. Abdullah, President
Aimee Rogstad Guidera, Secretary of Education
Scott L. Adams, CPA, State Comptroller
Michael Maul, Director of planning and Budget



University Controller (MC 0312)
North End Center, Suite 3300, Virginia Tech
300 Turner Street NW
Blacksburg, Virginia 24061
P: (540) 231-6418 F: (540) 231-7221
www.co.vt.edu

January 21, 2025

Staci Henshaw, CPA
Auditor of Public Accounts
P. O. Box 1295
Richmond, VA 23218

Dear Ms. Henshaw:

We have reviewed the audit finding and recommendation resulting from the 2024 audit by the Auditor of Public Accounts. The university concurs with the finding and provides the following response.

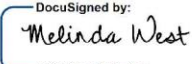
University Response:

Virginia Tech updated the Banner tracking group logic to ensure verification is requested timely and reviewed all 2023-24 verification files ensuring required documents were on file. The university will include a weekly random sample of files flagged for verification and confirm that documentation is complete prior to disbursement. The university will provide additional annual training and a documentation requirements checklist to improve Specialist completion of the verification process and ensure consistent handling and retention of all required documents.

Responsible Person: Nicci Ratcliff, Associate Director for Processing Operations

Completion Date: July 31, 2025

Sincerely,

DocuSigned by:


FC2A3844762F4FF...

Melinda J. West, MBA CPA
Associate Vice President for Finance and
University Controller