



UNIVERSITY OF VIRGINIA
COLLEGE AT WISE
STUDENT FINANCIAL ASSISTANCE
PROGRAMS CLUSTER

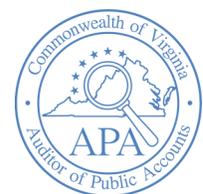
REPORT ON AUDIT
FOR THE YEAR ENDED
JUNE 30, 2024

Auditor of Public Accounts

Staci A. Henshaw, CPA

www.apa.virginia.gov

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AUDIT SUMMARY

We audited the Student Financial Assistance Cluster of federal programs administered by The University of Virginia's College at Wise (UVA Wise) for the year ended June 30, 2024. We found:

- proper recording and reporting of all transactions, in all significant respects, in UVA Wise's accounting and financial reporting system and U.S. Department of Education's federal student financial assistance systems and the federal attachment submitted to the Department of Accounts (Accounts);
- six matters involving internal control and its operation necessary to bring to management's attention 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 the prior audit findings identified as complete in the [Findings Summary](#) in the Appendix.

In the section titled "Audit Findings and Recommendations," we have included our assessment of the conditions and causes resulting in the internal control and compliance findings identified through our audit as well as recommendations for addressing those findings. Our assessment does not remove management's responsibility 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.

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AUDIT FINDINGS AND RECOMMENDATIONS

Improve Reporting to National Student Loan Data System

Type: Internal Control and Compliance

First Reported: Fiscal Year 2020

Prior Title: Report Student Status Changes Accurately and Timely to the National Student Loan Data System

The University of Virginia's College at Wise (UVA Wise) Registrar's Office staff did not report accurate and timely enrollment data to the National Student Loan Data System (NSLDS) for students that graduated, withdrew, or changed enrollment levels. UVA Wise management indicated the exceptions were due to a policy and procedure change revising when a student's enrollment status was finalized along with when the data would be submitted, leading to keying errors of the enrollment data in the student information system. We noted the following instances of noncompliance:

- UVA Wise reported an inaccurate enrollment status for four of 40 students (10%)
- UVA Wise reported an inaccurate effective date for nine of 40 students (23%);
- UVA Wise did not report enrollment status changes timely for ten of 40 students (25%);
- UVA Wise inaccurately reported at least one campus or program-level field deemed critical for ten of 40 students (25%);
- UVA Wise could not demonstrate proper approval for the academic program for 33 of 65 (51%) students, since the academic program did not appear on the State Council of Higher Education for Virginia (SCHEV) degree inventory report.

In accordance with Title 34 Code of Federal Regulations (CFR) § 690.83(b)(2), an institution shall submit, in accordance with deadline dates established by the Secretary of Education (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 U.S. Department of Education's (Education) NSLDS Enrollment Guide, institutions are required to certify enrollment every 60 days. The accuracy of Title IV enrollment data depends heavily on information reported by institutions. UVA Wise's inaccurate and untimely enrollment data submission to the NSLDS can affect Education's reliance on the system for monitoring purposes. Noncompliance may also impact an institution's participation in Title IV programs.

UVA Wise management should strengthen its current enrollment reporting procedures to align with the revised finalized enrollment status date, provide staff training to reduce keying errors, and implement a review process to confirm staff enter enrollment data correctly into the student information system.

Improve Reporting to the Common Origination and Disbursement System

Type: Internal Control and Compliance

First Reported: Fiscal Year 2020

UVA Wise Financial Aid Office staff did not report disbursement dates accurately or timely to the Common Origination and Disbursement System (COD). UVA Wise management indicated the use of two different systems to award and disburse aid and use of the advance drawdown method contributed to the exceptions noted. We noted the following instances of noncompliance:

- For 34 of 40 (85%) disbursements sampled, disbursement dates did not agree between the student information system and COD.
- For five of 40 (13%) disbursements sampled, the financial aid staff reported the disbursement dates in COD up to 22 days before the disbursements occurred.

In accordance with 88 F.R. 41092, published on June 23, 2023, an institution must submit federal Pell Grant and Direct Loan disbursement records 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. Education considers Title IV funds disbursed even if the institution uses its own funds in advance of receiving program funds from Education.

If UVA-Wise does not submit disbursement records accurately and timely, it may result in Education rejecting all or part of the reported disbursements. 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. UVA Wise should consider reconciling the two systems or revising its policy and procedure to ensure accuracy and timeliness of information in COD.

Properly Perform Return of Title IV Calculations

Type: Internal Control and Compliance

UVA Wise Financial Aid Office staff did not properly calculate the return of Title IV funds for the fall 2023 and spring 2024 semesters in accordance with federal requirements. UVA Wise management indicated the errors were due to the staff not following the college's written policies and procedures relating to identifying the correct student withdrawal date and identifying the correct semester end date. In seven of 11 students (64%) sampled, inaccurate return of Title IV calculation's resulted in overpayments totaling \$986 and underpayments totaling \$20.

In accordance with 34 CFR §668.22, 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.

Management should provide staff training on its written policies and procedures and correctly determine the last day of exams when performing the return of Title IV funds calculation. Staff should identify and use the correct withdrawal date in the return of Title IV calculation.

Promptly Return Unearned Title IV Funds

Type: Internal Control and Compliance

UVA Wise Financial Aid Office staff did not return Title IV funds to Education timely. In three of six (50%) students sampled, UVA Wise staff delayed up to ninety-three days before returning the unearned funds to Education. The underlying cause for noncompliance is due to staff not following written policies and procedures.

In accordance with 34 CFR §668.22(j), the institution must return those 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 withdrew. By not returning funds in a timely manner, the institution may be subject to potential adverse actions affecting its participation in Title IV programs.

UVA Wise should ensure staff adhere to written policies and procedures. The Financial Aid Office should ensure the institution returns unearned Title IV funds to Education timely to prevent future noncompliance.

Properly Complete Federal Verification Prior to Disbursing Title IV Aid

Type: Internal Control and Compliance

UVA Wise Financial Aid Office staff did not properly complete student verification prior to disbursing Title IV aid. In three of 11 (27%) students tested for verification, Financial Aid Office staff did not retain adequate student aid application documentation to verify amounts in the student information system. UVA Wise management indicated staff did not follow written verification policies and procedures.

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 Education. Federal Register 87 F.R. 40826 outlines the 2023 - 2024 Award Year FAFSA information Education requires to be verified and the acceptable documentation by Verification Tracking Flag and Verification Tracking Group. By not performing or improperly performing the necessary verification, an institution may provide financial aid disbursements to students based upon inaccurate information and may be subject to potential adverse actions affecting the its participation in Title IV programs.

UVA Wise management should provide staff training on its written policies and procedures. Management should consider implementing a quality control review to ensure that staff obtain and review acceptable documentation, as well as retain documentation for audit purposes.

Properly Identify Title IV Withdrawals

Type: Internal Control and Compliance

UVA Wise Financial Aid Office staff did not properly identify students who withdrew in the spring 2024 term within 30 days of the term ending. For two of 14 students (14%) sampled, UVA Wise did not identify the correct withdrawal dates for students requiring a return to Title IV calculation. UVA Wise management indicated the errors were the result of staff not following written policies and procedures.

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 may be subject to potential adverse actions affecting its participation in Title IV programs.

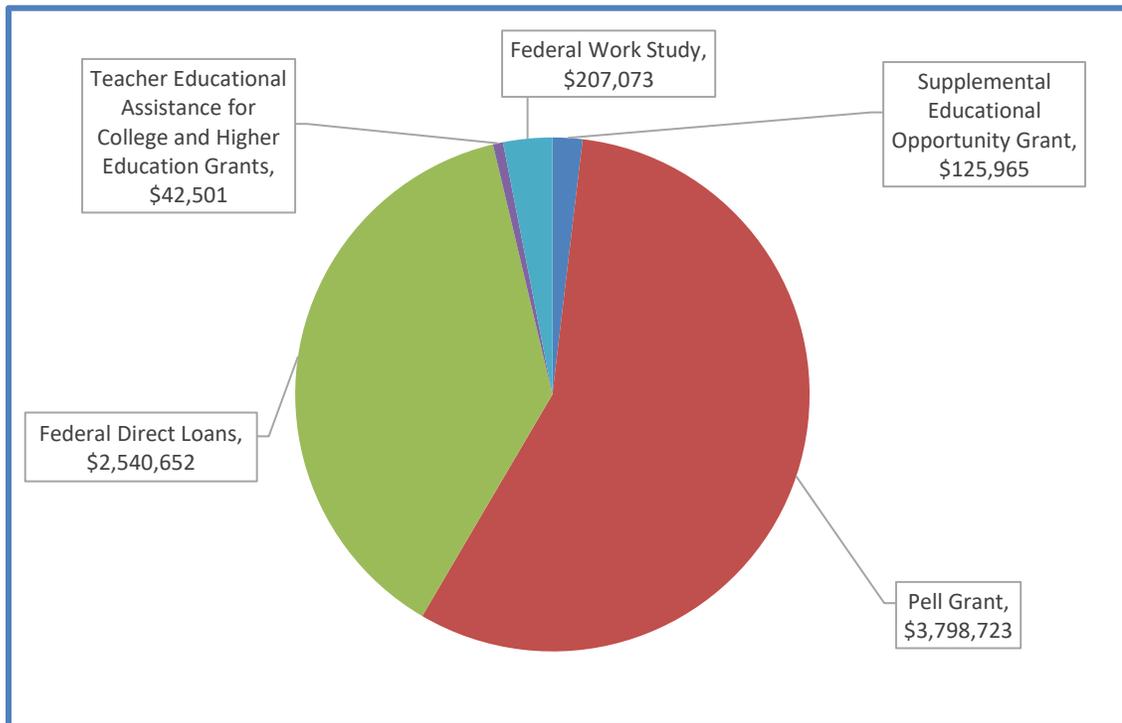
UVA Wise management should provide staff training on its written policies and procedures. Management should implement necessary corrective measures including the proper identification of Title IV students that withdraw and communication of this information promptly to the Financial Aid Office.

AUDIT SCOPE OVERVIEW

UVA Wise is a public, four-year residential liberal arts college. UVA Wise provides federal financial assistance through Direct Loans, Pell Grants, Supplemental Educational Opportunity Grants, Teacher Educational Assistance for College and Higher Education Grants and Work-Study programs. Chart 1 below shows the amounts comprising the Student Financial Assistance Cluster of federal programs at UVA Wise.

**Student Financial Assistance Cluster Federal Program Awards
Fiscal Year 2024**

Chart 1



For our audit covering the fiscal year ended June 30, 2024, we performed procedures over the Student Financial Assistance Cluster of federal programs in accordance with U.S. Office of Management and Budget Compliance Supplement Part 5 Student Financial Assistance Programs. In addition, we reviewed the accuracy of the Schedule of Expenditures of Federal Awards attachment information submitted to Accounts.



Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

September 10, 2025

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Board of Visitors
University of Virginia

Donna Price Henry
The University of Virginia's College at Wise

We have audited **The University of Virginia's College at Wise's** (UVA Wise) compliance over the Student Financial Assistance Cluster of federal programs for the year ended June 30, 2024. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Objectives

Our audit's primary objective was to audit the Student Financial Assistance Cluster of federal grant programs. In support of this objective, we evaluated the accuracy of recorded transactions in UVA Wise's accounting and financial reporting system, U.S. Department of Education's federal student financial assistance systems, and the federal attachment submitted to the Department of Accounts (Accounts); reviewed the adequacy of UVA Wise's internal controls; tested compliance with applicable laws, regulations, contracts, and grant agreements; and reviewed the adequacy of corrective action with respect to audit findings from prior year reports. See the [Findings Summary](#) included in the Appendix for a listing of prior audit findings and the status of follow-up on management's corrective action.

Audit Scope and Methodology

UVA Wise’s management has a 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 significance and risk in determining the nature and extent of our audit procedures. Our review encompassed controls over the following applicable Student Financial Assistance Cluster of federal programs compliance requirements:

- Cash management
- Enrollment reporting
- Financial reporting
- Gramm-Leach-Bliley Act
- Institutional eligibility
- Return of Title IV funds
- Student eligibility
- System access
- Title IV disbursements
- Verification

We performed audit tests to determine whether UVA Wise’s controls 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 and records, and observation of UVA Wise’s operations. We performed analytical procedures and tested details of transactions to achieve our 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.

Conclusions

We found that UVA Wise has properly stated, in all material respects, the amounts recorded and reported in its financial system and the U.S. Department of Education’s federal student financial assistance systems for the Student Financial Assistance Cluster of federal programs except for the

instances noted in the finding titled “Improve Reporting to the Common Origination and Disbursement System.”

We noted certain matters involving internal control and its operation and compliance with applicable laws, regulations, contracts, and grant agreements that require management’s attention and corrective action. These matters are described in the section titled “Audit Findings and Recommendations.”

UVA Wise has taken adequate corrective action with respect to audit findings identified as complete in the [Findings Summary](#) in the prior year that are not repeated in this letter.

Exit Conference and Report Distribution

We discussed this report with management on September 10, 2025. Management’s response to the findings identified in our audit is included in the section titled “University Response.” We did not audit management’s response and, accordingly, we express no opinion on it.

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

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

DLR/cj

FINDINGS SUMMARY

Finding Title	Status of Corrective Action*	First Reported for Fiscal Year
Enhance Notification for Federal Direct Loan Borrowers that have not Completed Exit Counseling	Complete	2020
Ensure an Accurate FISAP is Submitted to Department of Education	Complete	2020
Improve Direct Loan Quality Assurance Program	Complete	2020
Improve Federal Direct Loan Borrower Notification Process	Complete	2020
Perform Federal Direct Loan Reconciliations Timely	Complete	2020
Strengthen Compliance with the Gramm-Leach-Bliley Act	Complete	2020
Perform Accurate Title IV Calculations**	Complete	2020
Promptly Return Unearned Title IV Aid to Department of Education**	Complete	2020
Improve Reporting to National Student Loan Data System***	Ongoing	2020
Improve Reporting to the Common Origination and Disbursement System	Ongoing	2020
Properly Perform Return of Title IV Calculations	Ongoing	2024
Promptly Return Unearned Title IV Funds	Ongoing	2024
Properly Complete Federal Verification Prior to Disbursing Title IV Aid	Ongoing	2024
Properly Identify Title IV Withdrawals	Ongoing	2024

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

** UVA Wise reported that it completed corrective action on the finding as of June 30, 2023. We confirmed the accuracy of the corrective action status as part of the audit titled: "University of Virginia for the year ended June 30, 2023."

*** Prior finding title was Report Student Status Changes Accurately and Timely to the National Student Loan Data System.



Office of the Vice Chancellor
for Finance and Operations

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January 27, 2026

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

Dear Ms. Henshaw,

We have received the Internal Control and Compliance Findings and Recommendations from the Auditor of Public Accounts. Accordingly, we respond to that report with the following comments:

Improve Reporting to the National Student Loan Data System (NSLDS)

Management Response: UVA Wise concurs with the APA's finding.

Responsible for Corrective Action: UVA Wise Financial Aid

Anticipated Completion Date: June 30, 2026

UVA Wise has created a new Rules Based Update in our SIS whereby the "G" (graduated) status is now cleared (along with the date) prior to enrollment submission. This has been corrected and seems to be working on our first of summer term submission. Subsequent standard term submissions (fall and spring) will verify this.

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

Management Response: UVA Wise concurs with the APA's finding.

Responsible for Corrective Action: UVA Wise Financial Aid

Anticipated Completion Date: June 30, 2026

UVA-Wise has tested a new disbursement process that allows for the disbursement dates to match, when reasonable and possible, across all systems involved (PowerFAIDS, Jenzabar, and COD). The disbursement process remains in compliance with reporting disbursements and adjustments in COD within the 15-day window.

Properly Complete Federal Verification Prior to Disbursing Title IV Aid

Management Response: UVA Wise concurs with the APA's finding.

Responsible for Corrective Action: UVA Wise Financial Aid

Anticipated Completion Date: June 30, 2026

UVA-Wise Financial Aid staff members have participated in verification training sessions. Specific training topics included verification of family/household size, proper documentation in a student record of a separation of income calculation, and appropriate and acceptable documentation to verify a student's identity using an unexpired government issued ID.



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Properly Identify Title IV Withdrawals

Management Response: UVA Wise concurs with the APA’s finding.
Responsible for Corrective Action: UVA Wise Financial Aid
Anticipated Completion Date: June 30, 2026

The UVA-Wise Financial Aid and Registrar office personnel are working to enhance our internal system capabilities and our communication between offices in order to correctly identify student withdrawals in the absence of attendance being taken officially by the faculty and/or the institution. We will continue to improve our internal guidance and procedures around “unofficial” withdrawals to maintain compliance with the referenced regulations.

Properly Perform Return of Title IV Calculations

Management Response: UVA Wise concurs with the APA’s finding.
Responsible for Corrective Action: UVA Wise Financial Aid
Anticipated Completion Date: June 30, 2026

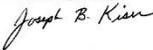
UVA-Wise is working to improve our Return to Title IV calculation accuracy and compliance. Beginning with the 2024-2025 award year, Return to Title IV calculations are now being performed within the PowerFAIDS system. This is a shift from the Return to Title IV calculations being performed manually on paper or electronically in the COD system in prior years, including the review year (2023-2024) audited. This should greatly enhance our compliance with the regulations as we have fully moved to an automated and easy to document version of the process.

Promptly Return Unearned Title IV Funds

Management Response: UVA Wise concurs with the APA’s finding.
Responsible for Corrective Action: UVA Wise Financial Aid
Anticipated Completion Date: June 30, 2026

UVA-Wise has applied corrective actions to our reconciliation and aid adjustment process, which is believed to be the primary reason for this delay in returning funds to the Department of Education in a timely manner.

Sincerely,

DocuSigned by:

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Joseph Kiser
Vice Chancellor for Finance & Operations

Signed by:

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Mason White
Director of Financial Aid & Scholarships

cc: Donna Henry
Kristy Robertson
Augie Maurelli
Christine E. Kennedy-Tyburnski
James “J.J.” Sullivan
Michael Phillips

cc: Jeff Baylor
Matthew Dec
Narda Porter