

COLORADO-FUNDED STUDENT AID

2022-23 AUDIT GUIDE

FOR

STATE AND PRIVATE NON-PROFIT

INSTITUTIONS OF HIGHER EDUCATION

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GENERAL INFORMATION

Beginning with the 2011-12 academic year, the General Assembly transferred responsibility for establishing state-funded student financial assistance policies from the Colorado Commission on Higher Education (CCHE) to the governing boards of state and private non-profit institutions of higher education. CCHE retained responsibility for establishing SFSFA policies for private for-profit institutions.

This audit guide is to be used to assist independent auditors in conducting financial audits of state or private non-profit institutions participating in one or more state-funded student assistance programs. The audit guide was developed through the cooperation of the Department of Higher Education and the Office of the State Auditor. A separate audit guide is to be used for financial audits of private for-profit institutions participating in state-funded assistance programs.

An audit of an institution's program(s) for state-funded student aid should be conducted once every two years. The audit should be performed every second fiscal year after the original audit (i.e., original audit done in fiscal year 2015-16, next audit is due for fiscal year 2017-18, etc.). The audit should only cover the year being examined and should not include the in-between year.

The primary purposes of the audit are to have an independent auditor (1) express an opinion on the fair presentation of the financial statement showing the state-funded student financial aid activity, (2) evaluate the adequacy of internal controls over the accounting and administration of the state-funded aid, and (3) determine the institution's compliance with governing board policies. The audit should be performed 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. The state-funded student financial assistance programs should be examined simultaneously with federal financial aid programs whenever possible.

A report on the results of the audit should be prepared. In general, this report should include a financial statement showing the state-funded financial aid activity, the auditor's opinion on the fair presentation of the financial statement, and any auditor comments and recommendations for improving the institution's procedures for administering the financial aid programs. An independent auditors' report on compliance and internal control over compliance requirements that could affect each state-funded student assistance program under *Government Auditing*

Standards doesn't need to be prepared. A copy of the audit report should be submitted to the Department of Higher Education and the Office of the State Auditor. For institutions with a fiscal year ending June 30, the audit report should be submitted by December 31 after the fiscal year- end. Additional information about the reporting requirements is provided later in this Guide.

For Fiscal Year 2022-23, "State-funded student financial assistance" includes funds provided under the following programs:

- A. Need-Based Programs:
 - Colorado Student Grant (CSG) / Colorado Graduate Grant (CGG)
 - Colorado Need-Based Work-Study
 - Colorado Merit Funds
 - Perkins Student Loan Match
 - Career and Technical Education (CTE) Grant Program for Eligible Institutions

- B. Non Need-Based Programs:
 - Colorado Work-Study

AUDIT PROGRAM

COLORADO-FUNDED STUDENT ASSISTANCE PROGRAMS

INSTITUTION _____

This Audit Program includes:

I. Audit Objectives

The objectives of this audit are to determine whether:

- A. The amounts shown in the institution's statement of financial activity for state-funded financial assistance funds are properly reported.
- B. The institution has established an adequate internal control structure which includes appropriate accounting and reporting procedures for state-funded assistance funds.
- C. The institution has established and followed procedures to ensure that state-funded assistance funds are used in accordance with policies established by its governing board.

II. Audit Steps

A. Internal Controls

Review the system of internal controls applicable to the State Programs of Financial Aid to determine whether the policies and procedures established by the institution are written, and provide for appropriate segregation of responsibilities and controls that are reasonable in the circumstances over:

- 1) The determination of awards
- 2) The receipt and disbursement of funds
- 3) The recording of transactions
- 4) The reporting process to the Department of Higher Education (DHE)

The questionnaire in Appendix A can be used to assist in this review. The results of the review of the internal control structure should be considered by the auditor in determining the auditing procedures needed to express an opinion on the financial statement.

B. Establishment of Colorado-Funded Student Aid Policies

State statute (Section 23-3.3-102 (3), C.R.S.) was amended effective for Fiscal 2011- 12 and beyond to transfer responsibility for establishing Colorado-funded student financial aid policies and procedures from the Commission on Higher Education to state and private non-profit governing boards. Determine that the institution's governing board took formal action to establish such policies and obtain the policies and procedures for use in applicable audit steps below.

C. Examination of Accounts

Obtain a trial balance as of June 30 of the accounts maintained by the institution for its programs. This should include a disbursement run for all state-funded financial aid programs as reported in the Fiscal Report of Expenditures submitted to DHE.

- 1) Agree totals of disbursement run to the institution's general ledger. Check arithmetical accuracy.
- 2) Agree totals of disbursement run to amounts transferred from DHE or satisfactorily reconcile same.
- 3) Select, either from the Student Unit Record Data System (SURDS) financial aid report or the listing of aid recipients, a representative number of students receiving awards from each program for testing. As an alternative, the sample chosen for testing federal student financial assistance programs can be used for testing Colorado-funded student aid programs.
- 4) Agree totals of state financial aid programs reported on Fiscal Report of Expenditure with fund totals contained on the SURDS report.

III. Financial Compliance Programs

A. Colorado Student Grant Program

1) Colorado Need-Based Program

The purpose of the Colorado Need-Based program is to assist students who cannot otherwise afford to attend college. The Colorado Student Grant and Colorado Graduate Grant programs are designed for students with demonstrated financial need.

The Colorado Student Grant program is the name given to the undergraduate need-based program funded by annual state appropriations to DHE.

The Colorado Graduate Grant Program refers to the need-based graduate grant program.

Degree seeking undergraduate students who are enrolled either full-time or at least half-time may be awarded Colorado need-based grants in any fiscal year or the level of need remaining after all resources, including other sources of financial aid, have been considered. Need-based grants shall not exceed the documented financial need of the student.

Graduate students must be Colorado residents. Additionally, graduate students must also show documented financial need.

2) Student Eligibility

a. In order to receive a need-based grant, students must:

- Be a Colorado resident, as determined by the institution's tuition classification officer in accordance with applicable State law

- Be an undergraduate student or graduate student
- Show financial need according to the Federal Needs Analysis Methodology, or comparable institutional needs-analysis methodology, or according to the CTE Grant eligibility guidance as detailed in Section V 3 of this document.

From the sample of students selected for testing, ascertain that each student met the above eligibility requirements.

- b. Institutions normally establish standards for students to receive student financial aid once the aid is initially awarded. Such standards could include maintaining a level of satisfactory academic progress and being enrolled for a minimum of hours (e.g., being enrolled at least half-time).

Determine what policies the institution has established for students to receive state aid and ascertain whether the students being tested met the institution's standards.

3) Award Payments

From the student files selected above, determine for students receiving Colorado-funded aid that:

- Annual award limitations have not been exceeded
- Amounts paid do not exceed awards
- Federal and State match is proper, where applicable

A. Colorado Work-Study Program

In 1969, the 47th General Assembly of the State of Colorado authorized the establishment of a work-study program for resident undergraduate students attending state institutions of higher education. In 1971, the program was expanded through legislative action to include the local district junior colleges, and further amendment in 1973 authorized payment for jobs provided by non-profit organizations and governmental agencies through student employment contracts.

1) Student Eligibility

In order to participate in the Colorado Work-Study Program, students must submit an application and meet the following eligibility requirements:

- Be a Colorado resident, as determined by the institution's tuition classification office in accordance with applicable state law;
- Be an undergraduate student.
- Be in good standing and demonstrate academic progress according to the institution's published Standards of Satisfactory Academic Progress for financial aid purposes.
- Satisfy the verification requirements in C.R.S. 24-76.5-103.
- For any students selected for testing that received Colorado Work-Study

Program aid, ascertain that the above eligibility requirements were met.

2) Financial Need Requirement

At least 70 percent of work study funds (see amount in final allocation notice) must be used to find job opportunities for students with demonstrated financial need. The remaining 30 percent may be awarded without regard to need for the purpose of finding job opportunities for students without regard for need. Accordingly, financial need must be an eligibility factor for a substantial number of student recipients, such that the total gross compensation paid to such students will equal at least seventy percent of the institution's allocation for the program. Colorado Work-Study funds used as match for the Federal CWS program may be included in calculating the percentage of funds used for need-based awards. The Federal Needs Analysis shall be the system used to determine the financial need of students for the need-based portion of the program. Financial needs may also be determined using a comparable institutional needs-analysis methodology, or according to the CTE Grant eligibility guidance as detailed in Section V 3 of this document. No standard application procedure has been established for the non-need portion.

In rare instances, DHE may have approved an institution's request to deviate from the above percentages of need/no-need awards. Institutions should have supporting documentation from DHE for deviation from the above percentages.

IV. Work-Study Payroll Procedures

From those students selected for testing that received aid under the Colorado Work-Study Program, perform the following: (NOTE: The following procedures should be coordinated with the Federal audit of Student Compensation Earned.)

Select a representative sample of payroll disbursements and perform the following audit steps:

- A. Determine whether the following records are being maintained by the institution for the payroll amount:
 - 1) Time record form.
 - 2) Payroll voucher form.
 - 3) Individual earnings record or master card for each student.
 - 4) Non-cash contribution record, if applicable.
- B. Obtain confirmation of student participation and salary earned in the CWS Program by direct communication with the students. Where this is not practicable the auditor should perform additional audit work to obtain adequate evidence to satisfy himself/herself as to student participation and salary earned.
- C. Obtain confirmation of student participation and salary earned in the CWS Program by direct communication with the off-campus agencies and on-campus supervisors. Where

this is not practicable the auditor should perform additional work to obtain adequate evidence to satisfy student participation and salary earned at the off- campus agencies.

- D. Determine whether individual earnings records agree with the amounts shown on W-2's.
- E. Determine whether the payments were properly supported by time sheets that:
- 1) Signed by the student and certified by the responsible official;
 - 2) Reflect the actual hours worked by the students.
NOTE: The student cannot be compensated for such items as vacation pay, holiday pay, or travel for athletic purposes. If the time sheets consistently show the maximum hours authorized, the auditor should inquire about the institution's policy relating to the payment for vacation pay, holiday pay, etc.
- F. Determine whether the payments were properly supported by time sheets that:
- 1) Signed by the student and certified by the responsible official;
 - 2) Reflect the actual hours worked by the students.
NOTE: The student cannot be compensated for such items as vacation pay, holiday pay, or travel for athletic purposes. If the time sheets consistently show the maximum hours authorized, the auditor should inquire about the institution's policy relating to the payment for vacation pay, holiday pay, etc.
- G. Determine the manner in which CWS payments are distributed to recipients. In any instances in which the checks are not distributed or mailed direct but are given to a department (athletic, art, etc.) for further distribution to the recipient:
- 1) Determine how the department makes such distribution:
 - 2) Examine records to determine whether the department (athletic, art, etc.) is shown as a second endorsement. If so, determine the reason.
NOTE: The auditor should be alert for any unusual second endorsements which come to his/her attention and satisfy him/herself that they are not improper.
- H. Determine whether the individual earnings record for each student selected reflect:
- 1) The proper hourly rate to be paid.
 - 2) The hours worked and paid under the Work Study Program were within the limitations, i.e., no more than 40 hours per week;
 - 3) Deductions were properly and correctly computed (such as withholding taxes, state and local taxes, FICA, etc.).
NOTE: Neither the Federal nor the required matching funds can be used to pay the employer's contribution to retirement, workmen's compensation, social security or any other welfare or insurance program.
- I. Determine whether the records evidencing payment of wages were:
- 1) Identified to the CWS Program (if no separate checking account is maintained);
 - 2) Made out to the individual student employee;
 - 3) Authorized by the properly designated official of the institution;
 - 4) Endorsed, if necessary, by the indicated payee;

- 5) For the same amount reflected on the payroll voucher.
NOTE: If canceled checks are not available, other acceptable proof of payment should be on file.

- J. When considered necessary (e.g. weak internal controls) attend a payroll payoff and observe the controls in payroll disbursement procedures.

Compare the payroll voucher totals with the general ledger control account. Any differences should be reconciled and explained.

V. Tuition Assistance for Short Career and Technical Education (CTE) Certificates for Pell Eligible students

A. Student Eligibility (Revised March 2017)

- 1) Be a Colorado resident student.
- 2) Be enrolled in an eligible short-certificate program(s) approved by a governing board. CTE programs that have already been submitted and approved to the US Department of Education for Title IV aid are not eligible.
- 3) Demonstrate financial need by providing documentation that the student is eligible for at least one of the following:
 - a. A Pell-eligible Expected Family Contribution as demonstrated by the FAFSA;
 - b. Temporary Assistance to Needy Families (TANF) Benefits;
 - c. Supplemental Nutrition Assistance Program (SNAP) Benefits;
 - d. Medicaid Eligibility;
 - e. Supplemental Security Income (SSI) or Disability Benefits;
 - f. Section 8 Housing Vouchers;
 - g. Women, Infants, and Children (WIC) Benefits;
 - h. An income that is eligible for Free and Reduced Lunch Benefits; or
 - i. An income that is too low to require a Federal Income Tax Filing.
- 4) Has not received a Pell grant and a CTE grant concurrently for the same course of study, but may be eligible to receive a CTE grant and a Pell grant concurrently if the programs are distinguishable and separate courses of study (This intends to clarify that the statute does not exclude a student from being enrolled in a separate Pell-eligible program at the same time as they are enrolled in a CTE program, but intends to provide tuition assistance for students in a CTE program that is not eligible for Pell.)
- 5) Be in good standing and demonstrate academic progress according to the institution's published policy regarding Standards of Satisfactory Academic Progress for financial aid purposes.

B. Institutional Eligibility

Colorado Revised Statutes (23-3.3-1101) authorizes the Colorado Commission on Higher Education to allocate funding for tuition assistance to the following institutions offering CTE certificate programs that do not qualify for the federal Pell grant (subject to appropriations by the General Assembly):

- 1) Community Colleges
 - Arapahoe Community College
 - Colorado Northwestern Community College
 - Community College of Aurora
 - Community College of Denver
 - Front Range Community College
 - Lamar Community College
 - Morgan Community College
 - Northeastern Junior College
 - Pikes Peak Community College
 - Pueblo Community College
 - Red Rocks Community College
 - Trinidad State Junior College
 - Colorado Mesa University
- 2) Local District Junior Colleges
 - Aims Community College
 - Colorado Mountain College
- 3) Area Vocational Schools
 - Emily Griffith Technical College
 - Pickens Technical College
 - Technical College of the Rockies

C. Award Limitations

- 1) Students who meet the criteria in 7.02.04 enrolled in eligible CTE Certificate programs may be awarded tuition assistance through the CTE Grant.
- 2) Awards to eligible students may be applied only to tuition and may not exceed the cost of tuition for the eligible program in which the student is enrolled.
- 3) Institutions should prioritize first time recipients to encourage timely completion.

VI. Accounting, Recordkeeping, and Reporting

Accounting and record-keeping activities are required to create accurate records of the use made of funds and of the basis for decisions. Such records are needed for documentation, for audit purposes, for planning, and for guidance to new or replacement personnel. Records must be retained by the institutions until they have been audited or for five years, whichever occurs first.

A. The following accounting records should be maintained in the business office:

- 1) Copies of all notices of allocation of state funds;
- 2) Separate account records for each state-funded student assistance program; **(each student account should have the proper grant amount(s) recorded for that award year);**
- 3) Income and expenditure records for each program separated by fiscal year;
- 4) Institutional accounting records reflecting all transactions with respect to the program account balances on a monthly basis;
- 5) If applicable, student acknowledgment of receipt of funds. (May be endorsement

on check if applicable or opportunity to acknowledge credit to tuition account).

B. Audit Steps

- 1) Determine that notices of allocation of State funds are on file and that file is complete. For the year under review, agree total of notices to amount allocated by DHE.
 - 2) Determine that separate account records for each State-funded student assistance program are maintained. For the year under review agree the records to existing control accounts at June 30.
 - 3) Determine that income and expenditure records are maintained for each State-funded student assistance program, and can be properly tracked to each student recipient. **For the year under review, agree totals to general ledger controls at June 30. For the year under review, agree amounts posted to the individual student accounts to the student award letter.**
 - 4) Determine that the institution's accounting records reflect all transactions with respect to the program including allowable transfers among programs and are balanced on a monthly basis. Test a representative number of transfers for propriety.
- C. Determine that student acknowledgment of receipt of funds is on file. Compare a representative number of receipt acknowledgments to institutional accounting records and to student aid package.

VII. Packaging Policy Review

The financial aid director establishes the packaging policy for the institution. The policy is in writing and is used in the determination of assistance rendered to students.

A. Determine that the following program records are maintained:

- 1) Documentation of the basis for the amount established for the various components of the student budget;
- 2) A copy of the packaging policy used; that packaging policy should address how the state-funded allocations are awarded.
- 3) A copy of the standards of satisfactory academic progress for financial aid purposes;

B. Individual Student Records

Individual student records (electronic or paper) must be maintained by the financial aid office for each student, whether or not enrolled, who either filed an application for student aid or received any award from State-funded student aid. This includes records for students who apply and are refused awards, or who fail to accept award offers, or who did not enroll.

C. Audit Steps

For those students receiving Colorado-funded aid selected above, examine individual student records and determine that:

- 1) For those programs requiring it, the file contains a written application form;
- 2) For those programs not requiring written applications, the institution documented that all eligible students were given consideration;
- 3) Each file contains a record of disposition, including an award letter or electronic notification (or copy) if funds were offered.

VIII. Adjustments to Level of Expenditures (Transfer between Funds)

2023-23 Award Year

Beginning with 2002-03, institutions have not had the authority to transfer funds among the Colorado student assistance programs.

A. Audit Steps

- 1) Ascertain if such transfers were made during the year under review.
- 2) Write up audit finding for any transfer.

REPORTING REQUIREMENTS

The following pages provide examples of the information to be included in the audit report when the audit is completed. One copy of the audit report for private non-profit institutions should be submitted by December 31 to the Colorado Department of Higher Education and the Colorado Office of the State Auditor at the following addresses:

Colorado Department of Higher Education
Attn: DeAnna Castaneda
1600 Broadway
Suite 2200
Denver, CO 80202

Colorado Office of the State Auditor
1525 Sherman Street
7th Floor
Denver, CO 80203
Email: osa.lg@coleg.gov

A copy of the audit report for state institutions does not need to be submitted separately as the audit report information is included in the state institution's annual financial and compliance audit report of its basic financial statements.

EXAMPLES OF AUDIT INFORMATION

PAGE

Introduction and Description of Programs.....	
Report Summary	
Summary of Current Year Audit Comments.....	
Summary of Progress in Implementing Prior Audit Recommendations.....	
Basis of Accounting.....	

AUDIT INFORMATION TO BE INCLUDED IN AUDIT REPORT

- Auditor’s Report, on Statement of Allocations, Expenditures and Reversions of State Funded Student Financial Assistance Programs.
- Statement of Allocations, Expenditures and Reversions of State Funded Student Financial Assistance Programs
- Summary of Significant Account Policies and Notes to Financial Statements
- Auditor's Report on Internal Control
- Audit Required Statements, Comments, and Recommendations
- Disposition of Prior Audit Recommendations

[name of college]
STATE OF COLORADO
STATE-FUNDED STUDENT ASSISTANCE PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2023

INTRODUCTION

College is a state-supported [private] institution of higher education located in XXXXXX, Colorado.

Our financial and compliance examination of the various state-funded student assistance programs at the College for the year ended June 30, 2023, was directed toward the objectives and criteria set forth in *Institution Name's* Financial Aid Policy, adopted *date (if any)*. The state student financial assistance programs were examined simultaneously with the federal financial aid programs for the year ending on June 30, 2023.

DESCRIPTION OF STATE FUNDED ASSISTANCE PROGRAMS

The various state-funded student assistance programs at the College include (*as applicable*) the Colorado Student Grant Program, Colorado Graduate Grant, Colorado Work-Study Program, Colorado Merit, CTE Grant Program, and Perkins Student Loan Matching Program

The state-funded student assistance awards made by the College were \$XXXXX during the fiscal year ending on June 30, 2023.

The Director of Financial Aid is responsible for administration of these programs. This responsibility includes application processing, eligibility determination, and financial aid packaging, as well as ensuring compliance with regulations governing the participation of the College in federal and state financial aid programs. The College Controller is responsible for the programs' financial management, general ledger accounting, payments, and collections.

During the audit period, XXXXXX College obtained authorizations to award federal student financial aid funds of \$XXXXXX in the Pell Grant Program, \$XXXXXX in the Supplemental Educational Opportunity Grant Program, \$XXXXXXXXX in the College Work-Study Program, and \$XXXXXX in the Perkins Student Loan Program.

During the audit period, XXXXXX College was authorized to award Colorado student financial aid funds of \$XXXXXX \$XXXXXX in the Colorado Need-based Grant Program, \$XXXXXX in Colorado Graduate Grant, \$XXXXXX in Colorado Work Study and \$XXXXXX in Colorado Merit aid.

REPORT SUMMARY

PURPOSE AND SCOPE OF AUDIT SUMMARY OF CURRENT YEAR COMMENTS

Our audit of the state-funded student assistance programs was performed in accordance with the financial compliance elements of "Standards for Audits of Governmental Organizations, Programs, Activities, and Functions" issued by the Comptroller General of the United States, as revised through 2004. The purpose of the audit was to formulate an opinion on the statement of student aid program appropriations, expenditures, and reversions for the fiscal year ending June 30, 2023, and to determine if these programs were administered in accordance with applicable laws, regulations, terms of agreements, and Governing Board directives which were set forth in the handbook.

Our examination included:

- Expressing an opinion on the statements of student aid program appropriations, expenditures and reversions.
- Evaluation of the policies, procedures, and practices used to administer these programs.
- Determination of compliance with applicable sections of Colorado Revised Statutes 23-3.3 et. seq. and approved Governing Board policies.

[name of college]

STATE OF COLORADO
STATE-FUNDED STUDENT ASSISTANCE PROGRAMS
FOR THE YEAR ENDING JUNE 30, 2023

SUMMARY OF PROGRESS IN IMPLEMENTING PRIOR AUDIT RECOMMENDATIONS

The audit report for the year ended June 30, 2023, included _____ recommendations.
The disposition of these audit recommendations at _____, was as follows:

Implemented

Partially Implemented

Not Implemented

Total

[name of college]

**STATE OF COLORADO
STATE-FUNDED STUDENT ASSISTANCE PROGRAMS
FOR THE YEAR ENDING JUNE 30, 2023**

BASIS OF ACCOUNTING

XXXXXXX College's accounting system is structured and administered in accordance with the accounting principles promulgated by the Governmental Accounting Standards Board.

The Perkins Student Loan Direct Student Loan matching requirement from general funds, as approved by the Colorado Department of Higher Education, is recorded as a transfer from general funds to loan funds, and not as a general fund expense and loan fund revenue.

All student aid is expensed on a cash basis, except for Perkins Student Loan and the College Work-Study Program (CWS). Perkins Student Loans are recorded as loans receivable when the funds are disbursed. The CWS is on the accrual basis in that the expense is recognized when the services are performed.

APPENDIX A

QUESTIONNAIRE ON THE INSTITUTION’S POLICIES AND PROCEDURES

The following questionnaire can be used to help identify the policies and procedures the institution uses to administer and account for state-funded student financial assistance funds.

		<u>YES</u>	<u>NO</u>	<u>OTHER</u>
I.	<u>Financial Aid Committee</u>			
A.	Has the institution established a financial aid committee to advise the financial aid director regarding institution policies for state-funded student aid?	___		
B.	Has the institution:			
	1) Identified a procedure by which students can appeal decisions of the financial aid office?	___	___	___
	2) Disseminated that information to students?	___	___	___
II.	<u>Student Consumer Information</u>			
___	A. Are students informed of the availability of all State-Funded student aid programs?	___	___	___
	B.. Does the information made available include:			
	1) Names of the programs?	___	___	___
	2) The amount of assistance from each program?	___	___	___
	3) The eligibility requirements for each program?	___	___	___
	4) The criteria used to elect recipients from the group of eligible applicants?	___	___	___
	5) The application process for each program?	___	___	___
	6) The packaging policy of the institution?	___	___	___
	7) What the student must do to retain eligibility, including standards of satisfactory academic progress for financial aid?	___	___	___
	8) What penalties may be imposed for fraud or abuse?	___	___	___
	9) Procedures for appeal of disputed decisions?	___	___	___
III.	<u>Notice of Status</u>			
	A. Are students who submit applications for state-funded student assistance notified of the status of their application?	___	___	___
	B. Is notification given on all need-based award offers?	___	___	___

- C. Are notifications of awards provided in:
- 1) Written form? ___ ___ ___
 - 2) Electronic form ___ ___ ___
 - 3) Verbal? ___ ___ ___
 - 4) Other? ___ ___ ___
 - 5) For verbal notification, is conversation documented by note to file with date, time, and message? ___ ___ ___
- D. Are application forms and award status notices maintained in the financial aid office? ___ ___ ___

IV. Satisfactory Progress

- A. Has the institution established "Standards of Satisfactory Academic Progress" which must be met if students are to continue to receive State-Funded student assistance?
- B. Do the standards address both:
- 1) Good standing? ___ ___ ___
 - 2) Academic progress? ___ ___ ___
- C. Do the standards provide for:
- 1) The grade point for need-based programs (or academic status if grade point is not calculated for the program) which must be achieved each term and/or the cumulative grade point for undergraduates (or academic status) which must be maintained to continue to be eligible for State-Funded student assistance? ___ ___ ___
 - 2) The number or percentage of hours attributable toward a degree or certificate which must be completed each term or academic year to continue to be eligible for state-funded student assistance, and the maximum number of hours or terms that may be supported by state or federally funded student aid at each degree level? ___ ___ ___
 - 3) The penalties for failure to achieve the above standards, including whether or not a probationary period is allowed, the process for removal of the penalty and reinstatement to full eligibility, and the process to appeal any penalty or decision concerning continuation of aid? ___ ___ ___

- | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|
| 4) The procedures and timetable used to monitor each recipient's academic standing and progress? | - | — | — |
| 5) The policies and procedures for monitoring repeated courses, remedial courses, and the treatment of the incremental measurement requirement? | - | — | — |

V. Withdrawal Procedures

YES NO OTHER

- | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|
| A. Has the institution established internal procedures to provide prompt notification to the financial aid office whenever a student withdraws? Do the procedures: | — | — | — |
| 1) Identify how refunds of tuition or institutional room and board charges paid from student aid funds are handled? | — | — | — |
| 2) Provide an opportunity for required exit interviews? | — | — | — |
| 3) Provide an opportunity to discuss the implications of the satisfactory progress policy and procedures for reapplying for aid at a later date? | — | — | — |

VI. Policies for Need-Based Funds

YES NO OTHER

- | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|
| A. Do the application policies require use of the U.S. Department of Education Free Application for Federal Student Aid (FAFSA)? | — | — | — |
| B. To be considered for aid, do independent students submit documentation to their school's financial aid office in accordance with federal requirements? | — | — | — |
| C. Are discrepancies between the FAFSA and the income tax return resolved? | — | — | — |

- D. Has the financial aid office obtained information regarding students certified for:
- 1) a. Veterans benefits if required? (Note: Effective with the 2012-13 award year, veteran educational benefits are no longer treated as estimated financial assistance) _____
 - b. Other public benefits? _____

Are benefits compared with the financial aid application and apparent discrepancies resolved?

- E. Is it institutional policy that no State-Funded, need-based student assistance is disbursed until a complete application is submitted containing:
- 1) All required application signatures? _____
 - 2) Required certification by student that (he/she) does not owe a repayment to any institution and is not in default on any educational loan to any institution? _____
 - 3) Sufficient information to determine eligibility? _____
 - 4) Sufficient information and detail on application to evaluate need using a valid FAFSA? _____
 - 5) Statements of penalties for intentionally providing incorrect information? _____

YES NO OTHER

- F. Does the student's budget include the current year's tuition and fees, recognizing difference in charges for:
- 1) Full-time enrollment? _____
 - 2) Half-time enrollment? _____
 - 3) Less than half-time enrollment? _____

- G. Does the student's budget include books and supplies and recognize difference in costs for:
- 1) Full-time enrollment? _____
 - 2) Half-time enrollment? _____
- NOTE: Less than half-time enrollment is no longer eligible for state aid.**

- H. Does the student's budget provide the cost of living for
- DHE Audit Guide 2022-23

student and include the following expenses:

- | | | | |
|------------------------------------------------------------------|-----|-----|-----|
| 1) Housing? | ___ | ___ | ___ |
| 2) Food? | ___ | ___ | ___ |
| 3) Transportation? | ___ | ___ | ___ |
| 4) Clothing, personal maintenance, recreation and entertainment? | ___ | ___ | ___ |
| 5) Medical care? | ___ | ___ | ___ |
| 6) Dependent care? | ___ | ___ | ___ |
| 7) Loan fees for student borrower? | ___ | ___ | ___ |
| 8.) Disability expenses (if applicable) | ___ | ___ | ___ |
| 9. Study abroad expenses (if applicable) | ___ | ___ | ___ |
| 10. First professional license (if applicable) | ___ | ___ | ___ |
| 11. Coop education expenses (if applicable) | ___ | ___ | ___ |

I. Does the institution's written packaging policy address the following elements: **YES NO OTHER**

- | | | | |
|------------------------------------------------------------------------------------------------------------------------------------|-----|-----|-----|
| 1) Use a published financial aid application deadline or process applications on a rolling award basis? | ___ | ___ | ___ |
| 2) The method by which aid is awarded to less than full-time students? | ___ | ___ | ___ |
| 3) The methodology for making need-based awards: | | | |
| ▪ award some aid to all eligible applicants? | ___ | ___ | ___ |
| ▪ award some aid to all the neediest students (e.g., EFC=0), but provides aid to other lower-need students if funds are available? | ___ | ___ | ___ |
| ▪ attempts to meet full need of the neediest students? | ___ | ___ | ___ |

VII. Award Notices

J. Do award notices for state-funded student assistance contain: **YES NO OTHER**

- | | | | |
|---------------------------------------------------------------------------------------|-----|-----|-----|
| 1) The period for which aid is granted? | ___ | ___ | ___ |
| 2) The awards offered, including the full name of the award? | ___ | ___ | ___ |
| 3) Award conditions including: | | | |
| • compliance with the Standards of Satisfactory Academic Progress policy? | ___ | ___ | ___ |
| • conditions specific to a particular program, including agreement to repay any loan? | ___ | ___ | ___ |

- | | | | | |
|----|------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|-----|
| 4) | A mechanism by which the student can reject each component of the aid package? | ___ | ___ | ___ |
| 5) | A statement that the student has read, understands, and agrees to the award conditions? | ___ | ___ | ___ |
| K. | Does the institution revise awards in response to change in a student's: | | | |
| 1) | Period of enrollment? | ___ | ___ | ___ |
| 2) | Level of enrollment (e.g., full-time)? | ___ | ___ | ___ |
| 3) | Costs? | ___ | ___ | ___ |
| 4) | Resources (Whenever student is over-awarded)? | ___ | ___ | ___ |
| L. | Does the institution fully document in the individual record any action taken to amend or suspend an award after initial offer and acceptance? | | ___ | ___ |
| | _____ | | | |
| 1) | Does the file clearly specify the reason for change? | ___ | ___ | |
| | _____ | | | |