



# **UNIVERSITY OF WEST GEORGIA CARROLLTON, GEORGIA**

**INDEPENDENT ACCOUNTANT'S  
REPORT ON APPLYING AGREED-  
UPON PROCEDURES  
FOR FISCAL YEAR ENDED  
JUNE 30, 2019**

**A Member Institution of the  
University System of Georgia**



UNIVERSITY OF WEST GEORGIA

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## DEPARTMENT OF AUDITS AND ACCOUNTS

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STATE AUDITOR  
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### Independent Accountant's Report on Applying Agreed-Upon Procedures

Members of the State Board of Regents of the  
University System of Georgia  
and  
Dr. Michael Crafton, Interim President  
University of West Georgia

Ladies and Gentlemen:

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

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

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

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

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

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

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

**See FA-2019-001 and FA-2019-002 in the Schedule of Findings and Questioned Costs for a detail of exceptions noted.**

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

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

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

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

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

**See FA-2019-003 in the Schedule of Findings and Questioned Costs for a detail of exceptions noted.**

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

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

Respectfully,



Greg S. Griffin  
State Auditor

January 27, 2020

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

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**FA-2019-001**

**Strengthen Controls over the Awarding Process**

<b>Compliance Requirement:</b>	Eligibility
<b>Internal Control Impact:</b>	Significant Deficiency
<b>Compliance Impact:</b>	Nonmaterial Noncompliance
<b>Federal Awarding Agency:</b>	U. S. Department of Education
<b>Pass-Through Entity:</b>	None
<b>CFDA Numbers and Titles:</b>	84.007 – Federal Supplement Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans Program 93.264 – Nurse Faculty Loan Program
<b>Federal Award Numbers:</b>	P007A181059 (Year: 2019), P033A181059 (Year: 2019), P063P180095 (Year: 2019), P268K190095 (Year: 2019), E01HP28790-05-00 (Year: 2019)
<b>Questioned Costs:</b>	\$1,524.00

**Description:**

The Institution's Student Financial Assistance Office improperly determined the Student Financial Assistance award amounts for eligible students.

**Criteria:**

Provisions included in 34 CFR 668 provide general provisions for administering Student Financial Assistance (SFA) programs and 34 CFR 675, 676, 685, and 690 provide eligibility and other related program requirements that are specific to the Federal Work-Study Program, Federal Supplemental Educational Opportunity Grant (FSEOG) Program, Federal Direct Student Loans Program, and Federal Pell Grant Program, respectively. In addition, provisions included in 42 CFR 57 provide eligibility and other related program requirements that are specific to the Nursing Student Loans Program.

**Condition:**

A sample of 25 students who received student financial assistance funds was randomly selected for testing using a non-statistical sampling method. Student financial assistance files were reviewed to ensure that financial assistance was properly calculated and disbursed to eligible students. Testing revealed that one student received \$1,524.00 more in Federal Pell Grant funds than they were eligible to receive based upon their enrollment status and Expected Family Contribution (EFC).

**Questioned Costs:**

Questioned costs of \$1,524.00, with likely questioned costs of \$518,915.92, were identified for the student who received student financial assistance in excess of their eligibility. The following CFDA number is affected by the known and likely questioned costs: 84.063.

**Cause:**

In discussing this deficiency with management, they stated that the student was awarded aid for the 1819 award year prior to the change of status during the Spring 2019 semester. The student dropped classes at the beginning of the Spring 2019 semester and their Federal Pell Grant award for the 1819 award year was not revised to reflect the effect of the change.

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YEAR ENDED JUNE 30, 2019

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**Effect or Potential Effect:**

This deficiency may expose the Institution to unnecessary financial strains and shortages. The funds disbursed to students in excess of their eligibility must be returned to the U.S. Department of Education. Though the Institution may attempt to collect the funds from individual students affected by the error, these collection efforts could be unsuccessful as the students may no longer attend the Institution and/or fail to repay the funds. Additionally, the Institution was not in compliance with Federal regulations concerning awarding of SFA funds to students.

**Recommendation:**

The Institution should review its processes and procedures for determining each student's financial aid eligibility. Where vulnerable, the Institution should develop and/or modify its policies and procedures to ensure that correct amounts will be awarded to students in conformity with Federal requirements. Additionally, the Institution should develop and implement a monitoring process to ensure that controls are functioning properly. The Institution should also contact the U.S. Department of Education regarding resolution of this finding.

**Views of Responsible Officials:**

We concur with this finding.

FA-2019-002

Improve Controls over Cost of Attendance Budgets

<b>Compliance Requirement:</b>	Eligibility
<b>Internal Control Impact:</b>	Significant Deficiency
<b>Compliance Impact:</b>	Nonmaterial Noncompliance
<b>Federal Awarding Agency:</b>	U. S. Department of Education
<b>Pass-Through Entity:</b>	None
<b>CFDA Numbers and Titles:</b>	84.007 – Federal Supplement Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans Program 93.264 – Nurse Faculty Loan Program
<b>Federal Award Numbers:</b>	P007A181059 (Year: 2019), P033A181059 (Year: 2019), P063P180095 (Year: 2019), P268K190095 (Year: 2019), E01HP28790-05-00 (Year: 2019)
<b>Questioned Cost:</b>	None Identified

**Description:**

The Institution's Student Financial Aid Office did not document the procedures used to establish Cost of Attendance (COA) budgets.

**Criteria:**

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

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**Condition:**

Upon review of the Institution's COA budgets, it was noted that Institution personnel could not provide supporting documentation or explanations for the calculation of the components of the COA budgets, including Books and Supplies, Personal Expenses, Room and Board, Tuition and Fees, Transportation, and Loan Fees.

**Cause:**

In discussing these deficiencies with management, they stated that supporting documentation for the COA budgets could not be located for review due to turnover within the SFA Office.

**Effect or Potential Effect:**

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

**Recommendation:**

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

**Views of Responsible Officials:**

We concur with this finding.

FA-2019-003

Improve Controls over the Return of Title IV Funds Process

<b>Compliance Requirement:</b>	Special Tests and Provisions
<b>Internal Control Impact:</b>	Significant Deficiency
<b>Compliance Impact:</b>	Nonmaterial Noncompliance
<b>Federal Awarding Agency:</b>	U. S. Department of Education
<b>Pass-Through Entity:</b>	None
<b>CFDA Numbers and Titles:</b>	84.007 – Federal Supplement Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans Program 93.264 – Nursing Student Loans
<b>Federal Award Numbers:</b>	P007A181059 (Year: 2019), P033A181059 (Year: 2019), P063P180095 (Year: 2019), P268K190095 (Year: 2019), E01HP28790-05-00 (Year: 2019)
<b>Questioned Costs:</b>	\$879.83

**Description:**

The Institution did not properly perform the refund process to ensure that unearned Title IV funds were returned in a timely manner.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**Criteria:**

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

**Condition:**

A sample of 40 students who received student financial assistance (SFA) for the Fall 2018 and Spring 2019 semesters and withdrew from the Institution was randomly selected for testing using a non-statistical sampling method. The students' Return of Title IV calculations were reviewed to ensure that the refunds were calculated and returned in the correct amount to the proper funding agency and/or student in a timely manner. The following deficiencies were noted:

- The refund calculation for one student who withdrew during the Fall 2018 semester and four students who withdrew during the Spring 2019 semester was calculated incorrectly due to the use of improper scheduled break days, withdrawal dates, and/or institutional charges. Three students were requested to return \$879.83 less than the required amount to various SFA programs, and two students were requested to return \$5,174.49 more than the required amount to various SFA programs.
- The proration between the school and student portion of the refund was incorrect for two students who withdrew during the Fall 2018 semester and eight students who withdrew during the Spring 2019 semester.

**Questioned Costs:**

Questioned costs of \$879.83, with likely questioned costs of \$6,433.70, were identified for refunds calculated incorrectly. The following CFDA numbers are affected by the known and likely questioned costs: 84.063 and 84.268.

**Cause:**

In discussing these deficiencies with management, they stated that they misunderstood the process of prorating the institutional charges when students withdraw. In addition, human errors occurred when entering data into the manual calculations.

**Effect or Potential Effect:**

This deficiency may expose the Institution to unnecessary financial strains and shortages. The Institution's portion of the refunds that were not calculated correctly must be returned to the U.S. Department of Education. Though the Institution may attempt to collect the funds from individual students affected by the error, these collection efforts could be unsuccessful as the students may no longer attend the Institution and/or fail to repay the funds. Additionally, the Institution was not in compliance with Federal regulations concerning performing Return of Title IV calculations for withdrawn students.



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YEAR ENDED JUNE 30, 2019

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**Recommendation:**

The Institution should revise and implement procedures to ensure that student financial aid refunds are properly calculated and that unearned funds are correctly returned to the appropriate accounts in a timely manner in accordance with the Higher Education Amendments 1998, Public Law 105-244. The Institution should also contact the U.S. Department of Education regarding resolution of the finding.

**Views of Responsible Officials:**

We concur with this finding.

CORRECTIVE ACTION PLANS - FEDERAL AWARD FINDINGS

FA-2019-001

Strengthen Controls over the Awarding Process

Compliance Requirement:	Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U. S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplement Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans Program 93.264 – Nursing Student Loans
Federal Award Numbers:	P007A181059 (Year: 2019), P033A181059 (Year: 2019), P063P180095 (Year: 2019), P268K190095 (Year: 2019), E01HP28790-05-00 (Year: 2019)
Questioned Costs:	\$1,524.00

The Institution's Student Financial Assistance Office improperly determined the Student Financial Assistance award amounts for eligible students.

**Corrective Action Plans:**

The population selection process for the enrollment freeze was determined to be incorrect. In August 2019, Financial Aid worked with an ITS member to resolve the problem. The population selection process was corrected, but it was corrected temporarily for Fall 2019. A permanent solution for coding the correct population selection is already in progress.

Estimated Completion Date: January 15, 2020

Contact Person: Leigh Ann Hussey  
Title: Director, Financial Aid  
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Dr. Stuart Rayfield  
Interim President  
University of West Georgia

CORRECTIVE ACTION PLANS - FEDERAL AWARD FINDINGS

<b>FA-2019-002</b>	<u><b>Improve Controls over Cost of Attendance Budgets</b></u>
<b>Compliance Requirement:</b>	Eligibility
<b>Internal Control Impact:</b>	Significant Deficiency
<b>Compliance Impact:</b>	Nonmaterial Noncompliance
<b>Federal Awarding Agency:</b>	U. S. Department of Education
<b>Pass-Through Entity:</b>	None
<b>CFDA Numbers and Titles:</b>	84.007 – Federal Supplement Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans Program 93.264 – Nursing Student Loans
<b>Federal Award Numbers:</b>	P007A181059 (Year: 2019), P033A181059 (Year: 2019), P063P180095 (Year: 2019), P268K190095 (Year: 2019), E01HP28790-05-00 (Year: 2019)
<b>Questioned Cost:</b>	None Identified

The Institution’s Student Financial Aid Office did not document the procedures used to establish Cost of Attendance (COA) budgets.

**Corrective Action Plans:**

For the 1819 award year, COA budgets were adjusted by a straight 3% across-the-board from 1718 award year COA budgets. Documentation from 1718 COA budgets could not be located. The 1920 award year COA budgets were correctly documented via a Qualtrics survey and corresponding results. The results are stored on the Financial Aid Shared Drive. In Spring 2019, USG informed institutions during an audit webinar that straight percentage increases across the board were no longer acceptable. UWG Financial Aid has already adjusted the Financial Aid Policy and Procedure Manual to state that “Cost of Attendance research will be performed annually before awarding for the upcoming aid year. Documentation will be placed on the Financial Aid shared drive.”

Estimated Completion Date: July 1, 2019

Contact Person: Leigh Ann Hussey  
 Title: Director, Financial Aid  
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 Email: lhussey@westga.edu

CORRECTIVE ACTION PLANS - FEDERAL AWARD FINDINGS

<b>FA-2019-003</b>	<u><b>Improve Controls over the Return of Title IV Funds Process</b></u>
<b>Compliance Requirement:</b>	Special Tests and Provisions
<b>Internal Control Impact:</b>	Significant Deficiency
<b>Compliance Impact:</b>	Nonmaterial Noncompliance
<b>Federal Awarding Agency:</b>	U. S. Department of Education
<b>Pass-Through Entity:</b>	None
<b>CFDA Numbers and Titles:</b>	84.007 – Federal Supplement Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans Program 93.264 – Nursing Student Loans
<b>Federal Award Numbers:</b>	P007A181059 (Year: 2019), P033A181059 (Year: 2019), P063P180095 (Year: 2019), P268K190095 (Year: 2019), E01HP28790-05-00 (Year: 2019)
<b>Questioned Costs:</b>	\$879.83

The Institution did not properly perform the refund process to ensure that unearned Title IV funds were returned in a timely manner.

**Corrective Action Plans:**

The UWG Financial Aid Office will implement a temporary corrective action plan immediately followed by a permanent correction action plan. Until the permanent plan can be implemented, 2 UWG Financial Aid employees will review each R2T4 calculation. This will ensure timeliness and accuracy in the current process. In order to reduce the capacity for human error as much as possible, the permanent solution will be to completely move the R2T4 process into Banner. The UWG Financial Aid Office will work to complete this project with both the Bursar’s and Registrar’s Offices.

Estimated Completion Date: August 31, 2020

Contact Person: Leigh Ann Hussey  
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