

EASTERN OREGON UNIVERSITY
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2018

**EASTERN OREGON UNIVERSITY
TABLE OF CONTENTS
FOR THE YEAR ENDED JUNE 30, 2018**

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GRANT GUIDANCE	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	7
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	8



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Members of the Board of Trustees
Eastern Oregon University
La Grande, Oregon

We have audited, in accordance with the 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 financial statements of the business-type activities and the discretely presented component unit of Eastern Oregon University (the University), a component unit of the State of Oregon, as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated November 8, 2018. Our report includes a reference to other auditors who audited the financial statements of of the discretely presented component unit, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* 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, misstatements 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 a material misstatement of the University's financial statements 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 that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Eastern Oregon University's Response to Findings

The University's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 8, 2018



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Members of the Board of Trustees
Eastern Oregon University
La Grande, Oregon

Report on Compliance for Each Major Federal Program

We have audited Eastern Oregon University's (the University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the University's major federal program for the year ended June 30, 2018. The University's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the University's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Each Major Federal Program

In our opinion, Eastern Oregon University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2018-002. Our opinion on the major federal program is not modified with respect to this matter.

The University's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, 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 in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-002, which we consider to be a significant deficiency.

Members of the Board of Trustees
Eastern Oregon University

The University's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the discretely presented component unit of the University, a component unit of the State of Oregon, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated November 8, 2018, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 8, 2018

**EASTERN OREGON UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

Cluster	Federal Grantor	Program Title	CFDA Number	Pass-Through Entity	Expenditures
Research and Development					
	National Science Foundation	Biological Sciences	47.074		\$ 64,203
	National Science Foundation	Education and Human Resources	47.076		112,708
	National Science Foundation Total				<u>176,911</u>
	Department of Energy	Office of Science Financial Assistance Program	81.049	Bonneville Power Administration	<u>169,604</u>
	Total Research and Development Cluster				346,515
Student Financial Assistance					
	Department of Education	Supplemental Educational Opportunity Grants	84.007		121,200
	Department of Education	Federal Work-Study Program	84.033		214,784
	Department of Education	Perkins Loan	84.038		1,443,294
	Department of Education	Federal Pell Grant Program	84.063		4,978,003
	Department of Education	Direct Student Loans	84.268		14,897,677
	Department of Education	Teacher Education Assistance for College and Higher Education Grants	84.379		<u>23,595</u>
	Total Department of Education and Student Financial Assistance Cluster				21,678,553
TRIO					
	Department of Education	TRIO-Student Support Services	84.042		<u>235,449</u>
	Total Department of Education and TRIO Cluster				235,449
Other Programs					
	Department of Agriculture	Child and Adult Care Food Program	10.558	Oregon Department of Education	99,107
	Department of Labor	Mine Health and Safety Grants	17.600		135,849
	Small Business Administration	Small Business Development Centers	59.037	Lane Community College	19,800
	Small Business Administration	Small Business Development Centers	59.037	US Department of Commerce	<u>13,770</u>
	Small Business Administration Total				33,570
	Department of Health and Human Services	Head Start	93.600		<u>1,404,020</u>
	Total Other Programs				<u>1,672,546</u>
Total Expenditures of Federal Funds					<u><u>\$ 23,933,063</u></u>

See Notes to the Schedule of Expenditures of Federal Awards

EASTERN OREGON UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Eastern Oregon University under programs of the federal government of the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Eastern Oregon University, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Eastern Oregon University.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Eastern Oregon University has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 FEDERAL STUDENT LOAN PROGRAMS

The federal student loan programs listed subsequently are administered directly by Eastern Oregon University, and balances and transactions relating to these programs are included in Eastern Oregon University's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2018 consists of:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Outstanding</u>
Perkins Loans	84.038	\$ 1,225,312

NOTE 4 SUBRECIPIENTS

There were no amounts to report on the Schedule that were passed through to subrecipients.

**EASTERN OREGON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified? yes none reported
3. Noncompliance material to financial statements noted? yes no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified? yes none reported
2. Type of auditors' report issued on Compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of Major Federal Programs

CFDA Number(s)

84.007, 84.033, 84.038,
84.063, 84.268, 84.379

Name of Federal Program or Cluster

Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000/\$187,500

Auditee qualified as low-risk auditee?

yes no

**EASTERN OREGON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

Section II – Financial Statement Findings

2018 – 001

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: The University included approximately \$1.8 million in operating expenses that should have been capitalized and reported in capital assets.

Criteria or specific requirement: Generally accepted accounting principles require organizations to capitalize expenditures for assets that have a useful life that is greater than one year and that have a value of a predetermined capitalization threshold as approved by the board and included in the organization's policies. The University's capitalization threshold is \$5,000 for equipment and \$50,000 - \$100,000 for real property expenditures that increase the functionality and/or extend the useful life of the real property.

Context: While performing analytical procedures over expenditures, we identified an increase in other operating expense that was higher than expected. Upon inquiry it was noted that two capital projects had been included in expenses rather than capitalized as capital assets.

Effect: Approximately \$1.8 million was incorrectly expensed rather than capitalized. As such, an audit adjustment was recorded to correct the error.

Cause: Typically, costs recorded to specific capital outlay account codes are reviewed by the University to determine if the costs should be capitalized or not. The project costs that were erroneously reflected in operating expenses were not coded the capital outlay account codes as typical capital costs are recorded. Instead, these costs were recorded to an alternate code (S&S code). There was no control in place that triggered the University to review and identify costs outside of the capital outlay account codes for potential capitalization.

Repeat Finding: No

Recommendation: The University should evaluate the account coding process for capital costs. In addition, the University should analyze other account codes beyond capital outlay accounts for potential capital costs. Lastly, the University should reconcile capital asset records to the amount recorded on the general ledger.

Views of responsible officials and planned corrective actions: The University agrees with the finding.

**EASTERN OREGON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

Section III – Findings and Questioned Costs – Major Federal Programs

2018 – 002

Federal agency: Department of Education

Federal program title: Student Financial Assistance Cluster

CFDA Number: 84.007 – Federal Supplemental Education Opportunity Grants (FSEOG)

Award Period: July 1, 2017 to June 30, 2018

Type of Finding:

- Compliance, Other Matter
- Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: The Code of Federal Regulations, 34 CFR 676.10(a)(1) and (2) states “In selecting among eligible students for FSEOG awards in each award year, an institution shall select those student with the lowest expected family contributions (EFC) who will also receive Federal Pell Grants in that year. If the institution has FSEOG funds remaining after giving FSEOG awards to all the Federal Pell Grant recipients at the institution, the institution shall award the remaining FSEOG funds to those eligible students with the lowest EFC who will not receive Federal Pell Grants.”

Condition: The University awarded FSEOG to a student with a non-zero EFC, while eligible students with a zero EFC did not receive an FSEOG award. The amount awarded to this student was \$600.

Questioned costs: None reported.

Context: During our eligibility testing, we noted one student out of 40 students tested in a statistically valid sample, who was awarded FSEOG funds with a non-zero EFC. In this same population, we noted 3 students with a zero EFC who did not receive FSEOG that would have otherwise been eligible.

Cause: This was the first year Free Application for Federal Student Aid (FAFSA) was opened early. In the spring, it was determined the University had additional funding available and was able to award additional FSEOG funds to students beyond the initial FSEOG awarding for the June 30, 2018 award year. When the University ran the reports used in the determination of who would receive these additional FSEOG funds, they used October 2017 rather than October 2016, resulting in some eligible students being excluded from the list and not receiving an FSEOG award.

Effect: FSEOG was given to students with EFCs other than zero, when eligible students with zero EFCs did not receive FSEOG.

Repeat Finding: No

Recommendation: We recommend the University evaluate the procedures over the awarding of later additional FSEOG awards to ensure that students with greatest financial need receive FSEOG before other eligible students with the lowest EFC receive FSEOG.

View of Responsible Official: The University agrees with the finding.



EASTERN OREGON
UNIVERSITY

**EASTERN OREGON UNIVERSITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2018**

Department of Education

Eastern Oregon University respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2018.

Audit period: June 30, 2018

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2017 – 001 NSLDS Reporting

Condition: This finding was a significant deficiency due to errors that were not corrected and returned to NSLDS within the prescribed timeframe and due to two students, out of a sample of 40 students, who were not reported with a correct enrollment status.

Status: Corrected. The University performed procedures to ensure records were properly uploaded. In addition, the University manually enters information into NSLDS for unofficial withdrawals.

If the Department of Education has questions regarding this schedule, please call Sandy Henry, Director of Financial Aid at 541-962-3185.



**CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2018**

Department of Education

Eastern Oregon University respectfully submits the following corrective action plan for the year ended June 30, 2018.

Audit period: June 30, 2018

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

2018-001 Capital Additions

Recommendation: The University should evaluate the account coding process for capital costs. In addition, the University should analyze other account codes beyond capital outlay accounts for potential capital costs. Lastly, the University should reconcile capital asset records to the amount recorded on the general ledger.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding

Action planned/taken in response to finding:

Current Process: The process for reconciling all University assets at year-end involves many steps, all of which are recorded and tracked on a year-end deadline checklist. Throughout this audit, it was discovered that there is one additional step needed at the beginning of this reconciliation process, to ensure more accurate reporting. The first step in the current process is to reconcile all the fixed assets in the system, with all the capital outlay expenses. This process is intended to capture all expenses that may have been recorded as S&S initially (code 2xxxx), but should actually be coded as capital outlay (code 4xxxx). Since most projects have at least one expense coded under capital outlay, this process has always been able to identify those expenses that needed to be reclassified.

Issue Identified in FY18: This year, we had two projects that did not appear during this first step, because they were not already in the fixed asset system and had no expense coded under

capital outlay. This meant that our total capital outlay expenses still balanced with our fixed asset amount, since the system didn't know any of these transactions should have been capitalized.

Solution: In order to prevent this in the future, the University will now include an additional process, as the first step in this year-end reconciliation. This new process will include two new transaction reports to be reviewed and reconciled prior to the first step of the current process. One report will be based on account codes, and the other will be based on fund type. The University is confident that if one of these additional reconciliation reports were in-place, these two projects in FY18 would have been identified at the beginning of the process, and corrected at that point. While only one of these reports would have been able to identify the error in FY18, the University has reviewed the whole fixed asset process in detail, and feels that both reports are necessary for identifying and correcting potential future errors.

Report #1 - The first transaction report will pull all expenses over \$5,000 with an S&S code that are, or potentially could be, related to a capital project. The S&S codes for this new report will include; construction permits and fees, engineering and architectural services, and construction contract services. These transactions will then be reviewed in detail, to identify any additional capital projects across campus that were never coded as capital outlay.

Report #2 - The second transaction report will pull all expenses over \$5,000 with an S&S code that are currently posted to a construction related fund type. The fund codes for this new report will include; unexpended plant funds, renewal and replacement funds, retirement of debt funds, investment in plant funds, etc. These transactions will then be reviewed in detail, to identify which expense are truly S&S, and which expenses may be related to a larger capital project. Correcting accounting entries will then be made, if necessary.

Additional Control to Research: In addition to the above reports, which we believe will catch all errors in the future, the University is going to explore the options in the Banner FIS system, for initial coding of capital assets. Due to the Banner FIS functionality, all invoices paid with a capital outlay code automatically generate one single capital asset in the system. When the University is making multiple payments for one large project, it is very labor intensive to track and reverse all capital assets in the system each time an invoice is approve. Management will coordinate with IT to explore the options of creating construction in progress related account codes that do not automatically generate capital assets, but are under capital outlay so they still show-up on all reports. If this is possible, we would like to implement the use of these new account codes for our facility and capital projects department, along with the two additional year-end reports.

Name(s) of the contact person(s) responsible for corrective action: Cora Beach

Planned completion date for corrective action plan: December 31, 2018

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

2018-002

Federal agency: Department of Education

Federal program title: Student Financial Assistance Cluster

CFDA Number: 84.007 – Federal Supplemental Education Opportunity Grants (FSEOG)

Award Period: July 1, 2017 to June 30, 2018

Type of Finding:

- Compliance, Other Matter
- Significant Deficiency in Internal Control over Compliance

Recommendation: We recommend the University evaluate the procedures over the awarding of later additional FSEOG awards to ensure that students with greatest financial need receive FSEOG before other eligible students with the lowest EFC receive FSEOG.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding:

Finding: In the spring, it was determined the University had additional funding available and was able to award additional FSEOG funds to students beyond the initial FSEOG awarding for the June 30, 2018 award year. This was the first year Free Application for Federal Student Aid (FAFSA) was opened early. When the University ran the reports used in the determination of who would receive these additional FSEOG funds, they used October 2017 rather than October 2016, resulting in some eligible students being excluded from the list and not receiving an FSEOG award.

Effect: FSEOG awards that totaled \$600 were given to students with EFCs other than zero, when eligible students with zero EFCs did not receive FSEOG.

Corrective Action: The Asst. Financial Aid Director has been assigned, and documented on his job checklist to review all students each term that had FAFSA completion dates within EOU's initial awarding timeline. The Asst. Financial Aid Director will award additional FSEOG to students with a zero EFC's each term after 4th week that had delays in their awards due to C Codes, Verification completion, or later academic year term admission, as long as funds are projected to be available.

Name(s) of the contact person(s) responsible for corrective action: Sandy Henry

Planned completion date for corrective action plan: Corrective action already implemented

If the U.S. Department of Education has questions regarding this plan, please call Sandy Henry at 541-962-3185