



# **GEORGIA PIEDMONT TECHNICAL COLLEGE CLARKSTON, GEORGIA**

**INDEPENDENT ACCOUNTANTS  
REPORT ON APPLYING AGREED-  
UPON PROCEDURES  
FOR FISCAL YEAR ENDED  
JUNE 30, 2017**

**A Member Institution of the  
Technical College System of Georgia**



- TABLE OF CONTENTS -

	<u>Page</u>
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	3



## DEPARTMENT OF AUDITS AND ACCOUNTS

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**GREG S. GRIFFIN**  
STATE AUDITOR  
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April 17, 2018

Members of the State Board of the Technical College System of Georgia  
Members of the Local Board of Directors of  
Georgia Piedmont Technical College  
and  
Ms. Penni L. Haberly, Assistant Commissioner  
Technical College System of Georgia

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

Ladies and Gentlemen:

We have performed the procedures enumerated below, which were agreed to by the Georgia Piedmont Technical College (College), solely to assist you in evaluating compliance with Federal Student Aid programs and meeting the requirements of COC Comprehensive Standard 13.6 for the year ended June 30, 2017. Included in this report is a section on findings and other items for any matters that came to our attention during our engagement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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.

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

1. Complete selected procedures for the General Matters compliance requirement.

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

2. Complete selected procedures for the Activities Allowed or Unallowed (AAU) compliance requirement.

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

3. Complete selected procedures for the Cash Management (CM) compliance requirement.

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

4. Complete selected procedures for the Eligibility (EL) compliance requirement.

**See FA 2017-001 in the Schedule of Findings and Questioned Costs for a detail of exceptions noted.**

5. Complete selected procedures for the Matching, Level of Effort and/or Earmarking (MLE) compliance requirement.

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

6. Complete selected procedures for the Program Income (PI) compliance requirement.

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

7. Complete selected procedures for the Reporting (RPT) compliance requirement.

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

8. Complete selected procedures for the Special Tests & Provisions (STP) compliance requirement.

**See FA 2017-002 and FA 2017-003 in the Schedule of Findings and Questioned Costs for a detail of exceptions noted.**

We were not engaged to, and did not, conduct an examination, the objective of which is to express an opinion on the Federal Student Aid compliance requirements. Accordingly, we do not express such an opinion. 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 the specified users listed above and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,



Greg S. Griffin  
State Auditor

GEORGIA PIEDMONT TECHNICAL COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2017

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**FA 2017-001 Overpayment of Student Financial Assistance**

**Compliance Requirement:** Eligibility  
**Internal Control Impact:** Material Weakness  
**Compliance Impact:** Material Noncompliance  
**Federal Awarding Agency:** U. S. Department of Education  
**Pass-Through Entity:** None  
**CFDA Number and Title:** 84.063 – Federal Pell Grant Program  
84.268 – Federal Direct Student Loans  
**Federal Award Number:** P268K172762 (Fiscal Year: 2017), P063P162762  
(Fiscal Year: 2017)  
**Questioned Cost:** \$22,173.00

**Description:**

The Institution's Student Financial Assistance Office improperly determined the financial need of 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 Loan Program, and Federal Pell Grant Program, respectively.

**Condition:**

A sample of forty financial assistance files was selected to determine if financial assistance was properly calculated and disbursed to eligible students. The following deficiencies were noted:

1. One student in the sample was eligible to receive \$1,000.00 more in Direct Student Loans based upon their attempted credit hours than they actually received.
2. Two students in the sample were not in compliance with the Institution's published satisfactory academic progress (SAP) policies. Federal regulations (34 CFR 668.32 and 668.34) state that a student is eligible to receive financial assistance under Title IV programs if satisfactory academic progress is maintained. The students did not meet the quantitative and/or qualitative requirement of satisfactory academic progress, which resulted in SFA over disbursements totaling \$15,460.00.
3. Two students in the sample were not enrolled at least half time and received Direct Student Loans, which resulted in SFA over disbursements totaling \$6,713.00.

**Questioned Cost:**

Questioned costs of \$22,173.00, with likely questioned costs of \$1,723,857.27, were identified for the students who received student financial assistance in excess of their eligible need.

**Cause:**

In discussing these deficiencies with management, they stated that turnover within the Student Financial Aid Office and inadequate policies and procedures led to these problems.

GEORGIA PIEDMONT TECHNICAL COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2017

**Effect or Potential Effect:**

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 financial need requirements. Additionally, the Institution should develop and implement a monitoring process to ensure that controls are properly implemented. The Institution should also contact the U.S. Department of Education regarding resolution of this finding.

**Views of Responsible Officials and Corrective Action Plans:**

We concur with this finding. New standard operating procedures for financial aid awarding and standards of academic progress have been implemented to prevent these errors from occurring in the future. The new procedures were implemented in August of 2017, at the end of the summer term.

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**FA 2017-002 Return of Title IV Funds**

<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 Number and Title:</b>	84.007 – Federal Supplemental Education Opportunity Grant 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
<b>Federal Award Number:</b>	P268K172762 (Fiscal Year: 2017), P063P162762 (Fiscal Year: 2017), P007A160991 (Fiscal Year: 2017)
<b>Questioned Cost:</b>	\$3,578.70

**Description:**

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

**Criteria:**

The provisions in 34 CFR 668.22 provides requirements over the treatment of Title IV funds when a student withdraws. The Institution is required to determine the amount of Title IV grant that the student earned as of the student's withdrawal date when a recipient of a Title IV grant 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 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:**

Thirty-seven students who received Federal financial assistance for the Fall 2016 and Spring 2017 semesters and withdrew from the Institution were selected to determine if refunds were calculated and returned in the correct amount to the proper funding agency and/or student in a timely manner.

GEORGIA PIEDMONT TECHNICAL COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2017

Our examination revealed the following deficiencies:

1. The refund calculations for fourteen students who withdrew during the Fall 2016 semester and three students who withdrew during Spring 2017 were calculated incorrectly due the use of improper scheduled break days, withdrawal dates, and/or institutional charges. These students were requested to return \$3,578.70 less than the required amount to various SFA programs.
2. The refund calculations for four students who withdrew during the Fall 2016 semester and five students who withdrew during Spring 2017 were calculated incorrectly due the use of improper scheduled break days, scheduled end dates, and/or institutional charges. These students were requested to return \$670.90 more than the required amount to various SFA programs.
3. Refund calculations provided to the auditor did not agree to the actual amounts reversed on the student's account in five instances.
4. The refund was not applied to the appropriate loan or grant in the correct order in two instances.
5. The proration between the school and student portion of the refund was incorrect for thirteen of the students who withdrew during the Fall 2016 semester and nine of the students who withdrew during the Spring 2017 semester.
6. Funds were not returned to the appropriate grantor programs within the required time frame of forty-five days for thirty-one of the withdrawn students tested.
7. Funds were reversed on the student's account but were not transmitted to the appropriate grantor program in one instance.

**Questioned Cost:**

Questioned costs of \$3,578.70, with likely questioned costs of \$16,755.18, were identified for refunds calculated incorrectly.

**Cause:**

In discussing these deficiencies with management, they stated that turnover within the Student Financial Aid Office and inadequate policies and procedures led to these problems.

**Effect or Potential Effect:**

The Student Financial Assistance Office did not calculate the correct amount of refunds for the Title IV Federal program and did not apply the SFA refunds to the Title IV Federal programs in a timely manner.

**Recommendation:**

The Institution should develop 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 this finding.

GEORGIA PIEDMONT TECHNICAL COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2017

**Views of Responsible Officials and Corrective Action Plans:**

We concur with this finding. Corrections will be made to the Banner set-up to ensure that Return of Title IV calculations are correct. In addition, new standard operating procedures for Return of Title IV were implemented in August of 2017, beginning with the fall 2017 term, to prevent these errors from occurring in the future. Corrective action in Banner is currently being reviewed and will be implemented in May of 2018.

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**FA 2017-003 Unofficial Withdrawals**

<b>Compliance Requirement:</b>	Special Tests and Provisions
<b>Internal Control Impact:</b>	Material Weakness
<b>Compliance Impact:</b>	Material Noncompliance
<b>Federal Awarding Agency:</b>	U. S. Department of Education
<b>Pass-Through Entity:</b>	None
<b>CFDA Number and Title:</b>	84.007 – Federal Supplemental Education Opportunity Grant 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
<b>Federal Award Number:</b>	P268K172762 (Fiscal Year: 2017), P063P162762 (Fiscal Year: 2017), P007A160991 (Fiscal Year: 2017)
<b>Questioned Cost:</b>	\$66,766.34

**Description:**

Unearned Title IV funds were not identified and returned for students who unofficially withdrew from the Institution.

**Criteria:**

The provisions in 34 CFR 668.22 provides requirements over the treatment of Title IV funds when a student withdraws. The Institution is required to determine the amount of Title IV grant that the student earned as of the student's withdrawal date when a recipient of a Title IV grant 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 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:**

Forty students who received Federal financial assistance for the Fall 2016 and Spring 2017 semesters and withdrew from the Institution but for whom no Return of Title IV calculation was performed were selected to determine if a refund should have been calculated. Our examination revealed that refund calculations were not performed for thirty-five of these students who unofficially withdrew during the Fall 2016 and Spring 2017 semesters. In addition, upon testing a sample of forty financial assistance files to determine if financial assistance was properly calculated and disbursed to eligible students, it was noted that a refund should have been calculated for two students who unofficially withdrew during the Summer 2017 semester.

**Questioned Cost:**

Questioned costs of \$66,766.34, with likely questioned cost of \$976,509.18, were identified for refunds calculated incorrectly.



GEORGIA PIEDMONT TECHNICAL COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2017

**Cause:**

In discussing these deficiencies with management, they stated that turnover within the Student Financial Aid Office and inadequate policies and procedures led to these problems.

**Effect or Potential Effect:**

The Office of Financial Aid did not calculate the correct amount of refunds for the Title IV Federal program.

**Recommendation:**

The Institution should implement policies and procedures to ensure that students who unofficially withdrew and received Title IV funds are identified and the required refund calculation is performed. The Institution should also contact the U.S. Department of Education regarding resolution of this finding.

**Views of Responsible Officials and Corrective Action Plans:**

We concur with this finding. The Institution will ensure that all faculty use the Banner Attendance Module to record attendance on class meeting days and follow the attendance policy when reporting no-shows, withdrawals, and students who receive failing grades. Faculty will be required to enter the last date of attendance (LDA) for all F grades. All instructor-initiated withdrawal requests will be communicated to the Office of the Registrar within 14 days of the LDA. In addition, revised standard operating procedures for processing withdrawals and no-shows and Return of Title IV have been implemented to prevent these errors from occurring in the future. The new procedures were implemented beginning in January of 2018.

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