



GWINNETT TECHNICAL COLLEGE LAWRENCEVILLE, GEORGIA

**INDEPENDENT ACCOUNTANT'S
REPORT ON APPLYING AGREED-
UPON PROCEDURES
FOR FISCAL YEAR ENDED
JUNE 30, 2021**

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



GWINNETT TECHNICAL COLLEGE

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DEPARTMENT OF AUDITS AND ACCOUNTS

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GREG S. GRIFFIN
STATE AUDITOR
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Independent Accountant's Report on Applying Agreed-Upon Procedures

Members of the State Board of the
Technical College System of Georgia,
Members of the Local Board of Directors of
Gwinnett Technical College
and
Dr. Glen Cannon, President
Gwinnett Technical College

Ladies and Gentlemen:

We have performed the procedures enumerated below on compliance with federal student financial assistance regulations reflected within the 2021 OMB Compliance Supplement for the year ended June 30, 2021. Gwinnett Technical College is responsible for complying with federal student financial assistance regulations reflected within the 2021 OMB Compliance Supplement.

Gwinnett Technical College has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance with federal student financial assistance regulations as reflected in the 2021 OMB Compliance Supplement and meeting the requirements of the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) as reflected in the SACSCOC Principles of Accreditation, Section 13.6 for the year ended June 30, 2021. This report may not be suitable for any other purpose. The procedures performed may not address all of the items of interest to a user of this report and may not meet the needs of all users of this report, and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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

1. Complete applicable procedures reflected in the 2021 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 2021 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 2021 OMB Compliance Supplement for the Eligibility compliance requirement.

A sample of 40 students who received student financial assistance (SFA) was randomly selected for testing using a non-statistical sampling method to determine if financial assistance was properly calculated and disbursed to eligible students. Five students in the sample were awarded less Federal Direct Student Loan funds than they were eligible to receive. In addition, two students did not have transfer monitoring performed prior to disbursing federal funds. Furthermore, a credit balance was not provided for one student within 14 days of the date the balance was created.

4. Complete applicable procedures reflected in the 2021 OMB Compliance Supplement for the Reporting compliance requirement.

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

5. Complete applicable procedures reflected in the 2021 OMB Compliance Supplement for the Special Tests and Provisions compliance requirement.

Our testing of 40 students who received Federal Pell Grant Program and/or Federal Direct Student Loan funds and had a reduction or increase in attendance level, graduated, withdrew, dropped out, or enrolled but never attended during the audit period revealed that significant data elements reflected under the National Student Loan Data System (NSLDS) Campus-Level and/or Program-Level Records were not reported accurately for three students. In addition, enrollment information related to six students was not reported to NSLDS within 60 days of the students' change in enrollment.

We were engaged by Gwinnett Technical College to perform this agreed-upon procedures engagement and conducted our engagement 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 would be the expression of an opinion or conclusion, respectively, on compliance with 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.

We are required to be independent of Gwinnett Technical College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Gwinnett Technical College, the Technical College System of Georgia, and the SACSCOC 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 21, 2022

GWINNETT TECHNICAL COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA-2021-001 Strengthen Controls over the Return of Title IV Funds Process

Compliance Requirement:	Special Tests and Provisions
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 Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Federal Award Numbers:	P007A206421 (Year: 2021), P033A206421 (Year: 2021), P063P204114 (Year: 2021), P268K214114 (Year: 2021)
Questioned Costs:	\$5,861

Description:

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

Background Information:

Student financial assistance, or Title IV, funds are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive. If a recipient of Title IV grant or loan funds withdraws from a school after beginning attendance, the school must perform a Return of Title IV (R2T4) calculation to determine the amount of Title IV assistance earned by the student. Up through the 60% point in each period of enrollment, a pro rata schedule is used to determine the amount of Title IV funds the student has earned at the time of withdrawal. After the 60% point in the period of enrollment, a student is considered to have earned 100% of the Title IV funds the student was scheduled to receive during the period.

The R2T4 calculation is prepared using the following information associated with the period of enrollment:

- The student's Title IV aid information, including amounts disbursed and amounts that could have been disbursed,
- The withdrawal date and scheduled start date, end date, and break days, and
- Institutional charges, including tuition, fees, room, board, books, supplies, materials, and equipment.

Criteria:

As a recipient of federal awards, the Institution is required to establish and maintain effective internal control over federal awards that provides reasonable assurance of managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards pursuant to Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Section 200.303 – Internal Controls.

GWINNETT TECHNICAL COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

Provisions included in Title 34 CFR Section 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 the 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 and/or loan assistance that was disbursed to the student as of the withdrawal date.

Additionally, provisions included in Title 34 CFR Section 668.22(j) address the timeframe for the return of title IV funds and state "(1) An institution must return the amount of title IV funds for which it is responsible... as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew... (2) For an institution that is not required to take attendance, an institution must determine the withdrawal date for a student who withdraws without providing notification to the institution no later than 30 days after the end of the earlier of the – (i) Payment period or period of enrollment... (ii) Academic year in which the student withdrew; or (iii) Educational program from which the student withdrew."

Condition:

A sample of 40 students from a population of 1,002 students who received student financial assistance (SFA) and withdrew from the Institution during the Fall 2020 and Spring 2021 semesters was randomly selected for testing using a non-statistical sampling method. The students' R2T4 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 2020 semester was calculated incorrectly due to the use of the improper withdrawal date. This student was requested to return \$1,160 less than the required amount to various SFA programs.
- The proration between the school and student portion of the refund was incorrect for one student who withdrew during the Fall 2020 semester.
- The amount returned within the student information system did not agree to the Institution's calculation for one student.
- The refund amounts for one student who withdrew during the Fall 2020 semester and one student who withdrew during the Spring 2021 semester were calculated appropriately but were never returned to the appropriate grantor programs. The Institution did not report or return \$4,701 as required to various SFA programs.
- Funds were not returned to the appropriate grantor programs within the required time frame for four of the withdrawn students tested.
- In 20 instances, the student's withdrawal was never reported to the National Student Loan Data System (NSLDS).

Questioned Costs:

Upon testing a sample of \$92,853 in financial aid disbursements to students for whom a R2T4 calculation was completed, known questioned costs of \$5,861 were identified for refunds not adequately support or calculated incorrectly. Using the total population amount of \$2,708,189, we project the likely questioned costs to be approximately \$170,931. The following CFDA numbers were affected by the known and likely questioned costs: 84.007, 84.063 and 84.268.

GWINNETT TECHNICAL COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

Cause:

In discussing these deficiencies with management, they stated the midpoint of the term was not used for the withdrawal date appropriately for one student. In addition, student refund amounts were not returned to the U.S. Department of Education properly due to a lack of training associated with the tracking log in the Common Origination and Disbursement system for Direct Loans. Furthermore, an error in the upload process used to capture unofficial withdrawals led to the failure to report this withdrawal activity to the NSLDS.

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 or never reported 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 errors, these collection efforts could be unsuccessful as the students may no longer attend the Institution and/or fail to repay the funds. Additionally, not returning unearned Title IV funds to the U.S Department of Education in a timely manner may result in adverse actions and impact the Institution's participation in Title IV programs.

Recommendation:

The Institution should follow established procedures to ensure that R2T4 calculations are accurate and that unearned funds are returned to the appropriate accounts in a timely manner in accordance with federal regulations. Management should also develop and implement a monitoring process to ensure that controls are operating properly. The Institution should contact the U.S. Department of Education regarding resolution of the finding, as well.

Views of Responsible Officials and Corrective Action Plans:

We concur with this finding.



LAWRENCEVILLE | ALPHARETTA-NORTH FULTON

CORRECTIVE ACTION PLANS - FEDERAL AWARD FINDINGS

FA-2021-001

Strengthen Controls over the Return of Title IV Funds Process

Compliance Requirement: Special Tests and Provisions
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 Supplemental Educational Opportunity Grants
84.033 – Federal Work-Study Program
84.063 – Federal Pell Grant Program
84.268 – Federal Direct Student Loans
Federal Award Numbers: P007A206421 (Year: 2021), P033A206421(Year: 2021), P063P204114 (Year: 2021), P268K214114 (Year: 2021)
Questioned Costs: \$5,861

Description:

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

Corrective Action Plans:

The Financial Aid Office has worked with the Registrar’s Office, Academic Affairs leadership, and the Business Office to streamline the collection, review, and processing of students who are unofficial withdrawals. Streamlining the unofficial withdrawal process will allow for timely and accurate reporting, return to title IV, and reconciliation of funds between GTC and COD.

Estimated Completion Date: January 1, 2022

Contact Person: Dr. Kohle Paul
Title: VP of Student Affairs
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Dr. D. Glen Cannon
President, Gwinnett Technical College