



REPORT ON REVIEW AND FEDERAL COMPLIANCE PROCEDURES • FISCAL YEAR 2022

Gordon State College

Barnesville, Georgia

Greg S. Griffin | State Auditor



DOAA

Georgia Department
of Audits & Accounts

REVIEW SUMMARY

We have reviewed the financial statements of the business-type activities and the fiduciary funds of Gordon State College, as of and for the year ended June 30, 2022, and issued our report thereon, dated September 9, 2022. We conducted our review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Our Independent Accountant's Review Report, included in the Gordon State College's Consolidated Annual Financial Report, is available on the Georgia Department of Audits and Accounts' website at www.audits.ga.gov/ and on Gordon State College's website at www.gordonstate.edu.

Our review of the College found:

- we are not aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America;
- no financial reporting findings that require management's attention.

We have performed the procedures on compliance with federal student financial assistance regulations reflected within the 2022 OMB Compliance Supplement for the year ended June 30, 2022. Gordon State College is responsible for complying with federal student financial assistance regulations reflected within the 2022 OMB Compliance Supplement. Gordon State 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 2022 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, 2022.

Our procedures on compliance with federal student financial assistance regulations found no deficiencies in internal control over compliance findings and one instance of noncompliance or other matters applicable to Gordon State College that is required to be reported in accordance with Title 2 CFR 200.516(a).

OTHER ITEMS (NOTED FOR MANAGEMENT'S CONSIDERATION)

Cash Management

Observation:

Upon review of all cash drawdowns and disbursements related to the Federal Direct Student Loans program, insignificant excessive cash balances were noted for up to 48 days in the fiscal year. Provisions included in Title 34 CFR Sections 668.163 and 668.166 provide requirements for maintaining and accounting for funds and excess cash, respectively. Specifically, provisions included in 34 CFR 668.166(a) state, "The Secretary considers excess cash to be any amount of title IV, HEA program funds, other than Federal Perkins Loan Program funds, that an institution does not disburse to students or parents by the end of the third business day following the date the institution – (1) Received those funds from the Secretary; or (2) Deposited or transferred to its depository account previously disbursed title IV, HEA program funds, such as those resulting from award adjustments, recoveries, or cancellations." While Title 34 CFR Section 668.166(b) provides additional cash tolerance guidelines, the excessive cash balances maintained by the Institution also exceeded these prescribed tolerance limits.

Recommendation:

The Institution should follow established procedures to ensure that Federal Direct Student Loan funds are disbursed within three business days of the receipt of such funds or follow appropriate cash tolerance procedures prescribed by the U.S. Department of Education. The Institution should only request Federal Pell Grant and Federal Direct Student Loan funds when the amounts are immediately needed to disburse funds to students or parents. The Institution should also ensure that potential excess cash balances are reviewed when adjustments are made to students' awards and returned as necessary within the prescribed timeframes. Additionally, the Institution should develop and implement a monitoring process to ensure that controls are followed appropriately.