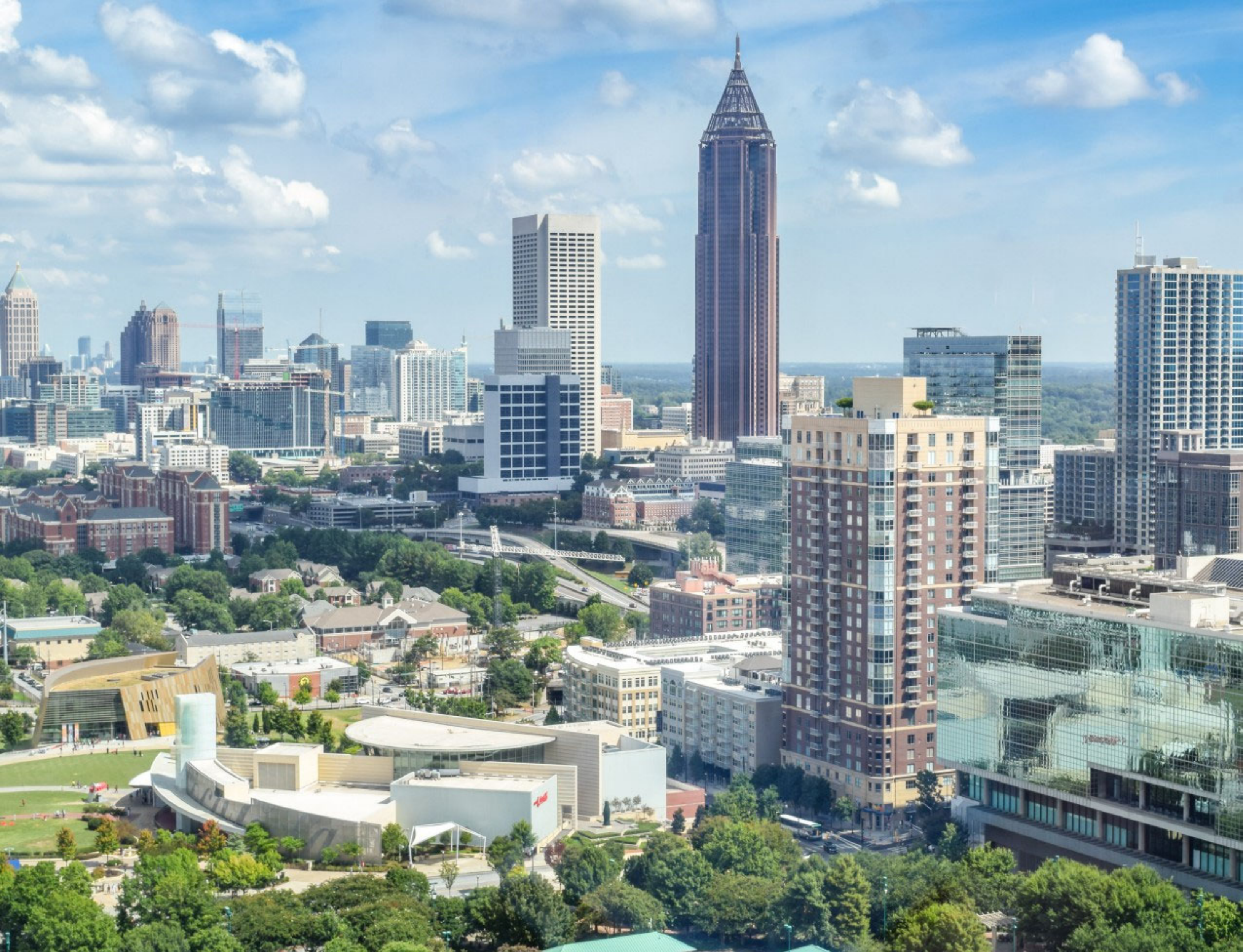

REPORT ON REVIEW AND FEDERAL COMPLIANCE PROCEDURES • FISCAL YEAR 2025

# University of North Georgia

## Dahlonega, Georgia

### A Member Institution of the University System of 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 University of North Georgia, as of and for the year ended June 30, 2025, and issued our report thereon, dated October 8, 2025. 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 University of North Georgia's Annual Financial Report, is available on the Georgia Department of Audits and Accounts' website at www.audits.ga.gov and on the University of North Georgia's website at www.ung.edu.

We have performed the procedures on compliance with federal student financial assistance regulations reflected within the 2024 OMB Compliance Supplement for the year ended June 30, 2025. University of North Georgia is responsible for complying with federal student financial assistance regulations reflected within the 2024 OMB Compliance Supplement. University of North Georgia 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 2024 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, 2025.

Our review of the University 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; and
- a federal award finding that requires management's attention, as described in the accompanying Schedule of Findings and Questioned Costs under the heading Federal Award Findings.

## ENTITY'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None Noted

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## FINANCIAL STATEMENT FINDINGS

None Noted

## FEDERAL AWARD FINDINGS

### FA 2025-001 Improve Controls over Enrollment Reporting

| | |
|---|---|
| **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 |
| **AL Numbers and Titles:** | 84.063 - Federal Pell Grant Program<br>84.268 - Federal Direct Student Loans |
| **Federal Award Numbers:** | P063P241313 (Year: 2025), P268K251313 (Year: 2025) |
| **Questioned Costs:** | None Identified |

**Description:**
The University of North Georgia did not report student enrollment information to required organizations in an accurate manner.

**Background Information:**
The University of North Georgia (University) is required to report enrollment information under the Federal Pell Grant and Federal Direct Student Loans programs via the National Student Loan Data System (NSLDS). The University must review, update, and verify student enrollment statuses, program information, and effective dates periodically throughout the award year. The accuracy of enrollment information reported by the University impacts its ability to properly administer the various Student Financial Assistance programs.

There are two categories of enrollment information reported to the NSLDS:

- Campus-Level, which includes data related to the student's overall enrollment at an institution's campus, and

- Program-Level, which includes data related to the student's program(s) of attendance.

The NSLDS Enrollment Reporting Guide provides institutions the requirements and guidance for reporting these specific campus-level and program-level enrollment details for students.

**Criteria:**
As a recipient of federal awards, the University 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.

Regarding the enrollment reporting process, provisions included in Title 34 Section CFR 685.309(b) state that "(1) Upon receipt of an enrollment report from the Secretary, a school must update all information included in the report and return the report to the Secretary – (i) In the manner and format prescribed by the Secretary; and (ii) Within the timeframe prescribed by the Secretary. (2) Unless it expects to submit its next updated enrollment report to the Secretary within the next 60 days, a school must notify the Secretary within 30 days after the date the school discovers that – (i) … the student has ceased to be enrolled on at least a half-time basis for the period…" In addition, per the NSLDS Enrollment Reporting Guide issued by the U.S. Department of Education (ED), students who have received Federal Pell Grant Program funds will be included on the NSLDS roster file received by each institution and are subject to the same enrollment reporting requirements as those students who have received a loan under the William D. Ford Federal Direct Loan Program.

**Condition:**
A sample of 25 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 was randomly selected for testing using a non-statistical sampling method. NSLDS Enrollment Detail information was reviewed for each student to ensure that the University accurately reported significant data elements under both the Campus-Level and Program-Level Record. For 12 students tested, the Program Enrollment Effective Date reflected on the Program-Level Record did not agree to the date on which the current enrollment status reported for the student was first effective.

**Cause:**
In discussing this deficiency with management, they stated that a student information system defect led to the inaccurate reporting of Program Enrollment Effective Dates on the Program-Level record.

**Effect or Potential Effect:**
The University was not in compliance with federal regulations concerning enrollment reporting requirements. Additionally, if enrollment statuses are not submitted appropriately to NSLDS by the University, loan interest subsidies may be negatively affected, deferments of Federal Direct Student Loans may be continued in error, loan repayment dates could be recorded incorrectly, and the compilation of data associated with other Title IV aid programs could be adversely affected.

**Recommendation:**
The University should follow established policies and procedures to ensure that all changes in student enrollment statuses are reported in accordance with timeframes prescribed by ED. Additionally, management should develop and implement a monitoring process to ensure that controls are operating properly.

**Views of Responsible Officials:**
We concur with this finding.

UNG | UNIVERSITY of NORTH GEORGIA
THE MILITARY COLLEGE OF GEORGIA

CORRECTIVE ACTION PLANS - FEDERAL AWARD FINDINGS

**FA 2025-001 Improve Controls over Enrollment Reporting**

| | |
|---|---|
| **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 |
| **AL Numbers and Titles:** | 84.063 – Federal Pell Grant Program<br>84.268 – Federal Direct Student Loans |
| **Federal Award Numbers:** | P063P241313 (Year: 2025), P268K251313 (Year: 2025) |
| **Questioned Costs:** | None Identified |

**Description:**
The University of North Georgia did not report student enrollment information to required organizations in an accurate manner.

**Corrective Action Plans:**
The Registrar's Office and the Financial Aid Office will enhance the processes related to program enrollment effective date reporting to ensure accuracy. An error in the BANNER system that resulted in duplicate records and reporting of enrollment information from prior terms has been corrected. Additionally, a new Clearinghouse report will be created to flag effective dates that do not match the first day of classes for the current term to monitor and confirm accuracy of enrollment reporting.

**Estimated Completion Date:** December 5, 2025

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**Phone Number:** 678-717-3755
**Email:** brett.merritt@ung.edu

Signature: Signed by: Michael P. Shannon
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Title: President