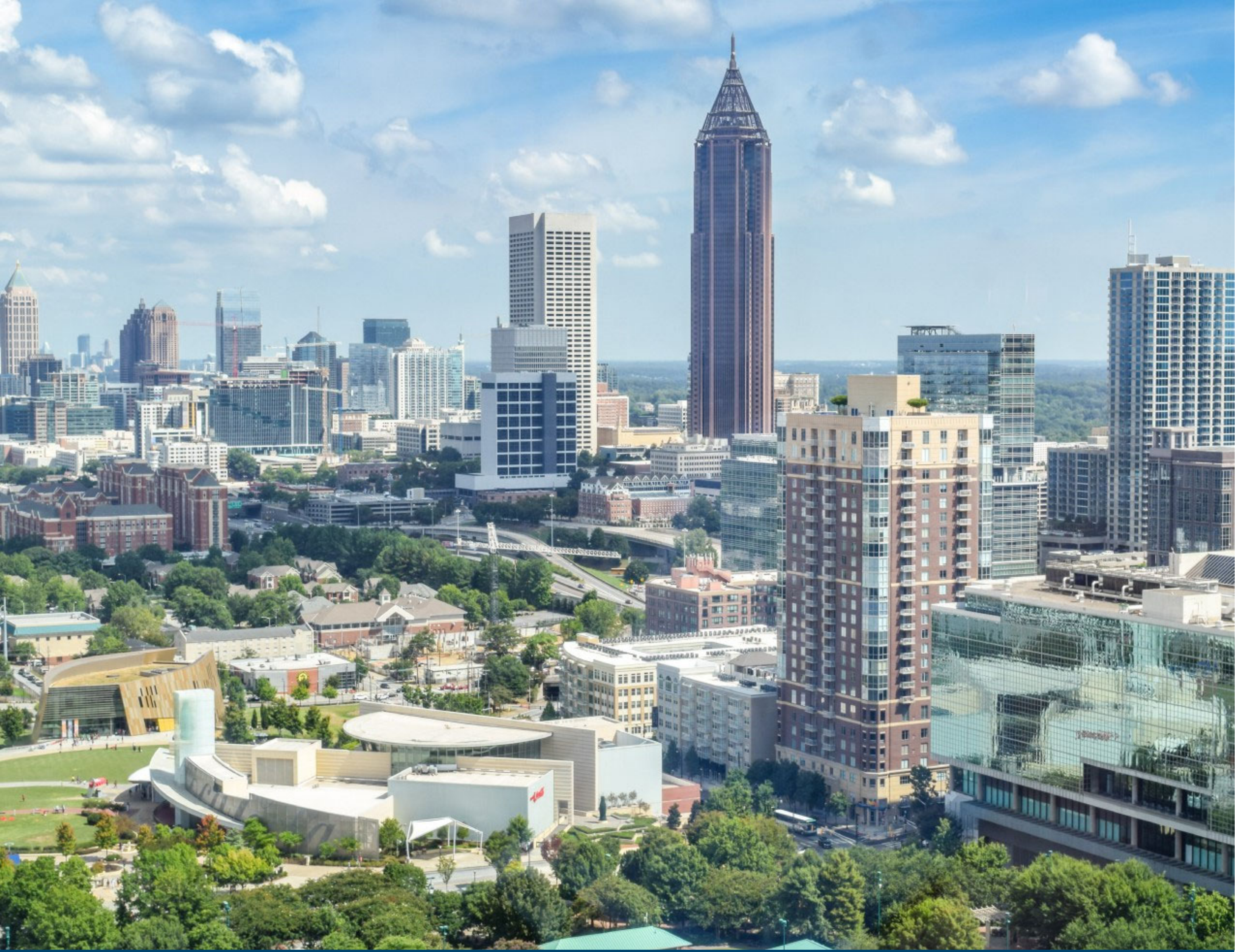

REPORT ON REVIEW AND FEDERAL COMPLIANCE PROCEDURES • FISCAL YEAR 2025

Middle Georgia State University

Macon, 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 Middle Georgia State University, as of and for the year ended June 30, 2025, and issued our report thereon, dated October 10, 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 Middle Georgia State University's Annual Financial Report, is available on the Georgia Department of Audits and Accounts' website at www.audits.ga.gov and on the Middle Georgia State University's website at www.mga.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. Middle Georgia State University is responsible for complying with federal student financial assistance regulations reflected within the 2024 OMB Compliance Supplement. Middle Georgia State University 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
- federal award findings that require 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 the Awarding Process

Compliance Requirement:	Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
AL 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 84.379 – Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)
Federal Award Numbers:	P007A241023 (Year: 2025), P0033A241023, (Year: 2025) P063P241312 (Year: 2025), P268K251312 (Year: 2025), P379T251312 (Year: 2025)
Questioned Costs:	None Identified

Description:
The Middle Georgia State University Student Financial Aid Office did not follow appropriate awarding policies and procedures and improperly determined the Student Financial Assistance award amounts for eligible students.

Background Information:
To receive student financial assistance (SFA), students must complete a Free Application for Federal Student Aid (FAFSA). Once the FAFSA is processed, an Institutional Student Information Record (ISIR) is provided to Middle Georgia State University (University). Among other things, the ISIR contains the applicant's Student Aid Index (SAI) and helps determine student eligibility, award amounts, and disbursements.

The cost of attendance (COA) for a student is an estimate of that student's educational expenses for the period of enrollment. Different standard costs can be used for different categories of students, such as out-of-state students who have higher tuition costs and in-state students who have lower tuition costs. The COA budget is the cornerstone of establishing a student's financial need and sets a limit on the total aid a student may receive.

The following types of SFA were awarded and disbursed to students at the University:

- *Federal Pell Grant (Pell)* – The Pell program provides grants to eligible students enrolled in eligible undergraduate programs and certain eligible post-baccalaureate teacher certificate programs and is intended to provide the foundation of financial aid. Maximum and minimum Pell awards are established by statute, but the amount for which each student is eligible is based on Maximum or Minimum Pell Grant eligibility criteria or the student's SAI.

- *Federal Supplemental Educational Opportunity Grants (FSEOG)* – The FSEOG program provides grants to eligible undergraduate students. Priority for FSEOG awards is given to Pell recipients who have the lowest SAI.

- *Federal Work-Study (FWS)* – The FWS program provides part-time employment to eligible undergraduate and graduate students who need earnings to help meet the costs of postsecondary education.

- *Federal Direct Student Loans* – The Direct Loan Program makes Direct Subsidized Loans and Direct Unsubsidized Loans to eligible students, and Direct PLUS Loans to eligible graduate or professional students or to eligible parents of eligible dependent undergraduate students, to pay for the cost of attending postsecondary educational institutions. Each student's ISIR, along with other information, is used by the College/University/Technical College to originate the student's Direct Loan.

- *Teacher Education Assistance for College and Higher Education (TEACH) Grants* – The TEACH Grant program is a non-need-based grant for students who are enrolled in an eligible program of study, and who agree to serve as a full-time teacher, in a high-need field, in an elementary school, secondary school, or educational service agency serving low-income students for at least four years within eight years of ceasing enrollment at the institution for which the TEACH Grant was awarded.

Once financial aid is awarded and disbursed to students, those students are required to maintain satisfactory academic progress (SAP) as defined by the University's published standards. These published standards must include a review of a qualitative component, which is typically based upon grade point average (GPA), and a quantitative component, which is based upon successful completion of attempted coursework at a specified pace within a maximum timeframe. SAP must be evaluated at least once per academic year, and if at the time of each evaluation, the student has not maintained SAP, they may no longer be eligible to receive SFA.

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.

All U.S. Department of Education (ED) SFA programs are authorized by Title IV of the Higher Education Act (HEA) of 1965, as amended (20 USC 1001 et seq.). In addition, provisions included in Title 34 CFR Section 668 provide general provisions for administering SFA programs and Title 34 CFR Sections 675, 676, 685, 686, and 690 provide eligibility and other related program requirements that are specific to the FWS Program, FSEOG Program, Federal Direct Student Loans Program, TEACH Grants, and Federal Pell Grant Program, respectively.

Condition:
A sample of 25 students from a population of 5,142 students who received SFA funds was randomly selected for testing using a non-statistical sampling method. Awarding activity for these students was reviewed to ensure that financial assistance was properly calculated and disbursed to eligible students and appropriate processes and procedures were followed. The following deficiencies were identified:

- One student was eligible to receive $368 more in Federal Pell Grant Program funds than they actually received based upon their enrollment status and ISIR information.

- One student's SAP calculation was not performed at the end of Fall 2024 as required per the University's SAP policy. The student did not meet the quantitative requirement of SAP and should have been placed on a suspended status. While the student did not enroll in classes after Fall 2024, this deficiency could have resulted in an over-disbursement of funds if the student had enrolled in courses in subsequent semesters during the period under review.

- Pell COA data reflected in Common Origination and Disbursement (COD) system did not agree to information in the student information system for two students.

- Award notifications were not provided to one student and were not provided timely for two students.

- The COA budget was not properly determined for two students due to errors in the entry of the COA budget components associated with graduate students. In addition, for all students tested within the sample, the COA budgets utilized reflected minor errors associated with the books and supplies components. These errors did not lead to the under or over awarding of students.

Cause:
In discussing these deficiencies with management, they stated that various processes were run and did not appropriately capture data associated with the SAP and award notification deficiencies identified above. Personnel turnover also contributed to the Pell funds that were not disbursed appropriately. In addition, COA data submitted to the COD system did not account for manual adjustments made within the student information system after submission occurred. Furthermore, the issues noted with the COA budgets occurred as a result of human error when entering the budgets into the student information system.

Effect:
The University was not in compliance with federal regulations concerning awarding of SFA funds to students. These deficiencies may lead to the over or under awarding of students and may expose the University to unnecessary financial strains and shortages. The funds disbursed to students in excess of their eligibility must be returned to ED. Though the University 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 University and/or fail to repay the funds.

Recommendation:
The University should review its processes and procedures for determining COA budgets and each student's financial aid eligibility. Where vulnerable, the University should develop and/or modify its policies and procedures to ensure that correct amounts will be awarded to students in conformity with federal requirements. Additionally, the University should develop and implement a monitoring process to ensure that controls are functioning properly. The University should also contact ED regarding resolution of this finding.

Views of Responsible Officials:
We concur with this finding.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FA 2025-002 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
AL Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans 84.379 – Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)
Federal Award Numbers:	P007A241023 (Year: 2025), P063P241312 (Year: 2025), P268K251312 (Year: 2025), P379T251312 (Year: 2025)
Questioned Costs:	$384

Description:
Middle Georgia State University 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 (SFA), or Title IV, funds are awarded to each student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws from Middle Georgia State University (University), 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 all 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, such as tuition, fees, room, board, books, supplies, materials, and equipment.

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.

Provisions included in Title 34 CFR Section 668.22 provide requirements over the treatment of Title IV funds when a student withdraws. The University 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 University 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 25 students from a population of 452 students who received SFA and withdrew from the University during the Fall 2024 and Spring 2025 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 calculations for six students who withdrew during the Fall 2024 semester and 12 students who withdrew during the Spring 2025 semester were calculated incorrectly due to the use of improper withdrawal dates, and/or institutional charges. Six students were requested to return $384 less than the required amount to various SFA programs, and 12 students were requested to return $13,111 more than the required amount to various SFA programs.

- Funds were not returned to the appropriate grantor programs within the required time frame for one of the withdrawn students tested.

Questioned Costs:
Upon testing a sample of $73,952 in financial aid disbursements to students for whom a R2T4 calculation was completed, known questioned costs of $384 were identified for refunds calculated incorrectly. Using the total population amount of $1,495,305, we project the likely questioned costs to be approximately $7,757. The following assistance listing numbers were affected by the known and likely questioned costs: 84.063 and 84.268.

Cause:
In discussing these deficiencies with management, they stated that a change in the methodology used to determine the withdrawal date occurred but the official policy was not updated appropriately; therefore, the midpoint date was used as the withdrawal date in many instances rather than the last date of attendance. In addition, a student information system configuration error caused the institutional charges to be calculated improperly calculated in certain instances involving no-show students and non-standard class schedules. Further, holiday closures led to refund timeliness issues identified by auditors.

Effect:
The University is not in compliance with the federal regulations concerning performing R2T4 procedures. This deficiency may expose the University to unnecessary financial strains and shortages. The University's portion of the refunds that were not calculated correctly must be returned to the U.S.

Department of Education (ED). Though the University 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 University and/or fail to repay the funds. Additionally, not returning unearned Title IV funds to ED in a timely manner may result in adverse actions and impact the University's participation in Title IV programs.

Recommendation:
The University 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 University should contact ED regarding resolution of the finding, as well.

Views of Responsible Officials:
We concur with this finding.

Middle Georgia State University

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CORRECTIVE ACTION PLANS - FEDERAL AWARD FINDINGS

FA 2025-001 Improve Controls over the Awarding Process

Compliance Requirement:	Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	United States Department of Education
Pass-Through Entity:	None
AL 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 84.379 – Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)
Federal Award Numbers:	P007A241023 (Year: 2025), P0033A241023 (Year: 2025), P063P241312 (Year: 2025), P268K251312 (Year: 2025), P379T251312 (Year: 2025)
Questioned Costs:	None Identified

Description:
The Middle Georgia State University Student Financial Aid Office did not follow appropriate awarding policies and procedures and improperly determined the Student Financial Assistance award amounts for eligible students.

Corrective Action Plans:

1. Enhance Collaboration with the Registrar's Office
   Establish a coordinated review process to ensure awards are accurately aligned with students' enrollment statuses. Special attention will be given to students initially reported as no-shows who later re-register for courses.
2. Refine Satisfactory Academic Progress (SAP) Review Procedures
   Improve the end-of-term SAP evaluation process to ensure accurate calculation and timely updates of students' eligibility statuses.

3. Document and Report Cost of Attendance (COA) Changes
   After initial COA data is submitted to the Common Origination and Disbursement (COD) system, any subsequent changes will be thoroughly documented and reported to COD to maintain compliance.
4. Implement Weekly Financial Aid Offer Schedules
   Financial aid offers will be issued to students on a weekly basis to ensure timely communication of eligibility information.
5. Review and Align 2025–2026 COA Budgets with USG Guidelines
   Conduct a comprehensive review of the 2025–2026 COA budget components to ensure alignment with University System of Georgia (USG) approved fees and standards.
6. Maintain Accurate COA Resource Documentation
   Ensure all resources used to determine COA budgets are accurately documented and maintained throughout the aid year.

Estimated Completion Date: October 1, 2025

Contact Person: Erika Clark
Title: Interim Director, Financial Aid
Phone Number: 478-757-4387
Email: erika.clark@mga.edu

Signature: Christopher Blake

Title: President

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Macon
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Warner Robins
and online everywhere

FA 2025-002 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:	United States Department of Education
Pass-Through Entity:	None
AL 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 84.379 – Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)
Federal Award Numbers:	P007A241023 (Year: 2025), P0033A241023 (Year: 2025), P063P241312 (Year: 2025), P268K251312 (Year: 2025), P379T251312 (Year: 2025)
Questioned Costs:	$384

Description:
Middle Georgia State University 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:

1. Validate Mid-Term Dates in Collaboration with the Registrar's Office
   Establish a formal process with the Registrar's Office to verify mid-term dates for all academic sessions. This will ensure accurate withdrawal calculations and timely processing of R2T4.
2. Use Last Date of Attendance for Unofficial Withdrawals
   Prioritize the use of the last date of attendance when determining unofficial withdrawal statuses. The mid-point of the term will only be used when the last date of attendance cannot be reasonably determined, in accordance with federal guidelines.
3. Account for Federal Holidays in Processing Timelines

Adjust internal processing schedules to anticipate delays caused by federal holidays. R2T4 calculations will be completed in a timely manner to ensure compliance with federal return deadlines and avoid late processing penalties.

Estimated Completion Date: September 1, 2025

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Phone Number: 478-757-4387
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Signature: ______________________

Title: President