

BOWIE STATE UNIVERSITY

Report of Independent Public Accountants
On
Applying Agreed-Upon Procedures

2017-2018 Academic Year

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON APPLYING AGREED-UPON PROCEDURES

University System of Maryland
3300 Metzertott Road
Adelphi, MD 20783

The Maryland Higher Education Commission
6 N. Liberty Street, Ground Suite
Baltimore, Maryland 21201

We have performed the procedures enumerated below, which were agreed to by the Maryland Higher Education Commission (the Commission) and University System of Maryland (USM), solely to assist in ensuring the accuracy of the eligibility of recipients of the Howard P. Rawlings Educational Excellence Awards Program, which includes the Educational Assistance Grant (EAG) and the Guaranteed Access Grant (GAG). Bowie State University's (the University) management is responsible for ensuring the accuracy of the eligibility of recipients of the Howard P. Rawlings Educational Excellence Awards Program, which the University reported to the Commission through the Maryland College Aid Processing System (MDCAPS). 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 enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and related results were as follows:

1. We obtained the population of students for the fiscal year ended June 30, 2018, for EAG and GAG from the Commission. We calculated the sample size based on the selection size calculated from the spreadsheet developed by the Commission which we were informed by the Commission was based on a statistical sampling method using 75% confidence level, tolerable rate of error of 3% and an expected error rate of 0% for sample sizes of 101 or more for items a and b below. The spreadsheet allocated the total sample size between a and b. For a and b below, if a population was between 11 and 100, we selected 10% of the population, and if a population was 10 or less, we selected the entire population per the Commission requirements. For item c, if the population was over 10, we selected 10% and if the population was 10 or less, we selected the entire population per the Commission requirements. We calculated the following samples.
 - a. For the Educational Assistance Grant, not selected for verification, we selected 34 students from the University's 881 students receiving EAG that were not selected for federal verification as reported in MDCAPS.



- b. For the Educational Assistance Grant, selected for federal verification as reported in MDCAPS, we selected 11 students from the University’s 392 students receiving EAG that were selected for federal verification as reported in MDCAPS.
 - c. For the Guaranteed Access Grant, we selected 9 students from the University’s 90 students receiving the GAG as reported in MDCAPS.
2. For those students selected in No. 1, we compared information reported in MDCAPS database to supporting evidence maintained at the University with respect to the following attributes.

Agreed-Upon Procedures		Exceptions
a.	We obtained the Institutional Student Information Report (ISIR) and determined if the student was a U.S. citizen or eligible non-citizen. If the student received a Student Aid Report (SAR) code on the ISIR which indicated that the Social Security Administration could not verify citizenship or eligible non-citizen status, we obtained the proof of U.S. Citizenship or eligible non-citizen status such as, the student’s U.S. Passport, Certificate of Naturalization, Birth Certificate, or Alien Registration Receipt Card.	None
b.	We obtained the student’s address as stated on the student academic transcript or the ISIR and determined the student was a Maryland resident per the address listed on the student academic transcript or ISIR. The Maryland residency requirements include (1) the student who is dependent upon a parent(s) or spouse, (2) independent and, (3) full-time active member of the Armed Forces of the United States who is stationed in the State of Maryland. Further, we determined the student maintained a permanent residence in Maryland for the required period.	None
c.	We obtained the student’s academic transcript and determined each student was enrolled for a minimum of 12 credits hours per semester or enrolled at least 12 credits as of the University’s official census date of September 4, 2017, for the Fall semester and February 10, 2018, for the Spring semester.	1 See Appendix A and C
d.	We obtained the student’s academic transcript and determined the student met the requirements of the University’s Satisfactory Academic Progress (SAP) policy.	None
e.	We obtained the student’s ISIR and determined the student had not received any SAR code and was not in default of the federal loan.	None
f.	We obtained the degree program status as stated on the student’s ISIR and the academic transcript and determined the course work is applicable towards a degree or a 2-year associate degree program in which the course work is acceptable for transfer credit for an accredited baccalaureate program in an eligible institution. Also, we determined if each field was updated appropriately in MDCAPS as noted in the MDCAPS Financial Aid Officers (FAO) User Manual.	None



Agreed-Upon Procedures		Exceptions
g.	We obtained the student’s ISIR and their billings records and determined the institution reported the correct housing status to the Commission.	4 See Appendix B
h.	For the EAG recipients who were federally selected for verification by the Commission, we obtained verification results reported by the institution in MDCAPS and determined if the ISIR had been updated for each student prior to disbursements of the state grant/scholarship.	None
i.	For the EAG recipients who were federally selected for verification by the Commission, in accordance with the U.S. Department of Education’s Title IV financial aid rules and regulations, we determined the ISIR information reported in MDCAPS for state aid recipients matched the ISIR used to disburse the student’s State aid award.	None

This agreed-upon procedures engagement was performed 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 the compliance of Howard P. Rawlings Educational Excellence Awards Program, in accordance with the Commission Office of Student Financial Assistance Independent Audit Manual. 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.

This report is intended solely for the information and use of the Commission, the management of the USM, and the University, and is not intended to be and should not be used by anyone other than these specified parties.

Hunt Valley, Maryland
 May 21, 2019

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Appendix A: Enrollment Exception

Criteria:

According to the Commission Independent Audit Manual, we are required to obtain the student's enrollment record or student's academic transcript and determine each student was enrolled for a minimum of 12 credits hours per semester or enrolled at least 12 credits as of the institution's official census date of September 1, 2017, for the Fall semester and January 30, 2018, for the Spring semester.

Condition:

We reviewed the student's Fall 2017, semester transcripts which showed that the student was enrolled for three quarter time. The University incorrectly reported the student's enrollment status for Fall 2017 semester as full time.

Number of Exceptions: 1

Results:

As a result of performing the agreed-upon procedures, we noted 1 exception of non-compliance with the enrollment status reporting for MHEC ID 856244. This reporting error resulted in a payment of award to an ineligible student in the amount of \$1,450 which the University will have to return to the Commission.

Recommendation:

We recommend the University implement procedures to ensure the enrollment status per the University's records are accurately entered into MDCAPS.

Corrective Action Plan:

The University has developed the following procedures to ensure the enrollment status is accurately reported:

1. Assistant Director of Financial Aid obtains Enrollment Report from Peoplesoft.
2. Financial Aid Counselor or designee validates enrollment status within Peoplesoft.
3. A second review of the enrollment status is completed by the Assistant Director of Financial Aid prior to the data information being entered into MDCAPS.
4. Enrollment data is entered into the MDCAPS by the Assistant Director of Financial Aid.



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Appendix A: Enrollment Exception (continued)

Corrective Action Plan: (continued)

5. Financial Aid Administrator or designee validates data in MDCAPS.



Appendix B: Housing Exception

Criteria:

According to the Commission Independent Audit Manual, for EAG and GAG, an institution must accurately report recipients housing statuses to the Commission based on the following federal housing status types:

1. On campus
2. Off campus
3. With parents

Condition:

We reviewed the student's Account Summary Detail to determine student's housing status. For the spring 2018 semester, we noted that the student had no on-campus related fees on their summary. However, the student was incorrectly reported on MDCAPS as on campus.

Number of Exceptions: 4

Results:

As a result of performing the agreed-upon procedures, we noted 4 exceptions of non-compliance with the housing status reporting for MHEC ID 1205916, 1249982, 1301720, and 1364732.

Recommendation:

We recommend the University implement procedures to ensure the housing status per the University's records are accurately entered into MDCAPS.

Corrective Action Plan:

The University has implemented the following procedures to ensure housing status is accurately entered into MDCAPS:

1. Financial Aid Administrator is required to verify the following data in PeopleSoft prior to certifying MHEC funds:
 - Current year Institutional Student Information Report (ISIR) – Assumption/School Codes – Housing Code 1,
 - Term budgets, and
 - Account Summary.



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Appendix B: Housing Exception (continued)

Corrective Action Plan: (continued)

2. Housing data is entered into the MDCAPS by the Assistant Director of Financial Aid.
3. Financial Aid Administrator or designee validates data in MDCAPS.



Appendix C: Return of Funds Assessment

Criteria:

According to the Commission Independent Audit Manual, we are required to obtain the student’s enrollment record or student’s academic transcript and determine each student was enrolled for a minimum of 12 credits hours per semester or enrolled at least 12 credits as of the institution’s official census date of September 1, 2017, for the Fall semester and January 30, 2018, for the Spring semester.

Condition:

We reviewed the student’s Fall 2017 semester transcripts which showed that the student was enrolled for three quarter time. The University incorrectly reported the student’s enrollment status for Fall 2017 semester as full time.

Number of Exceptions: 1

Results:

As a result of performing the agreed-upon procedures, we noted 1 exception of non-compliance with the enrollment status reporting for MHEC ID 856244.

MHEC ID	Amount to be returned	Reason for return
856244	\$1,450	The student’s fall 2017 semester transcripts which showed that the student was enrolled for three quarter time. The University incorrectly reported the student’s enrollment status for fall 2017 semester as full time. As a result, the reporting error resulted in a payment of award to an ineligible student in the amount of \$1,450 which the University will need to return to the Commission.

Corrective Action Plan:

The University agrees with the exception and will immediately return the \$1,450 to the Commission.



Status of Prior Years Findings:

Finding	Recommendation	The University's Response/Status*
<p>Housing</p> <ul style="list-style-type: none"> The University failed to correctly certify student's housing status on MDCAPS. There were twenty one (21) findings. 	<p>The Office of Student Financial Aid (OSFA) recommends that the University create a written housing policy which details how housing is determined for state award certification purposes, particularly regarding the certification of students that are "With Parent" or "Off Campus" in MDCAPS.</p>	<p>The University developed housing policy that determines eligibility requirements and determination of correct housing certification in MDCAPS.</p>
<p>Verification</p> <ul style="list-style-type: none"> Student was selected for V1 verification. The student's receipt of the SNAP benefit was indicated on the University's 2014-2015 verification worksheet, but no supplemental documentation of the benefit was provided to the OSFA. There was one (1) finding. 	<p>It is recommended that the University develop procedures that will ensure that Verification is accurately and successfully completed prior to the disbursement of any awards.</p>	<p>The University developed verification policy that laid out process to verification process in PeopleSoft and in MDCAPS.</p>
<p>ISIR Mismatches</p> <ul style="list-style-type: none"> The ISIR transactions for the Educational Assistance Grant recipients differ between the reported information within MDCAPS and the University as provided on the Student Aid Report (SAR) used to certify the student's award. There were five (5) findings. 	<p>It is recommended that University develop procedures that will ensure that the ISIR transactions that are reported in MDCAPS are the same ISIR transaction numbers that the institution has paid on for the state Educational Excellence Award program.</p>	<p>The University developed verification policy that laid out process to verification process in PeopleSoft and in MDCAPS.</p>
<p>Residency</p> <ul style="list-style-type: none"> Student self-reported Maryland residency in MDCAPS but the University did not confirm Maryland residency for the 2015-2016 academic year by way of any supporting documentation, such as the student's admissions application or high school records. Supplemental documentation was requested in the first level of the Program Review process; however, the University was unable to provide it. There was one (1) finding. 	<p>It is recommended that University develop procedures that will ensure that Maryland residency is fully documented for every student awarded a Maryland grant or scholarship.</p>	<p>The University amended its policy on student classification for admission and tuition purposes on April 19, 2019.</p>
<p>Return of funds</p> <ul style="list-style-type: none"> The housing, enrollment and ISIR mismatch, findings above resulted in return of funds for twenty (20) students. 	<p>The OSFA required the University to return the over awarded amount of \$14,800.</p>	<p>The University provided a copy of the interagency transfer of fund in RSTARS which shows that the University returned the over awarded amount.</p>

* SBC did not perform any procedures to validate