

## Sam Houston State University

## A Member of The Texas State University System FINANCIAL AID AND SCHOLARSHIPS OFFICE

December 11, 2013

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Kristin Alexander State Auditor's Office P.O. Box 12067 Austin, TX 78711-2067

Re: State Auditor's Office A-133 Federal Compliance Audit Response

Ms. Alexander,

The following is Financial Aid & Scholarships' response to the federal compliance findings for the Student Financial Assistance cluster.

Eligibility
Student Financial Assistance Cluster
Award year – July 1, 2012 to June 30, 2013
Award number – CFDA 84.063, Federal Pell Grant Program, P063P122301
Type of finding –Significant Deficiency and Non-Compliance

Management Response and Corrective Action Plan:

Sam Houston State University acknowledges and agrees with the finding. As of August 2013, Pell was disbursed to all eligible students enrolled in less than half time for the 2012-2013 academic year. Management has modified disbursement rules to allow Pell disbursement for eligible students enrolled in less than half.

Management concurs with the State Auditor's Office (SAO) regarding the Satisfactory Academic Progress Policy (SAP). The SAP policy has been modified as of June 2013 to meet federal requirements for reasonableness. In the future, the Financial Aid and Scholarships Office will conduct an annual review of the policy.

Management recognizes the need for less than half time cost of attendance (COA) budgets. As indicated by the finding, Sam Houston State University identified all affected students and has taken corrective action as necessary. As of August 2013, COA budgets for less than half-time have been implemented. In the future, the Financial Aid and Scholarships Office will conduct an annual, secondary review of both the programmatic and business elements to ensure correct calculations.

Implementation Date:

SAP-June 2013

COA-August 2013

Responsible Person:

Lydia T. Hall



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## FINANCIAL AID AND SCHOLARSHIPS OFFICE

Special Tests and Provisions – Verification Student Financial Assistance Cluster Award year – July 1, 2012 to June 30, 2013 Award number – CFDA 84.063, Federal Pell Grant Program, P063P122301 Type of finding – Non-Compliance Page 2 of 2

Management Response and Corrective Action Plan:

Sam Houston State University acknowledges and agrees with the finding. Manual review and entry of data for the verification process allows for human error. Therefore, we have implemented a quality assurance program review of completed verification.

Management has addressed the issue with the employee responsible for making the error for the student in question. While the auditors were on site, the student in question was reviewed, corrections were made, and additional funds were paid to student.

At present, we have re-trained staff, emphasizing the need to carefully review their work. We have implemented the quality assurance review as of November 2013.

Management acknowledges and agrees with the finding that written policy/procedures were lacking required verbiage. As of June 2013, a verification policy/procedure containing the required elements was implemented. Along with the policy/procedure being implemented, the financial aid website and all forms were updated to inform students of the ramifications of not completing the verification process.

Implementation Date:

Quality Assurance-November 2013

Policy/Procedure Update-June 2013

Verification forms/website Update-July 2013

Responsible Person:

Lydia T. Hall

If you have any questions or concerns, please feel free to contact me at 936-294-3608.

Sincerely,

Lydia ♥. Hall, Director

Financial Aid & Scholarships Sam Houston State University

Cc:

Mr. Scot Mertz

Ms. Kelly Bielamowicz