

**STATE UNIVERSITY SYSTEM
MANAGEMENT LETTER
FISCAL YEAR 1989**

MAY 1990

**Financial Audit Division
Office of the Legislative Auditor
State of Minnesota**

90-28

SUMMARY

State of Minnesota
Office of the Legislative Auditor
Veterans Service Building • St. Paul, MN 55155
612/296-4708

STATE UNIVERSITY SYSTEM

STATEWIDE AUDIT FISCAL YEAR 1989

Public Release Date: May 10, 1990

No. 90-28

OBJECTIVE:

The audit scope was limited to the testing of major federal programs administered by the State University System. We included the following federal programs:

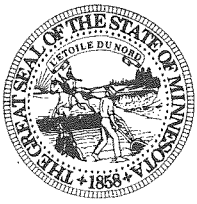
- Stafford Loans (formerly GSL),
- College Work Study,
- Perkins Loans (formerly NDSL), and
- PELL Grants.

CONCLUSIONS:

We found that the individual state universities had not complied with federal regulations in the following areas:

- No repayment of noninstitutional aid upon withdrawal. (St. Cloud and Metropolitan State Universities)
- Late charges on delinquent Perkins Loans not assessed as required. (Bemidji, Mankato, Moorhead, and Winona State Universities)
- Academic progress policies not being followed. (Moorhead and Winona State Universities)

Contact the Financial Audit Division for additional information.
(612) 296-1730



STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

VETERANS SERVICE BUILDING, ST. PAUL, MN 55155 • 612/296-4708

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Dr. Robert Carothers, Chancellor
State University System
230 Park Office Building
555 Park Street
St. Paul, Minnesota 55103

Dear Dr. Carothers:

We have conducted an audit of certain federal programs at the State University System as part of our statewide audit of the State of Minnesota's fiscal year 1989 financial statements and federal programs. The scope of our work has been limited to the federal programs cited in the Catalog of Federal Domestic Assistance (CFDA) which were included in the Single Audit scope. Specifically, for the State University System those programs were:

<u>CFDA NUMBER</u>	<u>PROGRAM</u>
84.032	Stafford Loan (formerly GSL)
84.033	College Work-Study
84.038	Perkins Loan (formerly NDSL)
84.063	PELL Grant

As a part of this audit, we tested samples of students who received federal financial aid through each of the federal programs listed above. For each student tested, we determined compliance with material federal legal provisions for the programs, except in the instances noted. Students from all universities within the State University System were included, as follows:

St. Cloud State University	Southwest State University
Mankato State University	Winona State University
Bemidji State University	Moorhead State University
Metro State University	

We also reviewed the internal controls at Mankato and St. Cloud State Universities over the federal financial aid programs listed above. We determined that the internal controls in effect at June 30, 1989 provided reasonable assurance that Mankato and St. Cloud State Universities were managing their federal financial aid programs in compliance with applicable laws and regulations. We also issued a separate audit report on Bemidji State University (Rpt. #89-57) dated July 25, 1989. We determined that the internal controls in effect at February 28, 1989 provided reasonable assurance that Bemidji State University was managing its federal financial aid programs in compliance with applicable laws and regulations.

We emphasize that this has not been a complete financial and compliance audit of all programs within the State University System. The work conducted is part of our annual Statewide Financial and Federal Compliance Audit (Single Audit). The Single Audit coverage satisfies the federal government's financial and compliance audit requirements for all federal programs administered by the universities of the State University System for fiscal year 1989. Since the federal government is ultimately responsible for determining resolution of Single Audit recommendations, they will notify you of their final acceptance of your corrective actions.

We reviewed the status of the findings included in our management letter for the year ended June 30, 1988. All of these findings, except number #1 concerning St. Cloud State, have been resolved.

This management letter contains all findings and recommendations developed during our audit. The issues included in this letter deal with individual state universities which are specified at the beginning of each finding. Separate responses have been solicited from the respective campus presidents.

1. Some universities do not require students to repay non-institutional financial aid when withdrawing from school.

[Problem identified at St. Cloud (Prior Audit Finding Unresolved) and Metro State Universities.]

St. Cloud and Metro State universities do not pursue repayment of non-institutional financial aid when a student withdraws from school. Students may receive financial aid greater than the amount needed to pay current institutional charges which include tuition and fees. The additional financial aid is for non-institutional costs, such as book, rent, and other living expenses. The student receives this portion of the financial aid directly.

Students withdrawing from school before a specific date receive a refund for a portion of their tuition. When a student has received financial aid, the tuition refund must be allocated to the financial aid account. According to federal regulations, the tuition refund must be prorated between the federal financial aid and other aid sources. Since the universities control both the tuition and the federal financial aid accounts, many refunds result in internal transfers from tuition to the federal financial aid account.

Chapter 34, Part 668.21 of the Code of Federal Regulations, states that a student may need to repay a portion of their federal financial aid award relating to any cash disbursed directly to the student for payment of non-institutional educational costs. The code further states that, to determine the amount to be repaid, the institution should subtract from total non-institutional costs a portion attributable to reasonable expenses

incurred while the student was enrolled. Determination of enrollment period is made by reference to the last recorded day of class attendance. However, if the last day of attendance can not be verified, the institution should require the student and/or professor to certify as to the last day of class attendance.

The practice of not pursuing repayment of aid distributed for non-institutional costs is not consistent with the federal regulations. In addition, the treatment of financial aid for non-institutional costs is different than financial aid received for institutional costs. Students who withdraw should not automatically be allowed to keep the entire amount of non-institutional financial aid they were paid. Therefore, these universities should develop and enforce a repayment policy which would include, at a minimum, the manner by which the school will verify the last day of attendance and a guide to determining the amount of non-institutional costs that were spent while the student was enrolled. St. Cloud State has developed a draft of a repayment policy. However, the policy was not in place at the time of our audit.

RECOMMENDATION

- Each state university should establish a financial aid repayment policy which includes repayment of the non-institutional portion of the aid given.

2. Some schools do not assess late charges on delinquent Perkins loan accounts.

[Problem identified at Bemidji, Mankato, Moorhead and Winona State Universities]

Four universities do not assess late charges when loan repayments or requests for cancellation or deferments are not received timely. Federal regulations require assessment of late charges for loans made for periods of enrollment beginning on or after January 1, 1986.

Chapter 34, Part 674.31 of the Code of Federal Regulations, requires that an institution shall state in the promissory note that they will assess a late charge if the borrower does not: a) repay all or part of a scheduled repayment when due, or b) file a timely request for cancellation or deferment with the institution. The regulations also provide guidance on how determine the amount of the late charge and the method of applying it to the borrower's account.

The institutions Perkins account will receive any late charges collected. New loans are issued to currently enrolled students from this account balance. The late charges will increase the amount of funds available for new loans. In addition, it may be an incentive for timely payment of loan installments.

RECOMMENDATIONS

- Each state university should modify their Perkins repayment system to comply with the federal regulations concerning late charges.

3. Some universities need to follow their policies on satisfactory academic progress.

[Problem identified at Moorhead and Winona State Universities.]

Two universities did not follow their satisfactory academic progress policies during fiscal year 1989. Two students received financial aid when they were not eligible according to the universities policies.

During the fall quarter of 1989, Moorhead State University paid \$183.00 in Pell grant funds to a student who did not meet the requirements set forth in their published standards of academic progress. In addition, Moorhead State's policy does not address the effect of course repetitions. The Moorhead State policy requires students to complete a certain percentage of credits while maintaining a minimum GPA of 1.6 after having been enrolled for 24 credits and a 1.9 GPA after having been enrolled in 60 credits. This student did not meet these GPA requirements at the end of spring quarter 1989. According to the financial aid recipient policy, the student should have been terminated from financial aid fall quarter, 1989.

Moorhead State had three sources which indicated their standards of academic progress. The policies are reflected in the financial aid recipient standards, the university catalog and an internal policy. The student received financial aid fall quarter 1989 since they met the requirements set forth in the internal policy. The student was not eligible however, under the financial aid recipient standards or the standards outlined in the university catalog. Moorhead State is currently in the process of making these publications consistent when addressing standards of academic progress. Their draft policy is also addressing the effects of course repetitions.

Under federal financial aid regulations, each university must establish a satisfactory academic progress policy and measure students' performance. The regulations also state the policy should define the effect of course incompletes, withdrawals, repetitions, and noncredit remedial courses on satisfactory progress. In addition, the standards for a financial aid recipient are to be the same as, or stricter than, the institution's standards for a student enrolled in the same academic program who is not receiving financial aid assistance.

Winona State University did not follow their policy during fiscal year 1989. One student received financial aid when they were not eligible according to the universities published policy. The student was not eligible due to inadequate course completion and grades. The policy that

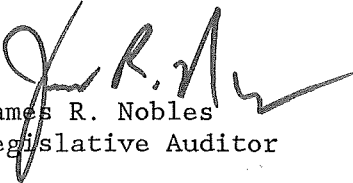
was in effect for the 1988-89 academic year stated that the student's academic progress was to be reviewed after each quarter. The student should have been terminated from financial aid after winter quarter. The student received CWS and Perkins Loan funds for spring quarter of 1989. The university actually monitored all student's academic progress at the end of the academic year. Winona State subsequently revised their standards as of May 1989 to reflect an annual review of all student's academic progress.

RECOMMENDATION

- Moorhead and Winona State Universities should follow their standard of academic progress policies which address financial aid recipients.

Thank you for the cooperation extended to our staff during this audit.

Sincerely,


James R. Nobles
Legislative Auditor


John Asmussen, CPA
Deputy Legislative Auditor

END OF FIELDWORK: February 23, 1990

REPORT SIGNED ON: May 3, 1990



Metropolitan State University
Office of the President

April 18, 1990

Mr. Thomas Donahue
Audit Manager
Office of the Legislative Auditor
Veterans Service Building
St. Paul, Minnesota 55155

Dear Mr. Donahue:

We are in receipt of your April 12, 1990 letter indicating the audit findings of the federal student financial aid programs for the year ending June 30, 1989. We concur with the finding and the recommendation and have taken the necessary steps to implement the recommendation. Please see our formal response below.

Finding

Some universities do not require students to repay non-institutional financial aid when withdrawing from school.

Recommendation

Each state university should establish a financial aid repayment policy which includes repayment of the non-institutional portion of the aid given.

Response

Dennis Blager, Director, Business and Administrative Affairs and R.D. Cleaveland, Director, Student Financial Aid have established a financial aid repayment policy for Metropolitan State University which includes repayment of the non-institutional portion of the aid given. This policy is expected to be implemented by June 30, 1990.

We are appreciative of the audit experience and are always pleased to implement new policies and procedures which will enhance our management of these aid programs.

If there are any additional items which you would require of us please contact us.

Sincerely,

Dr. Tobin G. Barrozo
President

cc: Chancellor Robert L. Carothers

Financial Aid repayment policy including repayment of the non-institutional portion of financial aid given.

Metropolitan State University has established a financial aid repayment policy which included repayment of the non-institutional portion of the aid given.

When a drop form comes to the Financial Aid Office from the Registration Office the Financial Aid Office will indicate on the form the amount of the refund and which aid program should be refunded the tuition amount. In addition the Financial Aid Office will attach a separate notation to the attention of the Cashier's Office indicating the additional amount the student should be billed, and what aid program(s) should be refunded with this amount. The Cashier's Office will then bill the student directly for this amount. A copy of the billing should be sent to the Financial Aid Office for the student file.

ST. CLOUD STATE UNIVERSITY



Business Office

St. Cloud, Minnesota 56301

April 30, 1990

Thomas Donahue
Audit Manager
Office of the Legislative Auditor
Veterans Service Building
St. Paul, MN 55155

Dear Mr. Donahue:

Your recent letter and draft management summary addressed to the State University System which summarizes the results of the fiscal year 1989 audit of the financial aid programs at St. Cloud State University has been referred to me for reply.

I will address the only audit finding which was that of the student withdrawing from school not being required to repay non-institutional financial aid.

On March 7, 1989, in response to the fiscal year 1988 finding, the following was stated:

Audit finding #2 states that students withdrawing from school are not required to repay non-institutional financial aid. In the past, SCSU has not applied its refund policy as you have defined it, to non-institutional costs such as books, rent, and other living expenses. We have not pursued the repayment of non-institutional financial aid awards when a student withdraws for a number of reasons. Specifically, we feel that the money provided to the student has or will be immediately used to pay for rent for off campus housing, books, and transportation. In many cases, students living off campus are required to pay a substantial deposit, and pay at least one month's rent in advance. In addition, students incur the entire book cost at the beginning of the term and the students have already incurred transportation costs prior to his/her arrival on campus. Chapter 34, Part 668.21 does not apply to funds provided to the student under work study, Guaranteed Student Loan, and/or Parent Loan Programs. Since these programs are exempt from the statutes, and are not to be included in the withdrawal/refund formula, it can be easily assumed that the remaining portion of the students funding, after all institutional charges have been covered is very minimal, and it can be reasonable to assume that these funds have already been spent on legitimate educational expenses. In addition, our satisfactory academic progress policy states that if a student enrolls in school and later withdraws for other than documented medical or family reasons, the student must

enroll for one quarter using his/her own funds before financial aid eligibility can be re-established. Therefore, the student in reality has had to expend more of his/her funds to regain eligibility to receive future financial aid. Therefore, we believe that our current practice has been in compliance with the intent of the federal guidelines. However, discussions will take place with Mankato, Moorhead, Bemidji, and Southwest State Universities to discuss the refund policies in force at those institutions. A close examination of our refund policy will take place.

To this date, we have not received a response indicating the status of our current repayment policies. I will pursue with the other state universities the content of their repayment policies. I will also reviewed our current policy concerning the repayment of non-institutional financial aid. *

It is my hope to resolve this problem and put in place any necessary modifications as soon as the determination of the status of our current refund policy is resolved. If you have any questions regarding this letter, feel free to contact me.

Sincerely,



Diana K. Burlison
Business Manager

Mankato

STATE UNIVERSITY

April 23, 1990

Mr. James R. Nobles
Legislative Auditor
Office of the Legislative Auditor
Veterans Service Building
St. Paul, MN 55155

Dear Mr. Nobles:

On April 30, 1990, we received a draft management letter summarizing the results of your State University systemwide federal financial aid audit for the year ended June 30, 1989.

In the management letter there was one finding and recommendation that applied to Mankato State University.

Finding: Mankato State University did not assess late charges on delinquent Perkins loan accounts.

Recommendation: Mankato State should modify their Perkins repayment system to comply with the federal regulations concerning late charges.

We concur with that recommendation, and action has been taken to modify the student loan collection system so that late charges will be assessed when loan payments or request for cancellation or deferments are not received in a timely manner. Garnet Cafourek is the individual responsible for handling this matter, and all changes will be operational by July 1, 1990.

As always, we appreciate the fine work the legislative auditor does for us in reviewing our fiscal operations.

Sincerely,

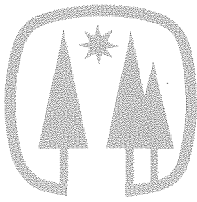
Margaret R. Preska

Margaret Preska
President

cc: Thomas Donahue
John Asmussen, CPA

President's Office
MSU Box 24
P.O. Box 8400
Mankato, Minnesota 56002-8400
(507) 389-1111

An equal opportunity university.



Bemidji State University

1500 BIRCHMONT DRIVE NE
BEMIDJI, MN 56601-2699

ACCOUNTING SERVICES

April 25, 1990

Mr. Thomas Donahue
Audit Manager
Office of the Legislative Auditor
Veterans Service Building
St. Paul, Minnesota 55155

Dear Mr. Donahue:

I am in receipt of your letter dated April 12, 1990, requesting a formal written response to finding 2. Bemidji State University's Loan Collection Office is currently working with a systems analyst from our computer center rewriting our billing program to determine the amount of late charge to assess and the method to identify such payments in the borrower's account. We already have the late charge statement in the promissory note to the borrower advising that this charge will be assessed. The responsible person on our campus will be myself and the estimated date of implementation is July 1, 1990.

I would like to thank you and your staff for your suggestions and recommendations during your visit. If you have any questions regarding this response, please contact me at 218-755-2743. Thank you.

Sincerely,

Gerald S. Amble
Business Manager

cc: Dr. Lowell R. Gillett, President
Mr. Thomas A. Faecke, Vice-President
Dr. Leslie C. Duly, Vice-President
Mr. Fred Gilbert, Director of Financial Services

MOORHEAD STATE UNIVERSITY

Moorhead, Minnesota 56560

Office of the President
April 20, 1990

Thomas Donahue, Audit Manager
Office of the Legislative Auditor
Veterans Service Building
St. Paul, MN 55155

Dear Mr. Donahue:

I have discussed with the appropriate staff members the concerns you raised regarding Moorhead State University's handling of late charges on delinquent Perkins Loans and our compliance with MSU's policies on satisfactory academic progress. As a result of these discussions, the following steps have been taken.

2. SOME SCHOOLS DO NOT ASSESS LATE CHARGES ON DELINQUENT PERKINS LOAN ACCOUNTS

Moorhead State University is in the process of implementing the assessment of late charges on Perkins loan past due payments. The Business Office and Computer Center are working on the development of a computer program that will allow automatic billing to students who are delinquent on Perkins Loan repayments. Verlee Thies, Business Manager, is responsible for this implementation and projects completion by January 1, 1991.

3. SOME UNIVERSITIES NEED TO FOLLOW THEIR POLICIES ON SATISFACTORY ACADEMIC PROGRESS

- a. Moorhead State University has adjusted the Satisfactory Academic Progress standards to include information regarding the repetition of classes. Attached are copies of the standards that are currently in place for 1989-90 with noted changes.
- b. Academic Affairs and the Financial Aid Office have met and developed a revision to the University Bulletin regarding Grade Point Average requirements for students who are not meeting the university's academic standards. With this revision, students who have not met the standard can appeal. This step will make official the internal procedure that has been customarily used. The Financial Aid Office will continue to use the GPA standard set by the university and allow students who have used the appeal process successfully to receive financial aid.

The policy statements described under 3a and b will be implemented immediately. All publications including the University Bulletin will be updated with the new information when they are reprinted. David Anderson, Director of Financial Aid, will be responsible for the implementation and monitoring of Satisfactory Academic Progress policies.

Please be assured that we will fully comply with your recommendations. If you have any questions concerning our response to your recommendations, please feel free to contact me.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Roland Dille".

Roland Dille, President

RD/sme

cc: David Anderson
Verlee Thies

Satisfactory Academic Progress Policy Standards

Federal and State regulations require that all students maintain satisfactory academic progress toward completion of the requirements for a degree or certificate to receive student financial aid. The following standards, specified by the Higher Education Amendments of 1986 (Public Law 99-498, Section 484 (c)), are effective with enrollment beginning Fall 1988.

Satisfactory Academic Progress Standards for receipt of student financial aid apply to **all** students, including graduate students, whether or not you are currently receiving any student aid. If you are otherwise ineligible for financial aid the progress standards will not immediately affect you. We will continue to inform you of any unsatisfactory progress in the event that you apply or become eligible for financial aid in the future.

Failure to maintain satisfactory progress results in ineligibility for the following financial aid programs: Pell Grant, Supplemental Educational Opportunity Grant (SEOG), Perkins Loan (formerly NDSL), College Work-Study, Stafford Loan Program (formerly Guaranteed Student Loan Program), PLUS, SELF and Supplemental Loans, Minnesota State Grant and Indian Scholarships. Evaluation of your academic standing will be done quarterly and satisfactory academic progress is done yearly. You will be advised of your status by letter if you fall below the standards.

Maintaining Satisfactory Progress

In order to maintain satisfactory academic progress for financial aid purposes, students must complete a minimum of 75% of the credits attempted in an academic year with a grade of "D" or better (or a "P" or "S" if enrolled on a pass/fail or satisfactory/unsatisfactory basis). Undergraduate students who complete a minimum of 36 credits at the end of the academic year, even if 36 credits is less than 75% of their enrolled credits, are not subject to financial aid termination. Grades of Failed (F), Unsatisfactory (U), Incomplete (I), and Withdrawn (W) count as credits attempted but not earned. Undergraduate students will become ineligible to receive funding after completing 17 quarters of full-time equivalent enrollment at Moorhead State University or after they have earned 256 total ~~credits~~ credits, including accepted transfer credits, whichever comes first. Half-time students (6-8 credits per quarter) and three-quarter time students (9-11 credits per quarter) maximum number of quarters of enrollment will be pro-rated. Three-quarter time students will be allowed up to 23 quarters of three-quarter time enrollment while half-time students will be allowed to enroll for a maximum of 34 half-time quarters. Pell funding is limited to 15 quarters of full-time equivalent enrollment for students who enroll after June 30, 1987. Graduate students must complete their program within 7 graduate full-time equivalent quarters.

Programs that require longer than these limits must be individually approved by the Financial Aid Office through an appeal process. Students must submit for review an academic plan approved and signed by their advisor indicating the quarters remaining for degree completion and a course plan for each remaining quarter.

Students who fail to complete and earn a minimum of 75% of enrolled credits in any one quarter will receive a financial aid warning. Financial aid eligibility is continued while a student is in warning status. Students are allowed until the end of spring quarter to bring their completion of earned and completed credits back up to 75% of the total credits. At the end of each regular academic year (i.e., June 1) students will be reviewed to determine maintenance of satisfactory academic progress. If, at the end of the academic year, 75% of enrolled credits have not been successfully completed, financial aid will be terminated. The University reserves the right to withdraw aid after two (2) quarters if it becomes readily apparent that a student will not complete 75% of their enrolled credits. Enrollment and completion of remedial courses, Business Education 090 and Chemistry 090, will not be included in the calculation of satisfactory academic progress nor are they included in enrolled credits eligible for financial assistance.

The following example illustrates the calculation of the percentage of credits completed.

In order to determine the minimum number of credits needed to satisfactorily complete 75%, the total number of enrolled credits is multiplied by .75. If a student was enrolled in 41 credits, ($41 \times .75 = 30.75$), he would need to satisfactorily complete a minimum of 31 credits.

	Fall	Winter	Spring	Total For Year
Enrolled credits at aid disbursement	18	18	12	48
Subsequent withdrawals, failed courses, incompletes, etc.	8	3	6	48 17
Credits completed	10	15	6	31
Percent completed	56%	83%	50%	65%

In this example, financial aid would be terminated because the student successfully completed only 65% of the credits attempted during the full year. It is especially important that you carefully consider decisions to drop credits once you have registered.

Students who repeat a course may receive financial assistance more than once for enrollment in the same course. When a course is repeated, each enrollment is included in calculating the percentage of successfully completed credits at the end of the academic year. For example, a student enrolls for a four credit course, fails it and the following quarter re-enrolls in the same course and earns a C. That student would be considered as having been enrolled in eight credits, but successfully completing only four credits. Repeat courses are only calculated once in determining GPA or total credits earned. Refer to the *Bulletin* for complete University policy regarding course repetition.

Students will be required to maintain a minimum 1.6 cumulative GPA after having been enrolled for 24 credits, a 1.9 cumulative GPA after having been enrolled in 60 credits and a 2.0 cumulative GPA after having been enrolled in 135 credits. Failure to maintain these standards will result in the student being placed on subject to suspension. In order to be placed on subject to suspension a student must have been enrolled in at least 18 MSU credits. To avoid subject to suspension status, a student must either (1) obtain a cumulative GPA adequate for his/her total number of enrolled credits (1.6; 1.9, 2.0), or (2) obtain a quarterly GPA of 2.0.

Re-establishing Eligibility for Financial Aid

Students who have failed to meet these standards of satisfactory progress and who meet one of the following conditions may appeal to re-establish eligibility for financial aid. All appeals must be made on the appropriate appeal form available from the Financial Aid Office.

1. Students may re-establish eligibility by completing a minimum of 12 credit hours with a grade of "D" or better at Moorhead State University. During the quarter this is accomplished the student must also complete at least 75% of the total credits attempted.
2. Eligibility may also be re-established by completing a minimum of 12 credits with a grade of "D" or better based upon at least half-time enrollment (6-8 credits per quarter). During these quarters the student must also complete at least 75% of the total credits attempted. Students must file an appeal application in order to restore financial aid eligibility.
3. If Incomplete (I) credits are a factor in failure to maintain satisfactory progress, subsequent successful completion of these credits by midterm of the next quarter may be used to re-establish eligibility for aid.
4. Students who have failed to make satisfactory progress during the academic year may use summer quarter credits earned at MSU to re-establish eligibility. Credits attempted and earned during summer sessions can be added to those attempted and earned during the academic year. If, following this procedure, the student now meets the minimum satisfactory progress requirements, eligibility may be re-established. However, a formal appeal application must be submitted.
5. You may appeal your financial aid termination status to the Financial Aid Appeal Committee. Most appeals are made on the basis of mitigating circumstances (major illness, death in the family, serious accident, etc.), or on the basis of completion of additional coursework resulting in a grade of "D" or better. Reinstatement for a completed Incomplete (I) grade or completed summer quarter study is not automatic.

The Appeal Committee will inform you promptly in writing of the decision. If you are not satisfied with the decision, you may appeal further to the University Financial Aid Appeal Committee.

Definition of Terms

1. **Credits attempted** is defined as the number of hours for which a student is officially enrolled at the time student aid funds are disbursed at the beginning of each term.
2. **Academic year** is defined as the period from September to May (Fall, Winter and Spring Quarter). If a student is enrolled for only one (or two) quarter(s) of an academic year, satisfactory progress is evaluated on that basis only.
3. **Credits earned** includes grades designated as: A, B, C, D, X, or S.
4. Failures, incompletes and withdrawn courses do not count as credits earned.

Moorhead State University is an equal opportunity educator and employer.

Academic Probation and Suspension.

1. Any student whose cumulative grade point average at Moorhead State is less than 2.0 is automatically on probation. Probation is a general academic warning and does not imply imminent suspension.
2. A student who has enrolled for 24 or more graded credits, including transfer credits, and whose

cumulative GPA is less than 1.60 is subject to suspension at the end of the current quarter.

3. A student whose MSU cumulative GPA is less than 2.00 after 135 credits, or 1.90 after attempting 60 or more graded credits, including transfer credits, and has earned at least 18 MSU credits is subject to suspension at the end of the current quarter. (Note that only MSU grades are included in the GPA.)

4. Students who are subject to suspension remain so until the 2.00, 1.90, or 1.60 GPA at the appropriate credit level is reached.

5. Students who are subject to suspension may not preregister for the next quarter.

6. Early in the quarter during which a student is subject to suspension, the student is so informed by written notice from the Office of Academic Affairs. The notice specifies conditions that must be met to avoid suspension at the end of the quarter: the student must either (1) obtain a cumulative GPA of 1.9 (1.6 for those with less than 60 credits) or (2) obtain a quarterly GPA of 2.25 and complete all courses in which he/she is enrolled on the 10th day of classes (fifth day in summer sessions).

Insert (6) here
7. A first suspension will be for a maximum of three quarters, including summer quarter.

8. A second suspension is normally permanent.

9. During any period of suspension, a student may file a written appeal for reinstatement with the Suspension Appeals Committee and may request a personal appearance before the Committee.

10. The decision of the Suspension Appeals Committee will be reviewed by the Vice President for Academic Affairs upon written request from a student.

The following sentence will be inserted after (6) above in the next MSU bulletin (1991-93) and in all publications henceforth:

7. "Students who are Subject to Suspension and whose quarterly GPA is 2.00 through 2.24 may appeal to the Suspension Appeals Committee for permission to register for the next quarter."

Winona State University



Winona, Minnesota 55987

Telephone (507) 457-5000

April 26, 1990

Thomas Donahue
Audit Manager
Office of the Legislative Auditor
Veteran's Service Building
St. Paul, MN 51555

Dear Mr. Donahue:

In reference to your letter dated April 12, 1990, Winona State University's written response to finding 2. and 3. is as follows:

Finding Number 2. Some schools do not assess late charges on delinquent Perkins loan accounts.

Winona State University has initiated action to modify the Perkins repayment system to comply with the federal regulations. This is to be completed within ninety days (July 26, 1990). Responsible persons are David Taylor, Senior Systems Analyst; Gennell Iverson, N.D.S.L. Collection Officer; and Jerry Varner, Business Manager.

Finding Number 3. Some universities need to follow their policies on Satisfactory Academic Progress.

Winona State University revised Satisfactory Academic Progress Standards effective May 1989, and is now in compliance. Responsible person is Mr. Robert Lietzau, Director of Financial Aid.

If you have any questions, please call me at 457-5051.

Dr. John Kane
Interim Vice President for Administrative Affairs

cc: Dr. Krueger
jsr