State University System

Financial Related Audit of Selected Programs For the Period July 1, 1993, to June 30, 1994

June 1995

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Financial Audit Division
Office of the Legislative Auditor
State of Minnesota

95-25

Centennial Office Building, Saint Paul, MN 55155 ● 612/296-4708

SUMMARY

State of Minnesota
Office of the Legislative Auditor
Centennial Office Building • St. Paul, MN 55155
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State University System

Student Financial Aid Programs
Management Letter
Fiscal Year 1994

Public Release Date: June 16, 1995 No. 95-25

Objectives

Test compliance with certain finance-related legal provisions relating to selected federal student financial aid programs administered by the State University System. We included the following federal programs: Federal Family Educational Loans (FFEL), Federal Perkins Loans, and Federal Pell Grants.

Review significant internal control structure policies and procedures concerning federal student financial aid including: federal financial aid revenues and cash management and federal financial aid packaging and disbursements on selected state university campuses, as well as the Federal Perkins loan management and repayment process.

Conclusions

We found 11 areas where the State University System or the individual universities had not complied with federal regulations and 6 areas where internal controls need to be improved.

- Mankato State University awarded one student in excess of the Federal Family Education Loans (FFEL) annual limit, has not reconciled its accounting records to the local bank account since July, 1994, overawarded one student during the 1993-94 school year, and did not request all financial aid transcripts on transfer students timely.
- Metropolitan State University has inadequate controls over federal student financial aid packaging, has no financial aid refund policy, and has inappropriately retained Pell grant funds.
- Moorhead State University does not make the required number of contacts with Federal Perkins borrowers during the grace period.
- St. Cloud State University does not comply with financial aid transcript requirements or with FFEL exit counseling requirements for certain students.
- Winona State University overawarded one student during the 1994-95 school year, did not define exceptional need for awarding Federal Perkins loans, improperly calculates Perkins loan repayments, and did not receive federal reimbursement for $4,176 in Pell grants.

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

STATE OF MINNESOTA
OFFICE OF THE LEGISLATIVE AUDITOR
CENTENNIAL BUILDING, ST. PAUL, MN 55155 • 612/296-4708
JAMES R. NOBLES, LEGISLATIVE AUDITOR

Members of the Legislative Audit Commission

Dr. Terrence MacTaggart, Chancellor
State University System

Members of the State University Board

State University Presidents

Audit Scope

We have completed a financial related audit of selected programs of the State University System for the period July 1, 1993 to June 30, 1994. We emphasize that this has not been a complete audit of all programs within the State University System, and that our audit was limited to only that portion of the financial operations as outlined below and as further discussed in the Introduction. The work conducted in the system is part of our Statewide Audit of the State of Minnesota's fiscal year 1994 financial statements and Single Audit. The Single Audit coverage satisfies the federal government's financial and compliance audit requirements for all federal programs administered by the department during fiscal year 1994. Specifically, for the State University System those programs were:

CFDA Number	Program
84.032	Federal Family Educational Loans
84.038	Federal Perkins Loans
84.063	Federal Pell Grants

As part of this audit we tested samples of students who received federal financial aid through each of the programs listed above. Students from all universities within the State University System were included, as follows:

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

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we consider the internal control structure in order to plan our audit of the selected programs, and that we perform tests of the department's compliance with certain material provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on the internal control structure or on overall compliance with finance-related legal provisions.

Internal Control Structure

For purposes of this report, we have classified the significant internal control structure policies and procedures into the following categories:

- Federal financial aid revenues and cash management
- Federal financial aid packaging and disbursements
- Federal Perkins loan management and repayment process

For the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation during fiscal year ended June 30, 1994, and we assessed control risk for Mankato, Moorhead, St. Cloud, and Winona State Universities. We reported the results of our fiscal year 1994 internal control review in a separate report titled, *State University System Student Federal Financial Aid Programs Management Letter Fiscal Year 1993* (Report Number 94-26). In addition, for the internal control structure in place during fiscal year 1995 for the categories listed above, we also obtained an understanding of the design of relevant policies and procedures and we assessed control risk for Bemidji, Mankato, Moorhead, St. Cloud, and Winona State Universities.

Management Responsibilities

Management of the State University System is responsible for establishing and maintaining the internal control structure. This responsibility includes compliance with applicable laws, regulations, contracts, and grants. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that:

- assets are safeguarded against loss from unauthorized use or disposition;

- transactions are executed in accordance with applicable legal and regulatory provisions, as well as management's authorization; and

- transactions are recorded properly on the statewide accounting system in accordance with Department of Finance policies and procedures.

Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the internal control structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Conclusions

The results of our tests indicated the following instances of noncompliance with legal requirements related to federal financial aid for fiscal year 1994. Findings 3, 7, 11, and 12 discuss noncompliance with Perkins Loan specific requirements. Findings 1, 3, 5, 6, 8, and 9 discuss noncompliance with Federal Family Education Loan specific regulations. Findings 3, 5, 6, and 13 discuss noncompliance with Federal Pell specific regulations.

The results of our tests indicated the following instances of noncompliance with legal requirements related to federal financial aid for fiscal year 1995. Findings 1, 7, 8, 10, and 12 discuss noncompliance with Perkins Loan specific requirements. Findings 8 and 10 discuss noncompliance with Federal Family Education Loan specific regulations. Findings 8 and 10 discuss noncompliance with Federal Pell specific regulations.

Except for the issues discussed in the two paragraphs above, with respect to items tested, the State University System complied, in all material respects, with the provisions referred to in the audit scope paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the State University System has not complied, in all material respects, with those provisions.

Our audit disclosed the conditions discussed in finding 3 involving the internal control structure of the State University System in place during fiscal year 1994. We consider this condition to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention related to significant deficiencies in the design and operation of the internal control structure that, in our judgment, could adversely effect the entity's ability to record, process, summarize, and report financial data.

Members of the Legislative Audit Commission
Dr. Terrence MacTaggart, Chancellor
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Our audit also disclosed the conditions discussed in findings 2, 4, 5, 6, and 8 involving the internal control structure of the State University System in place during fiscal year 1995. We consider these conditions to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention related to significant deficiencies in the design and operation of the internal control structure that, in our judgment, could adversely effect the entity's ability to record, process, summarize, and report financial data.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce, to a relatively low level, the risk that errors or irregularities in amounts that would be material in relation to the financial activities being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we believe none of the reportable conditions described above are material weaknesses.

We also noted other matters involving the internal control structure and its operation that we reported to management of selected state universities at various campus exit conferences.

This report is intended for the information of the Legislative Audit Commission and management of the State University System. This restriction is not intended to limit the distribution of this report, which was released as a public document on June 16, 1995.

We thank the staff of the State University System for their cooperation during this audit.

James R. Nobles
Legislative Auditor

John Asmussen, CPA
Deputy Legislative Auditor

End of Fieldwork: February 10, 1995

Report Signed On: June 6, 1995

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Audit Participation

The following members of the Office of the Legislative Auditor prepared this report:

John Asmussen, CPA	Deputy Legislative Auditor
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Brad White, CPA	Auditor-in-Charge
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Rhonda Regnier, CPA	Auditor

Introduction

The State University System awards both federal and state financial aid to needy students. Our audit was limited to those financial aid programs considered major programs according to the federal Single Audit Act. According to provisions of the Act, the Federal Pell Grant Program, the Federal Perkins Loan Program, and the Federal Family Education Loan (FFEL) Program are considered to be major federal programs.

The Federal Pell Grant Program is generally considered the first source of assistance for students. It is a federally controlled program. Payment is based on each student's Cost of Attendance budget and the expected family contribution (EFC) for the 1993-94 year. The EFC is determined by a federal central processing system. Federal Pell grant payments are not limited to the available funds at a particular university. The U.S. Department of Education provides funds to each campus based on eligible students enrolled.

The Federal Perkins Loan Program provides low-interest loans to students. The university acts as a lender, using both federal funds and a state match for capital contributions. Each university performs loan collection duties. These duties include corresponding with students going into repayment status, receiving all loan repayments, and pursuing delinquent loans.

The Federal Family Education Loan (FFEL) Program includes subsidized and unsubsidized federal Stafford loans and federal Supplemental Loans for Students (SLS). The principal for these loans is provided by private lenders. The loans are guaranteed because the federal government reimburses the lender in the event of default or cancellation. The university certifies that the student is eligible for a loan amount on the loan application, which is then sent to a guarantee agency for approval. If the loan is guaranteed by the agency and the lender approves the loan, the lender sends the loan amount to the university and the university releases the proceeds to the student.

For subsidized federal Stafford loans, the federal government pays interest to the lender while the student is in school. For unsubsidized Stafford and SLS, the student pays all interest that accrues on the loan. The federal government pays a special allowance to the lender for both subsidized and unsubsidized Stafford loans to make up the difference between the interest rate charged to the student and the prevailing market rate. The special allowance payments continue for the life of the loan.

According to campus records, the State University System disbursed $20,708,597 in federal Pell grants, $4,111,193 in new federal Perkins loan issuances, and $72,748,861 in new federal Stafford and SLS loans during fiscal year 1994. The universities collected $3,969,679 in federal Perkins loan repayments during fiscal year 1994.

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Current Findings and Recommendations

Mankato State University

1. Mankato State University awarded Federal Family Education Loans (FFEL) to one student in excess of the annual limit.

Mankato State University financial aid office provided various FFEL to one student in excess of the $10,500 annual loan limits. The student will receive $31,500 in FFEL over two school years, which includes one summer term. The university's decision in our opinion, does not comply with the intent of the federal limitations. In addition, excessive loans create ineligibility for future financial aid, increase the students' indebtedness, and make it more difficult to pay off the loan.

Federal regulations limit FFEL to $10,500 annually. However, one MSU student was awarded and paid $31,500 over two school years, as shown below.

	1993 - 1994	Summer 1994	1994 - 1995
Stafford Loan (sub)	$5,500	$5,500	$5,500
Supplemental Loan to Students (SLS)	$5,000	$5,000	$ 0
Stafford Loan (unsub)	$ 0	$ 0	$5,000

The student was packaged with a nonresident budget and enrolled in the university's aviation management program. To subsidize the high aviation costs, the student received the maximum FFEL of $10,500 for the 1993-94 school year, $10,500 for the 1994 Summer Session and $10,500 for the 1994-95 school year. For the 1993-94 school year, the university used the 7 month progression method in the disbursement of financial aid funds. As a result, this created a new 7 month progression period beginning with Summer quarter of 1994. On June 16, 1994, the university packaged the student for the 1994 summer session and awarded the maximum annual loan amount of $10,500. This is the amount that should have been disbursed over the next 7 month progression and would have included the 1994 Summer quarter, the 1994 Fall quarter, and the 1994 Winter quarter. However, in packaging the student for the 1994-95 school year and awarding the maximum annual loan amount of $10,500, the university was in effect, defining the 1994 Summer quarter as its own "academic year" for purposes of the annual loan limit.

We believe that the university took advantage of a federal ruling that took effect on July 1, 1994 to provide additional benefits to a student. The ruling specified that to determine the frequency of annual loan limits, universities had to implement either a scheduled academic year, with summer included as a "trailer" or a "leader," or a borrower-based academic year for loan processing. The university adopted the scheduled academic year with summer school as a "trailer" beginning in fall quarter, 1994. As a result, the new 7 month progression period beginning with the Summer 1994 quarter, was terminated. We believe that the university should have only disbursed one-third of the $10,500 annual limit, or $3,500 when it packaged the students award on June 16, 1994. The university has traditionally always allocated the total annual limit out over the quarters within the 7 month progression period. However, in disbursing the total $10,500 to the student during the 1994 Summer Session, it has clearly circumvented the intent of the new ruling as well as its own past practices.

As a result, we believe the student was over awarded $7,000 for the 1994 summer session..

Recommendation

- *Mankato State University should work with the U.S. Department of Education to resolve the over award of $7,000 for one student exceeding the maximum annual loan limits.*

2. Mankato State University has not reconciled its accounting records to the local bank account since July, 1994.

As of February 10, 1995, the university business office had not reconciled the accounting system to the bank statement from August through December, 1994. The university disburses federal financial aid through this local bank account. The university prepares a high volume of financial aid checks as well as other general expense disbursements. Bank activity has increased substantially during the 1994-95 school year due to receipt and disbursement of Stafford loan funds. Previously, the business office delivered lender checks to the student for such loans. The added transaction volume from this new practice increases risk. Without a timely reconciliation, accounting system or bank errors can occur and go undetected by the university.

Recommendation

- *Mankato State University business office should reconcile accounting records to the bank statement on a timely basis.*

3. Mankato State University over awarded one student $2,190 for the 1993-94 school year.

Mankato State University used a nonresident cost of attendance budget for one Minnesota resident student, resulting in an over award of $2,190. The correct budget should have been $7,680 rather than the $9,870 nonresident budget used. The university financial aid computer system determines the state residency of applicants from the student records system and then applies the applicable cost of attendance budget. For a short period of time, the computer program used incorrect budgets while packaging aid for 1993-94. The university discovered the problem, changed the computer program, and corrected the cost of attendance budgets and awards. This student was overlooked in the correction process.

The student is currently not enrolled, has attended loan exit counseling, and is making repayments on the Stafford loans received. Federal regulations do not require recovery of the over award in this situation.

Recommendation

- *Mankato State University should test future computer program changes to prevent programming errors from effecting financial aid awards.*

4. Mankato State University does not request and receive all financial aid transcripts on transfer students timely.

The admissions office does not post academic credits transferred from other schools to the students record on a timely basis. As a result, an ineligible student may temporarily receive aid, or an eligible student may receive loans exceeding the annual maximum or accumulative limits.

Federal regulations require the university to obtain a financial aid transcript from other institutions that the student previously attended. In addition, federal regulations allow institutions to make one Pell, SEOG, and Perkins loan disbursement before receiving the financial aid transcript. However, schools cannot make a second disbursement or release any FFEL proceeds.

It is important that the university have an efficient process in place to enable the student financial aid office to request and obtain transcripts on a timely basis. Presently, the Mankato State University financial aid computer system interfaces with student records maintained by other university offices. Once the admissions office updates the computer system for academic credits transferred from other schools, a computer edit prompts the financial aid staff to request a transcript. Currently, the admissions office is behind in posting academic credits transferred. As a result, the transcript edit is ineffective and transcripts are not requested until well into the school year. As of April 28, 1995, we found the university had not requested financial aid transcripts for several students who had been disbursed fall quarter aid. According to federal regulation, these students can not receive winter quarter financial aid until the transcripts are received.

Recommendation

- *The university admissions office should post transfer credits timely to facilitate prompt request and receipt of financial aid transcripts from other post secondary schools previously attended by transfer students.*

Metropolitan State University

5. Metropolitan State University has inadequate controls over federal student financial aid packaging.

Metropolitan State University lacks an effective process to control packaging and awarding of federal financial aid. The university does not document the cost of attendance budgets and estimated family contributions (EFC) used to determine each individual student's financial need. The university also lacks a comprehensive packaging worksheet, which compares the combination of aid awarded to the student's financial need. In addition, the university is certifying FFEL applications without including all anticipated financial aid, prematurely disbursing FFEL loan amounts, and has difficulty monitoring annual loan limits.

The university needs to document key factors, including the cost of attendance budget and estimated family contribution (EFC) used to determine each individual student's financial need. Although the financial aid staff identify a student's budget and EFC in order to initiate awards of various grants and loans, this information is not documented and retained. As a result, financial aid awards may be packaged in excess of need, and loan limits may be exceeded without detection.

The university lacks a comprehensive packaging worksheet, which compares the combination of aid awarded to the student's financial need. This comparison becomes especially critical in awarding FFEL, since these loans can be used to replace the estimated family contribution. We found two students that were over awarded beyond their budgeted cost of attendance because no comparison was in place. One student was awarded $2,237 more than the cost of attendance budget. However, since the student did not misreport or withhold information, federal regulations do not require repayment of Stafford or SLS funds that were disbursed in excess of need.

The university certifies FFEL applications, over varying loan periods, without including all anticipated financial aid awards. Since the loan periods vary on each FFEL application, loans do not coincide with the timing of other financial aid awards being given. As a result, the university may over award FFEL if other financial aid is not included. In addition, the university's loan disbursement process allows early delivery of FFEL to students contrary to federal regulations. Federal regulations specify that no loan installments may exceed one-half the loan and the second installment may not be made before half the loan period has elapsed. We noted that one student received a subsidized Stafford loan of $5,500, 20 days into an 80-day loan period. The varying loan periods also create problems monitoring annual loan limits. It is extremely difficult to monitor FFEL limits over a borrower based period, or a seven-month progression, when students apply for past and future loan periods around the same time. We noted, in one case, the university certified $7,000 in Stafford loans within two months, which exceeded the $5,500 maximum. However, Stafford loans for $1,500 pertained to a prior loan period maximum. The university needs to improve control over the FFEL application certification, the timing of disbursements, and monitoring of annual loan limits.

State University System

Metropolitan State University foresees increased growth in its student population over the next several years and must develop an improved system to monitor and control federal financial aid.

Recommendations

- *Metropolitan State University should improve controls over financial aid packaging by:*
  - -- *documenting individual student's financial need and comparing it to packaged financial aid awards; and*
  - -- *preventing financial aid awards which exceeds a student's financial need and cost of attendance budget.*
- *Metropolitan State University should improve control over Federal Family Education Loans by:*
  - -- *accurately identifying all other financial aid resources in the FFEL application;*
  - -- *disbursing at least half of the FFEL amount after the loan period midpoint; and*
  - -- *monitoring of FFEL annual loan limits more aggressively.*

6. Metropolitan State University has no financial aid refund policy and has inappropriately retained $406 in Pell grant funds paid for one ineligible student.

Metropolitan State University has no written financial aid refund policy. The University has inappropriately retained a Pell grant totaling $406 and deposited it into the state treasury. The Pell funds represented tuition owed by one student that subsequently withdrew from all but one class. Since the university lacks a written financial aid refund policy, we see no authority or justification for it to retain Pell funds which should have otherwise been returned to the federal government. Federal regulations require that institutions have a written allocation policy addressing refunds. Without a financial aid refund policy, the entire Pell grant amount should be refunded to the federal Pell account. The student should be billed for any tuition owed.

Recommendations

- *Metropolitan State University should develop a written financial aid refund policy.*
- *Metropolitan State University should reimburse $406 to the Pell account and seek recovery from the student for any tuition owed.*

Moorhead State University

7. Moorhead State University does not make the required number of contacts with Federal Perkins borrowers during the grace period.

Moorhead State University does not make contact with Federal Perkins loan borrowers 90 days into the grace period. The university only contacts the student two of the three times required during the nine-month grace period. The university does conduct exit interviews with Perkins loan borrowers upon graduation, withdrawal, or dropping below half time. However, the university considers the exit interview to be the first contact with Federal Perkins loan borrowers during the grace period and does not make another contact at 90 days. Federal regulations require the 90-day contact in addition to the exit interview. Without such contact, Perkins loan borrowers may be unclear about scheduled repayment dates or amounts, and fail to make appropriate plans early in the grace period.

Recommendation

- *Moorhead State University needs to make an initial contact with Perkins loan borrowers 90 days into the grace period.*

St. Cloud State University

8. St. Cloud State University does not comply with financial aid transcript requirements.

St. Cloud State University (SCSU) does not have effective procedures to identify and prevent ineligible financial aid payments to transfer students. Financial aid transcripts are the key record, which alert a campus of any student loan default at a prior institution. However, SCSU does not request financial aid transcripts from all schools its students previously attended. SCSU also does not adhere to requirements governing disbursement of financial aid to transfer students without a financial aid transcript. These weaknesses in the university's control structure increase the risk of improper payment of federal financial aid due to a student defaulting on loans at another post secondary institution.

SCSU's automated system for requesting financial aid transcripts is ineffective. The financial aid office relies on this system to generate transcript request letters to schools previously attended by students. The university admissions office is responsible for reviewing transfer students' admission applications and recording previously attended schools on the system. Over time, the admissions office changed its process and no longer updates the system for all post secondary schools previously attended. Currently, it only enters schools if SCSU accepts the transfer credits or if students submit an official academic transcript. The admissions office also modified the university admission application by requesting prior "Colleges or Universities" attended, rather than "All Post-Secondary Schools" attended. Financial aid staff were unaware of these changes made by the admissions office. Federal regulations require institutions to make an active effort to obtain financial aid transcripts from all post secondary schools that students previously attended.

Therefore, the university needs to revise its procedures to ensure it complies with these provisions.

The university improperly disbursed financial aid to transfer students without a financial aid transcript on file. Federal regulations allow universities to make one Pell, SEOG, and Perkins loan disbursement before receiving the transcript. However, universities cannot make any disbursement or release any Stafford or SLS loan proceeds without a financial aid transcript on file. SCSU violated these provisions because it did not assure receipt of the financial aid transcript before making the second disbursement or releasing loan proceeds. We found one student indicated prior attendance at Alexandria Technical College, yet SCSU released two $831 Stafford loan checks to the student even though it did not have the required financial aid transcript. To prevent improper payments, the university should verify completeness of transcript files before disbursing aid or releasing loan proceeds to transfer students.

Recommendations

- *SCSU should request financial aid transcripts from all schools that students previously attended.*
- *SCSU should assure that transcript files are complete before disbursing aid or releasing loan proceeds to transfer students.*

9. St. Cloud State University did not comply with FFEL exit counseling requirements for certain students.

St. Cloud State University did not identify certain Federal Family Education Loan (FFEL) recipients who did not return the following quarter, or who dropped below half time. The university failed to provide the required exit counseling materials to students who received FFEL guaranteed by United Student Aid (USA) Funds. Apparently, USA Funds, a lender, did not provide the university with a tape listing of all borrowers attending St. Cloud State University, as did other lenders. The university compares this tape to a list of the students who graduated, withdrew, or dropped out to determine any matches. If there are matches, exit counseling materials are sent. The likelihood of default increases if no loan repayment communication occurs. USA Funds guarantees roughly 20 percent of the FFEL delivered by the university.

Federal regulations require that each institution conduct exit counseling for FFEL recipients. Exit counseling is required shortly before the student becomes less than half-time or within 30 days after the school learns that the student has withdrawn, or did not attend a counseling session. The exit counseling is meant to remind the students of their obligation to repay their FFEL and to provide debt management strategies. The university can mail exit counseling materials to students who have left the university.

Recommendation

- *St. Cloud State University should identify FFEL recipients, whose loans were guaranteed by USA funds, and provide the required exit counseling materials.*

Winona State University

10. Winona State University over awarded one student $1,623 for the 1994-95 school year.

Winona State University over awarded a student $1,623 for the 1994-95 school year due to an error in completing the financial aid application. For the previous school year, the student filled out the "Free Application for Federal Student Aid" (FAFSA) as a dependent student with a family size of five, including three in college. For the current school year, the student filled out the FAFSA as an independent student, but still reported the same family size of five with three in college. This change in status resulted in an estimated family contribution (EFC) of $0 and the university awarded full financial aid of $8,150 based on that information. However, the independent student should have reported a family size of one and one in college. Based on this new information, Winona State University recalculated the student's EFC, which changed from $0 to $1,623, resulting in the over award.

Winona State University awarded the student Pell, Perkins, and Stafford financial aid. The student has already received the fall and winter quarter disbursements. However, because the error was detected during the school year, the university can correct the problem by adjusting the spring disbursement. The university should also perform verification of the student's application data as the error causes conflicting data in the student's financial aid file.

Recommendation

- *Winona State University should verify the student's application data, correct the financial aid awards, and recover any overpayment of financial aid, if necessary.*

11. Winona State University did not define exceptional need for awarding federal Perkins loans in the 1993-94 school year.

Winona State University did not award Perkins loans within federal guidelines for the 1993-94 school year. The university did not define exceptional need and generally awarded Perkins loans to students with loan eligibility of less than $2,000 or had received Perkins loans in prior years. We do not believe this process gives adequate priority to students with exceptional need. Students having higher unmet need, with loan eligibility over $2,000, receive Stafford loans rather than Perkins loans. As a result, these students with greater need were not provided the low interest Perkins' loans, nor the loan cancellation and forgiveness opportunities.

Federal regulations require institutions to give priority to students with exceptional need when awarding Perkins loans. The regulations allow individual institutions to define exceptional need and requires a written policy for implementing that priority. Other state universities use unmet need after grants and scholarships, or Pell grant eligibility, as criteria for determining exceptional need. The Pell grant program is intended to reach the neediest students and is a reasonable measure for Perkins loans. For the 1994-95 school year, Winona State University changed their Perkins awarding policy to incorporate the students' Pell eligibility.

Recommendation

- *Winona State University should award Perkins loans to students based on exceptional need and include this priority their financial aid policy.*

12. Winona State University improperly calculates Perkins loan repayment amounts.

Winona State University does not properly calculate Perkins loan repayment amounts according to federal regulations. Federal regulations state that "...the borrower shall repay the loan in equal quarterly, bimonthly, or monthly amounts as the institution chooses." However, Winona State University calculates the repayment amount on a fixed principal plus interest basis. This results in unequal payments, which decrease over the life of the loan and accelerates the principal portion due. Federal regulations allow for an accelerated payment plan, but it must be requested by the student and approved by the federal government. Institutions do not have the authority to impose these accelerated payment plans on students. The current practice at Winona State University forces students to repay loans at an accelerated level higher than the minimum amounts required by federal regulations.

Recommendation

- *Winona State University should calculate Perkins loan repayments in equal installments, unless a student requests or the federal government approves an accelerated repayment plan.*

13. Winona State University did not receive federal reimbursement for $4,176 in Pell grants.

Winona State University did not receive federal reimbursement of $4,176 in Pell grants for the 1993-94 award year. The university disbursed five Pell grants totaling $4,176 to eligible students during the year, but did not receive reimbursement. Federal regulations require institutions to submit payment information to the U.S. Department of Education to receive funding authorization for eligible Pell grant payments.

The U.S. Department of Education rejected the increased Pell funding authorization, because the university reported the disbursements after the September 30, 1994 reporting deadline. The university is now unable to take corrective action without an audit to resolve the rejected disbursements with the Department of Education. We reviewed the five student files and determined that the students were eligible for the Pell grant disbursements totaling $4,176.

Recommendation

- *Winona State University should work with the U.S. Department of Education to increase its 1993-94 Pell authorization by $4,176.*

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Mankato
STATE UNIVERSITY

OFFICE OF THE VICE PRESIDENT
FOR FISCAL AFFAIRS

May 26, 1995

Thomas Donahue, Audit Manager
Office of the Legislative Auditor
Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

Dear Tom:

President Rush has asked me to handle Mankato State University's response to your systemwide federal financial aid audit for the year ended June 30, 1994. You had requested a formal written response to findings 1 through 4. Our response is attached to this letter.

We appreciate the fine work that the auditors assigned to this audit did and the professional manner in which the audit was conducted.

If you have any questions regarding Mankato State University's audit response, please contact me.

Sincerely,

H. Dean Trauger

H. Dean Trauger
Vice President for Fiscal Affairs

Attachment

MSU 60/P.O. Box 8400, Mankato, Minnesota 56002-8400 (507) 389-6622 FAX: (507) 389-5859

1. Mankato State University awarded Federal Family Education Loans (FFEL) to one student in excess of the annual limit.

Recommendation: Mankato State University should work with the U.S. Department of Education to resolve the over award of $7,000 for one student exceeding the maximum annual loan limits.

We concur with this recommendation. The situation as outlined in the audit report accurately reflects the awarding of loans for the borrower in question. The regulations referenced were changing at the time the awarding was in process. Materials and publications which interpret the regulations for guarantors and schools were issued in May and June while Mankato State was determining eligibility, the loan was guaranteed and the check was issued. During times of transition on federal regulations, the challenge is to make certain appropriate "Dear Colleagues" and "Q & As" are used to fulfill our responsibilities. To insure compliance, we consult with the guarantee agency and other financial aid offices. We attempted to implement the change in regulations in light of our understanding of the regulations. It was our understanding at the time we determined eligibility for the upcoming academic year that under the new regulation (i.e. Academic-Year Based or Borrower-Year Based) a student started with a "clean slate" as of Fall of 1994 since we chose to use Academic-Year Based with Summer as a trailer.

The student in question clearly demonstrated need for all periods in questions given his program of study. The Aviation Management program has high program fees which result in a high cost of study. It is this cost of study that resulted in the need for such a large volume of borrowing. Given the regulation change and our understanding of starting with a "clean state" we saw this change in rules as an opportunity for this student. This student was the exception for summer 1994 because of the high cost of study for his program.

Person(s) responsible for resolution:	Sandra Loerts, Director of Financial Aid
Projected date for completion:	July 15, 1996

2. Mankato State University has not reconciled its accounting records to the local bank account since July, 1994.

Recommendation: Mankato State University business office should reconcile accounting records to the bank statement on a timely basis.

We concur with the recommendation that Mankato State University Office of Business Affairs should reconcile accounting records to the bank statement on a timely basis.

Mankato State University implemented electronic funds transfer of Stafford loans during the fall of 1994. In addition, bank statement activity increased substantially due to the expansion of sites where credit card payments are now accepted. While both these processes have overall benefits, the immediate impact was a substantial increase in labor to administer the EFT return of funds and to administer credit card activity. These two new programs have increased the complexity of the bank reconciliation process.

The bank reconciliation is now current. The Cashiers' Office is doing a daily reconciliation for deposits, which includes credit card receipts. Electronic funds transfers are also reconciled on a daily basis. During peak times, the return of EFT funds process is being assisted by other staff.

Person(s) responsible for resolution:	Joan Rigdon, Director of Accounting Bruce Raps, Accounting Officer
Projected date for completion:	Completed

3. Mankato State University over awarded one student $2,190 for the 1993-94 school year.

Recommendation: Mankato State University should test future computer program changes to prevent programming errors from affecting financial aid awards.

We concur with this the recommendation. There was a short period of time during which the computer program was not correctly identifying Minnesota residents and applying the correct budget. Upon discovery of this occurrence, action was taken to correct such cases. This student budget was an oversight.

We will work with the Systems Office to develop a computer program testing phase to insure accuracy in assigning budget. We believe a test file can be developed to assist in such an effort.

Person(s) responsible for resolution:	Gene Sellner, Systems Office Sandra Loerts, Director of Financial Aid
Projected date for completion:	July 1, 1995

4. Mankato State University does not request and receive all financial aid transcripts on transfer students timely.

Recommendation: The university admissions office should post transfer credits timely to facilitate prompt request and receipt of financial aid transcripts from other post secondary schools previously attended by transfer students.

We concur with this recommendation. The Office of Admissions and the Registrar's Office both have responsibility for transfer credit evaluation. Both offices have been directed to revise their operating procedures for transfer credit evaluation. Within two working days after receipt of a transcript, the transcript is to be logged onto the computer system indicating which school the student attended and approximately how many credits are being considered for transfer. The Financial Aid Office runs an edit program at least once a month to determine if the student's file contains financial aid transcripts from all the schools where the student has transferred credit. Students for whom we have received new academic credit transcripts are sent a request for a financial aid transcript and a hold is placed on their financial aid for subsequent terms. The Office of Admission and the Registrar's Office will implement this change during the summer.

We are unable to determine the source of information for the auditor's statement, "As of April 28, 1995, we found the university had not requested financial aid transcripts for several students who had been disbursed fall quarter aid."

Person(s) responsible for resolution:	Dave Gjerde, Registrar's Office Malcolm O'Sullivan, Admissions Office
Projected date for completion:	August 1995

Metropolitan State University

St. Paul Campus, 700 E. Seventh St.
St. Paul, Minnesota 55106-5000

Tel (612)772-7638
Fax (612)772-7632

President

May 14, 1995

Mr. Thomas Donahue, CPA
Audit Manager
Office of the Legislative Auditor
Centennial Building
St. Paul, MN 55155

Dear Mr. Donahue:

Thank you for your letter of May 10, 1995, indicating audit findings from the review of the federal student aid programs for the year ending June 30, 1994. We have involved all of the individuals relating to the management of these programs in preparing our response which follows. Jim Cleaveland, Director of Student Financial Aid, will be the primary individual responsible for resolution.

Finding #5:

Recommendations:

* Metropolitan State University should improve controls over financial aid packaging by:
    - Documenting individual student's financial need and comparing it to packaged financial aid awards, and
    - preventing financial aid awards which exceeds a student's financial need and cost of attendance budget.
* Metropolitan State University should improve control over Federal Family Education Loans (FFEL) by:
    - accurately identifying all other financial aid resources in the FFEL applications;
    - disbursing at least half of the FFEL amount after the loan period midpoint; and
    - monitoring of FFEL annual loan limits more aggressively.

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Response:

Metropolitan State University has purchased a financial aid management software system entitled Student Aid Reporting and Analysis (SARA) developed by American College Testing (ACT). All of the aforementioned recommendations are addressed by the implementation of SARA which began May 22, 1995. Regarding the recommendation suggesting that we disburse at least one half of the FFEL amount after the loan period midpoint, we have conferred with officials at the US Department of Education who have cited the Higher Education Act, as amended, Section 428 G a II. The amended act permits quarter institutions, such as Metropolitan State University, to disburse loan proceeds on a quarterly basis provided the funds are disbursed evenly, and annual loan limits not exceeded. We shall continue to disburse according to federal regulation and aggressively monitor annual loan limits.

Finding #6:

Recommendations:

* Metropolitan State University should develop a written financial aid refund policy.
* Metropolitan State University should reimburse $406 to the Pell account and seek recovery from the student for any tuition owed.

Response:

Metropolitan State University has operated under the Minnesota State University Board financial aid refund policy 5.8, subdivision 12. Our institutional policy will be revised in accordance with the Department of Education regulations which become effective July 1, 1995. This policy will be distributed to the university community and students.

The university will return $406.00 to the Pell account and seek recovery from the student.

We appreciate the opportunity to improve the management of our aid programs as a result of this audit.

Sincerely,

Susan A. Cole

Susan A. Cole

SAC:ltw

MOORHEAD
STATE UNIVERSITY

1104 - 7th Ave. So.
Moorhead, Minnesota 56563
Office of the President
(218) 236-2243

May 22, 1995

Mr. Thomas Donahue, CPA
Audit Manager
Office of the Legislative Auditor
Centennial Building
St. Paul, MN 55155

Dear Mr. Donahue:

This letter is in response to the recommendations prepared by your office following the financial aid audit of Moorhead State University for the year ended June 30, 1994.

1. Moorhead State University does not make the required number of contacts with Federal Perkins borrowers during the grace period.

   Recommendation: Moorhead State University needs to make an initial contact with Perkins loan borrowers 90 days into the grace period.

   Response: We will continue our current practice of notification with a follow up letter at 90 days.

If you have any questions concerning the financial aid audit recommendation and our accompanying response, please let us know.

Sincerely,

Roland Barden
President

cc: Ed McMahon
Al Finlayson
Dr. David Crockett
Verlee Thies

ST. CLOUD STATE
UNIVERSITY
OFFICE OF THE PRESIDENT
720 Fourth Avenue South
St. Cloud, MN 56301-4498

Phone (612) 255-2122

May 31, 1995

Mr. Thomas Donahue, CPA
Audit Manager
Office of the Legislative Auditor
Centennial Building
St. Paul, MN 55155

Dear Mr. Donahue:

The purpose of this letter is to respond to the preliminary audit findings contained in your letter of May 10, 1995, regarding the audit of the financial aid programs at St. Cloud State University.

Audit Finding #8 - St. Cloud State University Does Not Comply With Financial Aid Transcript Requirements

We basically concur with this audit finding. However, the financial aid transcripts are not the only device to alert campuses of a student who has defaulted on loans received at a prior institution. In many respects, more timely and accurate information is obtained from the various lenders and guarantee agencies at the time the student attempts to obtain additional loan assistance. To meet the requirements of the federal regulations, we will implement procedures that will enable us to request transcripts from all previous schools attended. We will work with the Records and Registration Office to update the university's master system to display attendance information for all post-secondary schools previously attended regardless of whether or not SCSU accepts academic credit from that particular institution. Procedures will also be implemented to insure that no aid will be disbursed to any transfer student without having a financial aid transcript on file. We have revised the processing procedures in the Financial Aid Office and have assigned the transfer transcript responsibility to another individual within the office who will be able to devote more time to the process to insure that appropriate action is taken to insure that we comply with these provisions.

Audit Finding #9 - St. Cloud State University Did Not Comply With FFEL Exit Loan Counseling Requirements

We concur with this finding. We have entered into a magnetic tape exchange program with United Student Aid Funds. The same procedure that we use to process enrollment verification reports for the other guarantee agencies will now be utilized for students who have had their loans guaranteed through United Student Aid Funds. We are now providing the required exit counseling materials to these students.

If you have any questions regarding the responses to your audit findings, please feel free to contact me.

Sincerely,

Robert O. Bess, President

ROB/jh

c: Frank Loncorich, Diana Burlison, Gene Gilchrist

Winona State University

P.O. Box 5838
Winona, Minnesota 55987-5838
Phone: 507-457-5000

May 22, 1995

Thomas Donahue
State of Minnesota
Office of the Legislative Auditor
Centennial Building
St. Paul, MN 55155

Dear Mr. Donahue:

We have received your May 10, 1995, draft audit report of our federal financial aid for the year ended June 30, 1994. Our response is as follows:

10. Winona State University over awarded one student $1,623 for the 1994-95 school year:

    Response:
    As stated, the student filed as a dependent student for 1993-94, the audited year, but was able to file as an independent for the 1994-95 school year. The student did not change the family size for 1994-95 year resulting in the discrepancy.

    The student was not selected for verification and there were no edit flags on the student's Student Aid Report to indicate to us that there was a problem with his application.

    After doing a complete verification, the student's record was corrected during the current 1994-95 year so that no overaward occurred. Responsible person, Bob Lietzau.

11. Winona State University did not define exceptional need for awarding Federal Perkins Loans in 1993-94:

    Response:
    1993-94 was a transition year as we moved from awarding Federal Perkins Loan based on need, as previous regulations required, to exceptional need. We attempted to keep previous Federal Perkins borrowers under that program rather than switch them to Federal Stafford, so they would not have borrowed from two programs. We did award Perkins to Pell eligible students as well as non-Pell recipients.

    As indicated, we made the full switch in our awarding policy for the 1994-95 school year, using the student's Pell eligibility to determine exceptional need. Responsible person, Bob Lietzau.

12. Winona State University improperly calculates Perkins loan repayment amounts.

    Response:
    We concur. The implementation will be included in the programming for the new student loan program. The system programmers will be working on this in FY96. Responsible person, Dave Thorn.

13. Winona State University did not receive federal reimbursement for $4,176 in Pell Grant.

    Response:
    On February 2, 1995, Winona State University submitted seven student adjustments under the Award Adjustment by Audit Regulation for the 1993-94 school year. Larry Gray from the Department of Education Audit Resolution Branch confirmed to the Financial Aid Office on May 17, 1995, that they had received the necessary documentation from Winona State and were now waiting for notification from Kansas City that there was a finding found in our 1993-94 audit with the Pell Program. Attached you will find the Department of Education letter Gen-94-14 which provides the procedures for an institution to receive credit or reimbursement for awards of Title IV student Financial Assistance that were not previously recognized by the Department of Education. Winona State has provided the Department of Education with the necessary documentation. They are now waiting for the Auditor's final report. Winona State University will receive the additional funding for these students provided the Department of Education receives the final report from the Legislative Auditors within the time deadline. Responsible person, Bob Lietzau.

If you have any questions, please call Jerry Varner at 457-5061, or Bob Lietzau at 457-5091.

Sincerely,

Robert Lietzau
Financial Aid Director

jsr

UNITED STATES DEPARTMENT OF EDUCATION

WASHINGTON, D.C. 20202-________

APRIL 1994

GEN-94-14

SUMMARY: This letter provides information to the program participants on procedures for Federal Pell Grant Authorization Adjustments requested in an audit. **PLEASE NOTE:** For the Campus Based Programs, the current procedure for seeking prior year authorization adjustments, as outlined in the Fiscal Operations Report, remains in effect.

Dear Colleague:

The Higher Education Amendments (HEA) of 1992 (P.L. 102-325) signed into law on July 23, 1992, added a new Section 487(c)(7) to the Higher Education Act, which permits an institution to receive credit or reimbursement for awards of Title IV Student Financial Assistance (SFA) by the institution that were not previously recognized by the Department of Education (ED). Institutions may receive credit or reimbursement if those awards are disclosed in audits conducted pursuant to Section 487(c)(7) of the HEA after December 31, 1988.

The purpose of this letter is to provide guidance for institutions requesting Federal Pell Grant authorization adjustments under this new provision. In order for an institution to qualify for a Pell Grant authorization adjustment under Section 487(c)(7), the institution must satisfy the requirement of that section:

- The claim must be based on a finding contained in the **initial** report of the audit conducted on behalf of the institution and submitted to ED to satisfy the audit requirements of Section 487(c)(7) and 34 CFR 668.23. Any request not based on a finding contained in the **initial** audit report will be denied. The audit finding need not establish the precise amount of adjustment that the institution claims, but the finding must at the very least establish that the institution made some proper awards for which it has not received from ED either funds or credit as proper expenditures.

- The **initial** audit on which the claim is based must be submitted by the institution **timely** in accordance with 34 CFR 668.23(c). An audit that is received **10 days** subsequent to the required March 31 or June 30 deadline is considered late. If an extension was granted to the institution, the audit must be submitted by the extension date. There will be no exceptions to the due dates in either condition above.

- An institution that was required to submit a biennial audit may qualify for an adjustment only with respect to awards made during the periods covered in an audit due after December 31, 1988, which are the 1986-87 and 1987-88 award years and later award years. For an institution that submits its audits under OMB Circular A-128 or A-133, the effective periods include the 1987-88 and subsequent award years.

Institutions requesting Pell adjustments on the basis of a finding in an audit should follow the procedures, and use the format, outlined in Enclosures A and B. The auditor must review this information and certify its accuracy. The institution should submit the information certified no later than **60 days** after submission to the Regional Inspector General for Audit. Your information must include the Audit Control Number (ACN) of the audit that identified these findings and should be forwarded **certified mail** to the following address:

Audit Resolution Branch, IMD
Attention: Federal Pell Grant Authorization Adjustments
P.O. Box 23800
L'Enfant Plaza Station, SW
Washington, D.C. 20026-0800

Institutions that have already requested Pell adjustments identified in an audit submitted prior to this letter will be contacted by the Audit Resolution Branch.

NOTE: For institutions seeking an increase in their Federal Pell Grant Authorization levels under 34 CFR 690.83(a), refer to "The Blue Book," May 6, 1991, Chapter 6.11.2.

We hope that this information will help to expedite your request for adjustments to prior year Federal Pell Grant authorization levels. If you have any questions please call our audit hotline number, (202) 260-6138.

Sincerely,

Leo Kornfeld
Deputy Assistant Secretary
for Student Financial Assistance

Enclosures: Enclosure A
Enclosure B

INSTRUCTIONS FOR DOCUMENTING A NEED FOR FEDERAL PELL GRANT FUNDING OF PREVIOUSLY UNREPORTED/UNACCEPTED AWARDS UNDER SECTION 487(c)(7)

List all correctly calculated, intended award recipients who do not appear on the final Student Payment Summary (SPS) for the award year in question. Include each student's name (last, first, and middle initial), date of birth, the student's SAR Record ID, and the student's **full** award amount. At the end of this listing, please provide a summary of the current authorization; total increase based on Enclosures A and B (if applicable); and final audited expenditure.

NOTE: The institution will not receive any administrative cost allowance for any new recipient records funded through these audit procedures.

For each of these students, submit a completed Payment Voucher (Part 3 of the SAR). If you do not have a Payment Voucher for a student, submit a photocopy of either the Part 1 or Part 2 of the SAR or its equivalent, as proof the student submitted the SAR to the institution, and provide the Federal Pell Grant award data normally supplied on the Payment Voucher under cover of a letter on your institution's official stationery. We request you use a format similar to the Increase Award Report shown in Enclosure B, but including <u>all data items</u> from the Payment Voucher.

Additionally, **your independent auditor**, as defined in Appendix C of Part 668(c), must provide a certification statement on the auditing firm's official stationery attesting that the auditor has reviewed and found the following information to be correct and complete for **each** new recipient record:

1. Name, Date of Birth, Social Security Number, and SAR Record ID (the SAR Record ID consists of the Social Security Number on the student's original application, the first two characters of the student's last name on the original application, transaction number, as assigned by the Federal Student Aid Application Processing System);
2. Award year of each disbursement;
3. Completed enrollment agreement;
4. The student was enrolled in an eligible program(s);
5. Completed Financial Aid Transcript (FAT), if necessary;
6. Academic transcripts or other admissions criteria are on file;
7. Attendance records are on file and attendance minimums met;

8. A copy of graduation certificate, if student graduated, is on file;
9. The published satisfactory academic progress, refund, and refund distribution policies are on file and have been met;
10. The school's published admission criteria (high school graduation status, GED or a student's actual ability to benefit test taken, the student's test results and the institution's cut-off scores for the ATB test) are on file and have been verified;
11. The number of clock/credit hours required for each program and the number to be obtained prior to the second disbursement are specified and on file and met;
12. The school's published academic year definition;
13. Cost of attendance calculations (budgets) for each program/year are on file;
14. Refund calculation for withdrawing students is on file;
15. Documentation of independent student status, where required, is on file;
16. Student certification statements (Educational Purpose, Updated Information, Drug-free, Non-Default, owe no refund and Selective Service Registration) are on file;
17. Eligible non-citizenship status, where applicable, has been verified and on file;
18. Scheduled Pell award documentation is on file;
19. Disbursed Pell award documentation is on file;
20. Student Aid Report (SAR) or its equivalent, used to calculate award;
21. If the student was selected for verification, all required documentation must be reviewed to determine that verification was completed correctly;
22. Documentation to support any changes made by institution based on professional judgement for any applicable award year; and
23. Calculated Federal Pell Grant award is correct in relation to the student's Cost of Attendance, Pell Grant Index (PGI)/Student Aid Index (SAI), and enrollment status (full-time, three-quarter-time, half-time or clock-hours/credit hours completed).

INSTRUCTIONS FOR DOCUMENTING A NEED FOR FEDERAL PELL GRANT FUNDING OF PREVIOUSLY UNDER REPORTED AWARDS UNDER EITHER SECTION 487(c)(7) OR 34 CFR 690.83(A)

During the audit, your auditor must also consider prior audit, program review and any other adjustment (i.e., late refunds, improper awards noted by the institution) to avoid duplicating Federal Pell adjustment requests which may have already been made or disallowed.

You may use the enclosed Increase Award Report (sample), or a facsimile, to document award increases. List all correctly calculated, intended award recipients whose award amounts are currently on file within the Department, for the award year in question, for less than their calculated award amount.

If any of these award adjustments require a corresponding change in either the Pell Grant Index (PGI)/Student Aid Index (SAI), Cost of Attendance, or Enrollment Status/Clock-Hours/Credit Hours, you must submit either a completed Payment Voucher (Part 3 of the SAR)/Processed Payment Voucher or you may provide the Federal Pell Grant award data normally supplied on those documents under cover of a letter on your institution's official stationery. We request you use a format similar to the Increase Award Report shown in Enclosure B, but including all data items.

NOTE 1: If the audit discloses a need for the institution to notify the Department of a decrease in a student's award record, the institution should refer to the decrease in award amounts reporting instructions contained in Dear Colleague letter P-35-5, dated November 1993.

NOTE 2: At the end of the Increase Award Report, please provide a summary of the current authorization for the award year in question; total increase based on Enclosure B; and final audited expenditure.

SAMPLE

STUDENT FINANCIAL ASSISTANCE AUDIT ENCLOSURE

FEDERAL PELL GRANT PROGRAM INCREASE AWARD REPORT

PAGE

PELL INST NO.
AWARD YEAR:

INSTITUTION NAME :
ADDRESS :

FAA NAME:
FAA PHONE:

STUDENT NAME	SAR RECORD ID NO	LAST NAME CODE	TRANS NO.	PGI	COST OF ATTENDANCE	AWARD AMOUNT ON FILE DEPT OF ED	CORRECT AWARD AMOUNT	ADJUSTMENT AMOUNT
MARY MOE	999-99-9999	MO	01	0000	$5400	$1600	$2300	$ 700
BILL BOE	888-88-8888	BO	04	0000	$5200	$1200	$2300	$1100
					TOTALS	$4600	$2800	$1800

Signature

Date