

MICHIGAN STATE
UNIVERSITY

Michigan State University

A-133 Single Audit Report: Summary Schedule of Prior Audit Findings

Year ended June 30, 2003

Finding 03-1

Grant Program/CFDA #: Student Financial Aid Cluster/Various

Requirement: *Reporting* – Institutions must report student Pell payment data to the Department of Education within 30 calendar days after the school makes a payment.

Finding: Five out of thirty payments selected for testwork were not reported within the required 30 calendar days.

Questioned Costs: None

Systemic or Isolated: This instance of noncompliance is systemic.

Effect of Finding: The University is in violation of the Department of Education 30 day reporting requirement.

Recommendation: During the year, the Department of Education implemented a new Common Origination and Disbursement (COD) system with the intent that it accept Pell payment data in a timely manner. However, as acknowledged by the Department of Education during the year, the COD system was not able to accept reports within the required time frame. Therefore, though it attempted to be, the University was not in compliance with the requirement. The University should consult with the Department of Education and correct the COD system so that it accepts Pell payment data in a timely manner.



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Corrective Action Plan

The Department of Education COD system was corrected in the 2002-2003 fiscal year. Timely reports are being made to the Department of Education.

Status

Corrected.

Michigan State University

A-133 Single Audit Report: Summary Schedule of Prior Audit Findings

Year ended June 30, 2003

Finding 03-2

Grant Program/CFDA #: Student Financial Aid Cluster/Various

Requirement: *Special Tests – Borrower Data Transmissions and Reconciliations* – Institutions must report all loan disbursements to the Department of Education within 30 calendar days of disbursement.

Finding: Twelve out of thirty disbursements selected for testwork were not reported within the required 30 calendar days.

Questioned Costs: None

Systemic or Isolated: This instance of noncompliance is systemic.

Effect of Finding: The University is in violation of the Department of Education 30 day reporting requirement.

Recommendation: During the year, the Department of Education implemented a new Common Origination and Disbursement (COD) system with the intent that it accept loan disbursement data in a timely manner. However, as acknowledged by the Department of Education during the year, the COD system was not able to accept reports within the required time frame. Therefore, though it attempted to be, the University was not in compliance with the requirement. The University should consult with the Department of Education and correct the COD system so that it accepts disbursement data in a timely manner.

Corrective Action Plan

The Department of Education COD system was corrected in the 2002-2003 fiscal year. Timely reports are being made to the Department of Education.

Status

Corrected.

MICHIGAN STATE UNIVERSITY

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