

AREAS OF REVIEW Area 1: Institution Eligibility Area 2: Student Eligibility Area 3: Fund Disbursements and Refunds Area 4: Fiscal Responsibility Making education beyond high school financially accessible to all Californians.

AREA 1: INSTITUTIONAL ELIGIBILITY Institution's Policies and Procedures Cal Grant Institutional Participation Agreement Independent Auditor's Financial Report Educational Programs (School Catalog) Information Security and Confidentiality Agreement

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AREA 2: STUDENT ELIGIBILITY Citizenship Requirements or Non Immigrant Status (AB 540 Affidavit) U.S. Selective Service Requirements Not in Default California Residency Enrolled in Eligible Program Does not have a Bachelor's or Professional Degree Educational Level Income/Assets Minimum Financial Need Meeting Satisfactory Academic Progress Valid Institutional Student Information Record (ISIR) or Cal ISIR

AREA 3: DISBURSEMENTS AND REFUNDS • Enrollment Status - Number of Units • Disbursement Policy & Dates • Refund Policy

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Student Aid Commission

AREA 4: FISCAL RESPONSIBILITY

- Cal Grant Reconciliation (student by student)
- Accounting Documents Ledgers (Receipt of Cal Grant Funds and Disbursements to Students)
- Reconciliation Discrepancies (excess funds, unreported payments, undisbursed funds)
- Cal Grant Funds Deposited and Maintained in an Interest Bearing Account
- Return of Interest Earned on Cal Grant Funds

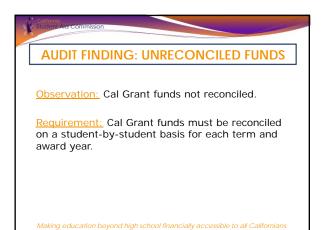
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Student Aid Commission			
	10 COMMON AUDIT FINDINGS		
1.	Unreconciled Funds		
2.	AB 540 Affidavit not retained or completed incorrectly		
3.	Verification Not Performed		
4.	Exceeding Income/Assets Ceiling		
5.	Institution fails to implement its SAP policy		
6.	Education Level Verified Incorrectly		
7.	No Written Policies & Procedures		

10. Cal Grant Interest Not Returned to CSAC

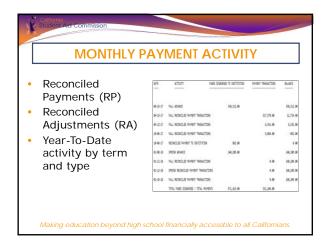
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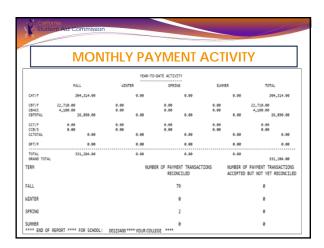
8. Enrolled in an ineligible program (example: Cal Grant C)9. Incorrect Payment Amounts Due To Enrollment Status

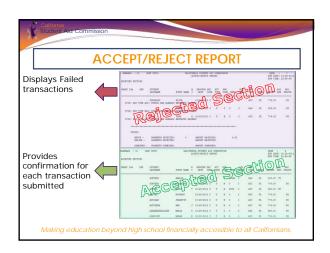


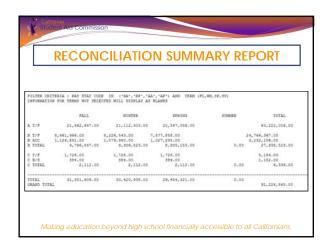
Reported payı	ments in WG	School disbur	sements
(WG Recon Report)		(School Accoun	
Student A	\$836	Student A	\$836
Student B	\$836	Student B	\$836
Student C	\$83 <u>6</u>	Student C	\$418
Total	\$2,508	Student D	\$418
		Total	\$2,508

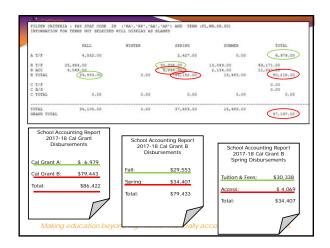


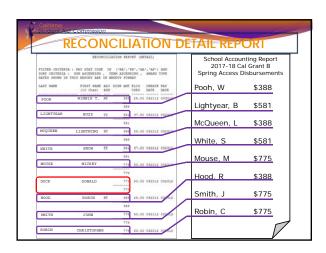




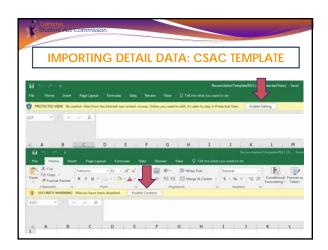


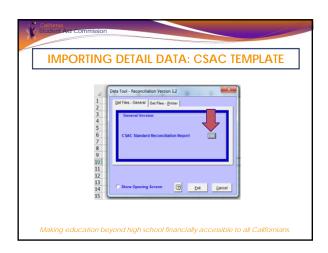


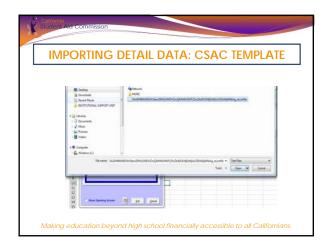


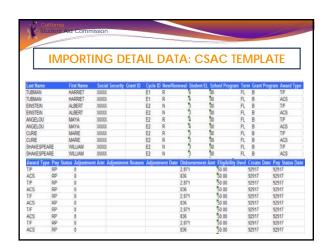


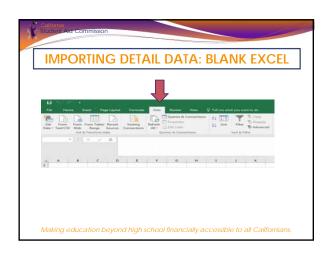


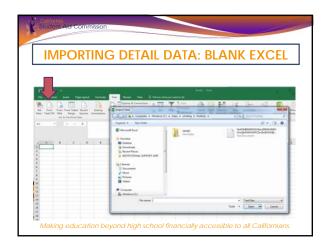


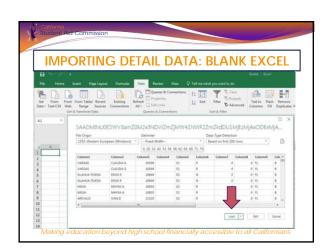


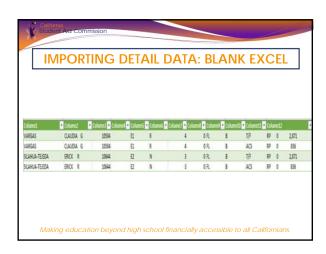












BEST PRACTICE: UNRECONCILED FUNDS Create written procedures and internal control measures to include: time frames of when reconciliation should occur staff assignments including specific areas of responsibility Reconcile on a student-by-student basis Reconcile on a term-by-term basis

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AUDIT FINDING: AB 540 VERIFICATION

Observation: The institution failed to perform AB 540 verification prior to disbursing Cal Grant funds.

Requirement: The institution must verify that all AB 540 Cal Grant recipients meet the eligibility requirements prior to disbursement and retain a signed affidavit in its records.

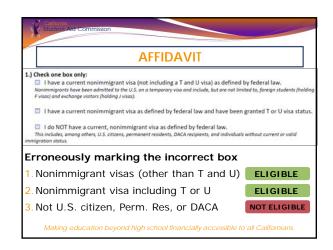
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CA DREAM ACT – WHAT IS IT?

- ✓ Often referred to as AB 540
- ✓ Comprised of 5 bills and made into law
- Allows qualifying students to pay in-state tuition at California public colleges
- ✓ AB 540 verification is required prior to disbursement of Cal Grant funds
- Determination for AB 540 eligibility is a campus responsibility







BEST PRACTICE: AB 540 VERIFICATION

- Ensure collection and distribution of AB 540 affidavit between FAO and A&R
- Inter-departmental cross training to ensure all staff are familiar with AB 540 requirements
- Ensure FAMS are coding AB 540 students appropriately
- Update AB 540 verification policies and procedures when state and federal regulations change

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AUDIT FINDING: VERIFICATION NOT PERFORMED Observation: The institution failed to perform verification prior to Cal Grant disbursement.

Requirement: The institution must complete verification in accordance with federal and state laws and regulations.

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VERIFICATION GROUPS					
Group Number	Description				
V1	Standard Verification				
V2	Reserved for future use by the Department*				
V3	Reserved for future use by the Department*				
V4	Custom Verification				
V 5	Aggregate Verification				
V6	Reserved for future use by the Department*				
Note: 2018-19 Verification Groups					

VERIFICATION FOR CADAA 20% of CADAA apps are selected for verification • Same verification guidelines as FAFSA • Use the federal V1 criteria to complete verification Meet nonresident tuition exemption requirements • AB 540 Affidavit on file (FAO and A&R) Selective Service Registration • Applies to male Cal Grant awardees • Copy of "Registration Acknowledgment" letter or card • Selective Service indicator on Student Summary screen WGS Account: Active Third Party Access: NONE Selective Service Status: Registered School Confirmed: No Making education beyond high school financiary accessible to all Californians. BEST PRACTICE: PERFORMING VERIFICATION

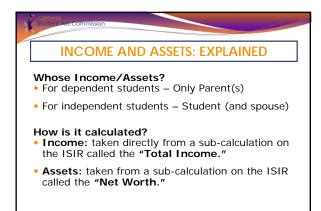
Create written procedures and quality control measures

Revisit document retention procedures as necessary

- Perform QA check via peer review
 Randomly select students
- Conduct regular staff trainings
- Sign up for List-Serves (stay in the know)

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Observation: Student exceeded the Commission	
Observation: Student exceeded the Commission	
ncome ceiling levels and received a Cal Grant disbursement.	'S
Requirement: Institutions must verify that new renewal students do not exceed the income ceiling.	



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INICONAL AND ACCETC. C

INCOME AND ASSETS: SCENARIO

2018-19 CSAC INCOME CEILINGS		
Family Size	Cal Grant B Income	
6+	\$62,800	
5	\$58,200	
4	\$52,000	

- > John is awarded a Cal Grant B based on a Total Income (TI) of \$55,000 and a family size of 5. FAFSA was selected for verification.
- > After verification, the TI remained the same but the family size decreased to 4. Is the student eligible?

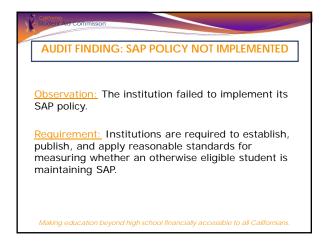
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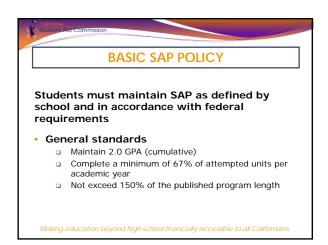
California Student Aid Commission

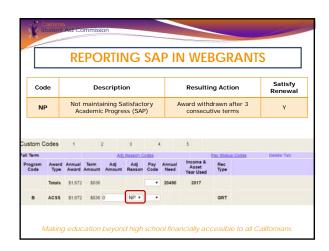
BEST PRACTICE: INCOME AND ASSET CEILINGS

- Create policies and procedures that ensure Cal Grant recipients meet all program eligibility requirements prior to the disbursement of Cal Grant funds.
 - $_{\circ}$ Ex: Submission of a G-21 to the Commission for PJ or when verification reveals changes to data elements
- Apply the correct Cal Grant income ceilings for the academic year when verifying and/or making revisions to the student's financial information.

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BEST PRACTICE: SAP POLICY □ Retain the following documentation: ✓ Transcripts ✓ SAP Letters ✓ SAP Policy ■ Ensure that your institution is: ✓ Implementing SAP policy ✓ Monitoring students for SAP ✓ Notifying students not meeting SAP Making education beyond high school financially accessible to all Californians.

AUDIT FINDING: INELIGIBLE PROGRAM Cal Grant C

Program Requirements

- · At least 4 months in length
- Vocational/technical/occupational programs
- Eligible programs listed on USDE *E-CAR* report

Cal C Supplement Form

- · Utilized for scoring purposes only
- Question #6 SOC Code
- "List of Cal Grant Approved Occupations"



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Studer	at Aid Commission
В	EST PRACTICE: INELIGIBLE PROGRAM
Α	se the "Eligibility and Certification pproval Report" (E-CAR) to determine if a rogram is eligible
0	Lists the institution's program name
0	CIP Code
0	"Approved for Certification" Y/N
0	Meets minimum program length (4 months)
	ublish/post a list of approved programs or staff/students

