BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA

REPORT ON AGREED-UPON PROCEDURES
CLAYTON STATE UNIVERSITY

JUNE 30, 2018
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INDEPENDENT ACCOUNTANT’S REPORT ON AGREED-UPON PROCEDURES
CLAYTON STATE UNIVERSITY

Board of Regents of the University System of Georgia
Attention: Mrs. Claire Arnold
Atlanta, Georgia

We have performed the procedures enumerated below, which were agreed to by the Board of Regents of the University System of Georgia (USG), solely to assist you in testing the student financial aid cluster of Clayton State University (the “University”) during the year ended June 30, 2018. The sufficiency of these procedures is solely the responsibility of the Board of Regents of the University System of Georgia. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and associated findings are as follows:

1. **Allowable Activities and Costs** – We tested a sample of 25 student financial assistance recipients to determine the student financial funds are only awarded/disbursed to students enrolled in eligible programs.

   *We found no exceptions as a result of these procedures.*

2. **Cash Management** - We tested a sample of 10 student financial assistance cash disbursements to ensure they are posted to the student accounts as soon as administratively feasible, but **no longer than 3 business days** following the receipt of student financial assistance funds requested for drawdown (as prescribed by the Federal OMB Compliance Supplement).

   *We found no exceptions as a result of these procedures.*

3. **Eligibility** – We tested a sample of 25 student financial assistance recipients to determine if they are eligible for the student financial aid program. Depending on the student financial aid program awarded, we will consider the following applicable requirements (as prescribed by the Federal OMB Compliance Supplement);
   - A regular student enrolled or accepted for enrollment in an eligible program
   - U.S. Citizen, National, or provides evidence from the U.S. Citizenship and Immigration Services that he or she is a permanent resident or in the U.S. with the intention of becoming a citizen or permanent resident
   - Has financial need and total awards do not exceed need (i.e. consideration of income, consideration of cost of attendance, etc.)
   - Does not owe a refund on a grant awarded under the Federal Pell Grant or FSEOG programs, or Federal Perkins loan overpayment
   - Not in default on any student loans
   - Has not obtained loan amounts that exceed annual or aggregate loan limits
   - Does not have property subject to a judgment lien for a debt owed to the United States
• Must maintain good standing, or satisfactory progress
• Has registered under Section 3 of the Military Selective Service Act, if applicable
• Has a valid Social Security Number
• Has a high school diploma, its recognized equivalent, or another indication of high school completion status as documented in 34 Code of Federal Regulations (CFR)
• Not been convicted of an offense involving the possession or sale of illegal drugs
• Is not enrolled in either an elementary or secondary school
• In the case of a student who has been convicted of, or has pled nolo contendere or guilty to, a crime involving Title IV funds, has completed the repayment of such assistance
• For an undergraduate student, has not completed coursework for a first baccalaureate degree
• An undergraduate student has received for award year, a SAR or determination of eligibility or ineligibility for a Federal Pell Grant
• Is enrolled or accepted for enrollment as an undergraduate student at the institution
• Is not incarcerated
• Is enrolled or accepted for enrollment, on at least a half-time basis in a school that participates in the Direct Loan Program

We found no exceptions as a result of these procedures.

4. Matching and Earmarking – We independently recalculated to determine if the University was in compliance with all applicable matching and earmarking requirements, as noted below, for the year ending June 30, 2018;
   a.) Matching - For the Federal Supplemental Educational Opportunity Grants (FSEOG) program, to verify the federal share of total FSEOG awards made by the University does not exceed 75% (i.e. other 25% is made by other non-federal sources).
   b.) Matching - For the Federal Work Study (FWS) program, to verify the federal share of total FSW awards made by the University does not exceed 75% (i.e. other 25% is made by other non-federal sources).
   c.) Earmarking - For the Federal Work Study (FWS) program, to verify the University uses at least 7% of the total FSW awards to compensate students employed in community service activities.

We found no exceptions as a result of these procedures.

5. Special Tests and Provisions – Verification – We tested a sample of 25 student financial assistance recipients to determine the University followed the required verification procedures (as prescribed by the Federal OMB Compliance Supplement).

We found no exceptions as a result of these procedures.

6. Special Tests and Provisions – Disbursements to / or behalf of students – We tested a sample of 25 student financial assistance disbursements to students to determine that they were made (or returned to the federal government) in accordance with required time frames (as prescribed by the Federal OMB Compliance Supplement).

We found no exceptions as a result of these procedures.

7. Special Tests and Provisions – Return of funds – We tested a sample of 10 Title IV assistance student financial assistance recipients and have a.) withdrew, b.) dropped out, or c.) never began attendance, to verify return calculation is in conformity with federal requirements.

We found no exceptions as a result of these procedures.

8. Special Tests and Provisions – Enrollment Reporting – We tested a sample of 25 student financial assistance recipients to determine whether the University is promptly reporting changes in student status (as prescribed by the Federal OMB Compliance Supplement).

We found no exceptions as a result of these procedures.
9. **Special Tests and Provisions – Federal Work Study agreements** – We tested a sample of 5 FWS student financial assistance recipients to verify if written agreements with non-institutional employers were executed (as prescribed by the Federal OMB Compliance Supplement).

   *We found no exceptions as a result of these procedures.*

10. **Special Tests and Provisions – Borrower data transmission and reconciliation (direct loan)** – We tested a sample of 25 student financial assistance recipients receiving direct loans to verify dates and amounts of disbursements recorded in the Direct Loan Servicing System (DLSS) match the University’s records of borrower accounts.

   *We found no exceptions as a result of these procedures.*

11. **Special Tests and Provisions – Institution Eligibility** – We independently reviewed the Eligibility and Certification Approval Report *(ECAR)* to determine the University properly identified all applicable locations as required.

   *We found no exceptions as a result of these procedures.*

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion on the accounting records. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Regents of the University System of Georgia and is not intended to be and should not be used by anyone other than these specified parties.

Atlanta, Georgia
January 30, 2019

[Signature]

Malcolm & Jenkins, LLC