

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Findings and Questioned Costs

2024-001 National Student Loan Database System (NSLDS) Enrollment Reporting

Federal Agency: Department of Education
Federal Program: Student Financial Aid
ALN: Various

Award Period: July 1, 2023 to June 30, 2024

Type of Finding:

- Significant Deficiency in Internal Control Over Compliance
- Other Matters

Criteria or Specific Requirement: The Code of Federal Regulations, 34 CFR 685.309 requires that enrollment status changes for students be reported to NSLDS within 30 days or within 60 days if the student with the status change will be reported on a scheduled transmission within 60 days of the change in status.

Condition: During our testing of 60 students, we noted one student from Minneapolis Community and Technical College, one student from Minnesota State College Southeast, and one student from Pine Technical and Community College where the change in enrollment status was not reported within 60 days. Additionally, during our testing of 60 students, we noted three students from Hennepin Technical College and one student from Pine Technical and Community College where the effective date reported on the "Enrollment Level" and "Program Level" report in NSLDS did not match the institutions records.

Questioned Costs: None

Context: During our testing, it was noted the institutions do not have a process in place to ensure timeliness and accuracy of NSLDS reporting.

Cause: The institutions did not have a process in place to ensure the student who graduated or withdrew were reported timely and the effective dates were accurate.

Effect: The colleges did not comply with Department of Education (ED) regulations by reporting student enrollment status changes timely and accurately.

Repeat Finding: Yes – See 2023-001

Recommendation: We recommend the colleges reevaluate their procedures and review policies surrounding reporting status changes to NSLDS to ensure timely reporting.

Views of Responsible Officials: There is no disagreement with the audit finding.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Findings and Questioned Costs (Continued)

2024-002 Tier One Arrangements

Federal Agency: Department of Education
Federal Program: Student Financial Aid
ALN: Various

Award Period: July 1, 2023 to June 30, 2024

Type of Finding:

- Significant Deficiency in Internal Control Over Compliance
- Other Matters

Criteria or Specific Requirement: The Code of Federal Regulations, 34 CFR 668.164(e) states that a school must provide to ED an up-to-date URL for the contract for publication in a centralized database accessible to the public. Unless the school has a Tier Two arrangement under the threshold, the URL must also include the contract data.

Condition: During our testing of Tier One Arrangements, we noted Dakota County Technical College, Inver Hills Community College, Pine Technical College, and Saint Paul College did not provide the URL for their Tier One Arrangement to the Department of Education.

Questioned Costs: None

Context: During our testing, we noted the colleges had uploaded the Tier One agreement to their individual website; however, they did not provide the URL to the Department of Education.

Cause: The colleges did not have a process in place to ensure the URL was timely reported to the Department of Education.

Effect: The colleges are not in compliance with Department of Education requirements regarding Tier One arrangements.

Repeat Finding: Yes – See 2023-005

Recommendation: We recommend the colleges review their policies and procedures surrounding their Tier One agreement to ensure they are in compliance with the Department of Education requirements.

Views of Responsible Officials: There is no disagreement with the audit finding.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Findings and Questioned Costs (Continued)

2024-003 Perkins Recordkeeping

Federal Agency: Department of Education
Federal Program: Student Financial Aid Cluster
ALN: 84.038

Award Period: July 1, 2023 to June 30, 2024

Type of Finding:

- Significant Deficiency in Internal Control Over Compliance
- Other Matters

Criteria or Specific Requirement: The Code of Federal Regulations, 34 CFR 674.19(e) states that Institutions must retain original, true and exact copies of promissory and master promissory notes (MPN), repayment records, and cancellation and deferment requests for each Perkins loan made. An original electronically signed MPN must be retained by the institution for three years after all the loans made on the MPN are satisfied.

Condition: During our testing of 40 retired or assigned loans, we noted for St. Cloud State University, one MPN was unable to be located. Furthermore, we noted for Minnesota State University, Mankato, two MPNs were unable to be located. These specific loans were paid in full and the original MPN was sent to the borrower with the paid in full communication.

Questioned Costs: None

Context: The MPNs for three students were not retained as required by the regulations.

Cause: The universities were not aware of the requirement to retain a copy of the MPN for at least three years after the loans were satisfied.

Effect: The universities were not in compliance with the Perkins recordkeeping regulations.

Repeat Finding: Yes - See 2023-002

Recommendation: We recommend the universities implement procedures moving forward to ensure that all necessary MPN's are retained in accordance with the Perkins recordkeeping regulations.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with the audit finding.