

**PROGRAM-SPECIFIC AUDIT
STUDENT FINANCIAL ASSISTANCE
CLUSTER (TITLE IV)**

UNIVERSITY OF HOUSTON - DOWNTOWN
(an agency of the State of Texas)
Houston, Texas

For the Fiscal Year Ended
August 31, 2025

University of Houston - Downtown
Houston, Texas

SINGLE AUDIT REPORTS
UNDER UNIFORM GUIDANCE
August 31, 2025

CONTENTS

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS ISSUED IN A PROGRAM-SPECIFIC AUDIT OF STUDENT FINANCIAL ASSISTANCE CLUSTER (TITLE IV).....	1
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	3
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	5
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – STUDENT FINANCIAL ASSISTANCE CLUSTER (TITLE IV).....	8
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	9
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	10

**INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS ISSUED IN A PROGRAM-SPECIFIC AUDIT OF STUDENT FINANCIAL
ASSISTANCE CLUSTER (TITLE IV)**

To the Board of Regents of the
University of Houston System

Report on the Audit of the Schedule of Expenditures of Federal Awards

Opinion

We have audited the schedule of expenditures of federal awards for the Student Financial Assistance Cluster ("Title IV") of the University of Houston – Downtown (the "University"), an agency of the State of Texas (the "State"), for the year ended August 31, 2025, and the related notes (the "Schedule").

In our opinion, the accompanying schedule of expenditures of federal awards presents fairly, in all material respects, the expenditures of federal awards for Title IV of the University for the year ended August 31, 2025, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

(Continued)

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedule.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Crowe LLP
Crowe LLP

Houston, Texas
January 13, 2026

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Regents of the
University of Houston System

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the schedule of expenditures of federal awards for the Student Financial Assistance Cluster ("Title IV") and the related notes (the "Schedule") of the University of Houston – Downtown (the "University"), an agency of the State of Texas (the "State") as of and for the year ended August 31, 2025, and have issued our report thereon dated January 13, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the Schedule, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the University's Schedule will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's Schedule is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the Schedule. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP
Crowe LLP

Houston, Texas
January 13, 2026

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Regents of the
University of Houston System

Report on Compliance for Student Financial Assistance Cluster (Title IV)

Opinion on Compliance for Student Financial Assistance Cluster (Title IV)

We have audited the University of Houston – Downtown's (the "University"), an agency of the State of Texas (the "State"), compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on its Student Financial Assistance Cluster ("Title IV") for the year ended August 31, 2025.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Title IV for the year ended August 31, 2025.

Basis for Opinion on Student Financial Assistance Cluster (Title IV)

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for Title IV. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Title IV.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of the federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-002. Our opinion on Student Financial Assistance Cluster (Title IV) is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Crowe LLP
Crowe LLP

Houston, Texas
January 13, 2026

UNIVERSITY OF HOUSTON - DOWNTOWN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
STUDENT FINANCIAL ASSISTANCE CLUSTER (TITLE IV)
Year ended August 31, 2025

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Grant/Contract Number</u>	<u>Federal Expenditures</u>	<u>Provided to Subrecipients</u>
U. S. Department of Education:				
Direct Award -				
Student Financial Assistance Cluster:				
Federal Pell Grant Program	84.063		\$ 48,797,136	\$ -
Federal Supplemental Education Opportunity Grant Program	84.007		922,598	-
Federal Work Study Program	84.033		557,826	-
Federal Direct Loan Program	84.268		43,314,383	
Teacher Education Assistance for College and Higher Education Grants	84.379		<u>38,230</u>	<u>-</u>
Total Student Financial Assistance Cluster			<u>93,630,173</u>	<u>-</u>
Total U.S. Department of Education			<u>\$ 93,630,173</u>	<u>\$ -</u>

See accompanying notes to schedule of expenditures of federal awards.

UNIVERSITY OF HOUSTON - DOWNTOWN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended August 31, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The University of Houston – Downtown (the “University”) is part of the University of Houston System (the “System”) and is an agency of the State of Texas (the “State”). The Schedule of Expenditures of Federal Award (the “Schedule”) – Student Financial Assistance Cluster (“Title IV”) represents only the activity of Title IV and does not include any other awards received by the University or any award received by the System or the State.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The University has elected not to use the 10-percent de minimus indirect cost rate allowed under Uniform Guidance.

NOTE 2 – RELATIONSHIP TO FEDERAL AND STATE REPORTS

Differences between amounts reflected in the financial reports filed with grantor agencies for the programs and in the Schedule are due to different program year ends and accruals that will be reflected in the next report filed with the grantor agencies.

NOTE 3 – SUBSEQUENT EVENTS

The University evaluated subsequent events and, as of the date of the independent auditors’ report, none were noted.

UNIVERSITY OF HOUSTON - DOWNTOWN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended August 31, 2025

Section I – Summary of Auditor’s Results

Financial Statement

Type of auditors’ report issued	Unmodified		
Internal control over financial reporting: Material weakness(es) identified?	_____	Yes	_____ X _____ No
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	Yes	_____ X _____ None Reported
Noncompliance material to financial statements noted?	_____	Yes	_____ X _____ No

Compliance

Internal control over major program: Material weakness(es) identified?	_____	Yes	_____ X _____ No
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ X _____	Yes	_____ _____ None Reported
Type of auditors’ report issued on compliance for major program	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	_____ X _____	Yes	_____ _____ No

Programs included in the program-specific audit of Title IV consisted of:

Assistance Listing Numbers

Name of Federal Program or Cluster Number

84.063 84.007 84.033 84.379 84.268	Student Financial Assistance Cluster, consisting of: Federal Pell Grant Program Federal Supplemental Education Opportunity Grant Program Federal Work Study Program Teacher Education Assistance for College and Higher Education Grants Federal Direct Loan Program
--	---

Section II – Financial Statement Findings

None

(Continued)

UNIVERSITY OF HOUSTON - DOWNTOWN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended August 31, 2025

Section III – Federal Award Findings and Questioned Costs

Finding 2025-001:

Information on the federal program:

Federal Agency: U.S. Department of Education
Pass-Through Entity: N/A – Direct Award
Federal Program: Student Financial Assistance Cluster
Assistance Listing Number(s): 84.063, 84.007, 84.033, 84.379, 84.268
Compliance Requirement: Special Tests and Provisions – Return of Title IV Funds (R2T4)
Audit Findings: Significant Deficiency

Criteria:

Federal regulations require institutions participating in Title IV programs to establish and maintain effective internal control over compliance with federal program requirements. Proper internal controls include documented supervisory review to ensure accuracy and compliance with Return of Title IV (R2T4) calculations (34 CFR §668.22; 2 CFR §200.303).

Condition:

During testing of R2T4 calculations, 22 instances out of a total sample size of 60 were noted in which individual R2T4 calculations lacked evidence of formal review and approval. While management indicated that calculations are subject to informal review, no documented sign-off or other evidence of review was maintained.

Cause:

The institution has not established or enforced a formal policy or procedure requiring documented supervisory review and approval of R2T4 calculations.

Effect:

Without documented evidence of review, there is an increased risk that errors in R2T4 calculations may not be detected or corrected timely. This condition increases the risk of noncompliance with Title IV requirements, which could result in improper return of funds or potential regulatory scrutiny.

Questioned Costs:

None identified.

Context:

The University participates in Title IV federal student financial assistance programs and is required to perform Return of Title IV (R2T4) calculations when a student withdraws prior to completing the payment period. As part of the Single Audit, Crowe tested compliance with R2T4 requirements by reviewing a sample of student withdrawals, including supporting documentation and evidence of supervisory review.

Identification as a repeat finding:

No, not a repeat finding.

Recommendation:

We recommend that management implement a formal review process for R2T4 calculations, including documented supervisory approval, to strengthen internal controls and ensure compliance with federal requirements.

View of Responsible Officials:

Management acknowledges the finding. See management's corrective action plan attached to this report.

(Continued)

UNIVERSITY OF HOUSTON - DOWNTOWN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended August 31, 2025

Finding 2025-002:

Information on the federal program:

Federal Agency: U.S. Department of Education
Pass-Through Entity: N/A – Direct Award
Federal Program: Student Financial Assistance Cluster
Assistance Listing Number(s): 84.063, 84.007, 84.033, 84.379, 84.268
Compliance Requirement: Special Tests and Provisions – Enrollment Reporting
Audit Findings: Significant Deficiency, Noncompliance

Criteria:

Federal regulations require institutions participating in Title IV programs to report changes in student enrollment status to NSLDS in a timely manner. Specifically, institutions must report enrollment status changes within 60 days of the date the institution becomes aware of the change (34 CFR §685.309(b); 34 CFR §674.16(j)). In addition, 2 CFR §200.303 requires institutions to establish and maintain effective internal control over compliance with federal program requirements.

Condition:

During enrollment reporting testing, Crowe identified 11 instances, from a sample of 25 students, in which changes in student status were not reported to NSLDS within the required 60-day timeframe. In all identified instances, the students had graduated; however, the corresponding status updates were reported after the 60-day reporting deadline.

Cause:

The institution did not have effective procedures in place to ensure that changes in student status due to graduation were identified, processed, and reported to NSLDS within the required timeframe.

Effect:

Untimely reporting of enrollment status changes increases the risk that borrowers may be placed in an incorrect loan status, which could delay loan repayment, deferment, or grace period processing. Additionally, failure to report changes timely constitutes noncompliance with Title IV requirements and increases the risk of regulatory scrutiny.

Questioned Costs:

None identified.

Context:

The institution is required to report changes in student enrollment status to the National Student Loan Data System (NSLDS) to ensure accurate loan servicing and borrower status. As part of the Single Audit, compliance with enrollment reporting requirements was tested by reviewing a sample of student records and evaluating the timeliness of reported status changes.

Identification as a repeat finding: No, not a repeat finding.

Recommendation:

We recommend that management strengthen controls over enrollment reporting by implementing procedures to ensure that all changes in student status are reported to NSLDS within the required 60-day timeframe. This may include enhanced coordination between academic and financial aid offices, periodic reconciliations, and documented supervisory review.

View of Responsible Officials:

Management acknowledges the finding. See management's corrective action plan attached to this report.



CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS
August 31, 2025

Finding 2025-001:

Information on the federal program:

Federal Agency: U.S. Department of Education
Pass-Through Entity: N/A – Direct Award
Federal Program: Student Financial Assistance Cluster
Assistance Listing Number(s): 84.063, 84.007, 84.033, 84.379, 84.268
Compliance Requirement: Special Tests and Provisions – Return of Title IV Funds (R2T4)
Audit Findings: Significant Deficiency

Condition:

During testing of R2T4 calculations, 22 instances out of a total sample size of 60 were noted in which individual R2T4 calculations lacked evidence of formal review and approval. While management indicated that calculations are subject to informal review, no documented sign-off or other evidence of review was maintained.

Context:

The University participates in Title IV federal student financial assistance programs and is required to perform Return of Title IV (R2T4) calculations when a student withdraws prior to completing the payment period. As part of the Single Audit, Crowe tested compliance with R2T4 requirements by reviewing a sample of student withdrawals, including supporting documentation and evidence of supervisory review.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees with the finding. The Financial Aid Compliance Officer will conduct a review of R2T4 calculation and document the review of the R2T4 calculations to ensure the calculation is performed properly. Management will formally sign off on the review.

Responsible party and timeline for completion:

The Executive Director of Student Financial Aid and the Compliance Officer will be responsible for overseeing the implementation of the corrective action plan, which will be implemented immediately.



CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS
August 31, 2025

Finding 2025-002:

Information on the federal program:

Federal Agency: U.S. Department of Education
Pass-Through Entity: N/A – Direct Award
Federal Program: Student Financial Assistance Cluster
Assistance Listing Number(s): 84.063, 84.007, 84.033, 84.379, 84.268
Compliance Requirement: Special Tests and Provisions – Enrollment Reporting
Audit Findings: Significant Deficiency, Noncompliance

Condition:

During enrollment reporting testing, Crowe identified 11 instances, from a sample of 25 students, in which changes in student status were not reported to NSLDS within the required 60-day timeframe. In all identified instances, the students had graduated; however, the corresponding status updates were reported after the 60-day reporting deadline.

Context:

The institution is required to report changes in student enrollment status to the National Student Loan Data System (NSLDS) to ensure accurate loan servicing and borrower status. As part of the Single Audit, compliance with enrollment reporting requirements was tested by reviewing a sample of student records and evaluating the timeliness of reported status changes.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees with the finding and will implement a system of internal control to ensure the student status is updated accurately and reported within the 60-day reporting deadline.

To prevent this from occurring in the future, we are implementing the following actions:

- Clearly documenting ownership and backup coverage for National Student Clearinghouse (NSC) reporting to ensure continuity during leadership or staffing changes.
- Establishing internal checkpoint deadlines well ahead of the 60-day requirement to allow for early identification of risks or delays. Checkpoints to occur 30 and 45 days ahead of the 60-day requirement.
- Strengthening cross-training within the team to ensure adequate coverage and redundancy for time-sensitive reporting functions.
- Executive Director, Financial Aid, Director, Financial Aid and/or Financial Aid Compliance Officer will monitor submission timelines to ensure timely reporting is occurring.

Taking these steps will help ensure timely reporting moving forward, even during periods of transition.

Responsible party and timeline for completion:

The Registrar will oversee the implementation of the corrective action plan, which will be implemented immediately. The Executive Director, Financial Aid will monitor the implementation of the corrective action plan.

Office of Scholarships & Financial Aid