

UNIVERSITY OF NEVADA, LAS VEGAS  
RESIDENCY DETERMINATIONS  
Internal Audit Report  
July 1, 2011 through June 30, 2012

GENERAL OVERVIEW

Residency status determinations for tuition purposes for new undergraduate and graduate students at the University of Nevada, Las Vegas (UNLV) are made by the Office of Enrollment Student Services (ESS). Residency status determinations for the Law and Dental Medicine Professional Schools are made at those schools and are not included as part of this audit.

Students who graduated from Nevada high schools are determined to be Nevada residents for tuition purposes. Those not matriculating from a Nevada High School must submit a residency application with required supporting documentation to the applicable office or school, in order to be in compliance with the residency and tuition charges set forth in Board of Regents Handbook, Title 4, Chapter 15.

For fiscal year 2012, ESS collected approximately \$31,464,000 in nonresident tuition including the professional schools and summer enrollments.

Students initially denied “resident” status may choose to apply for reclassification, as residency status can change throughout their enrollment. Students seeking reclassification must submit an application to the appropriate office or school that includes a declaration to relinquish residence in another state, certifying the establishment of a bona fide residence in Nevada and proof of financial independence.

UNLV has an established appellate procedure and committee to review student appeals of residency status determinations for tuition purposes.

## SCOPE OF AUDIT

The Internal Audit Department has completed a review of undergraduate and graduate residency determination process at UNLV for the period July 1, 2011 through June 30, 2012 in accordance with the Board of Regents Handbook, Title 4, Chapter 15. The scope of our review included tests of the accounting records and other auditing procedures as considered necessary. The tests included, but were not necessarily limited to these areas.

1. Reviewing the UNLV Residency policy for completeness and consistency in accordance with BOR and NSHE policies.
2. Reviewing and testing initial residency determinations for tuition purposes of undergraduate and graduate students and the applicable supporting documentation to ensure compliance with BOR and UNLV policies.
3. Reviewing and testing reclassification of residency status determinations for tuition purposes of undergraduate and graduate students to determine whether properly approved, compliant with policies and supported with required documentation.
4. Reviewing and testing the residency appeals process, including verifying existence and operation of the committee, appropriate composition of committee members, proper approvals, and supporting documentation in accordance with BOR and UNLV Policies.
5. Reviewing NSHE institution's policies and procedures to determine whether the guidelines are consistently applied in accordance with BOR Handbook, Title 4, Chapter 15.

In our opinion, we can be reasonably assured that ESS is adhering to the residency policies and procedures, and no major control weaknesses exist. However, implementation of the following recommendations would further improve operations.

## COMMUNICATION

We reviewed adequacy of guidance and communications provided to students by ESS for initial residency, reclassification and the appeal process. During our review, we noted the communications were adequate. However, we noted the undergraduate student body does not have an existing Frequently Asked Questions (FAQ) Page to address residency issues as is available for the graduate college. Also, the residency page does not provide links to the applicable NSHE and BOR policies.

We recommend consideration be given to include a FAQ Page as a resource tool for students seeking guidance or clarification on residency, as well as providing links to applicable NSHE and BOR policies.

### **Institution Response**

**We agree with this recommendation**

#### **Correction**

**An FAQ has been developed and has been submitted to the web communications team for development and placement on our web site. The page should be available to students on the web site by June 1, 2013.**

#### **Prevention & Monitoring**

**As noted, the FAQ will provide a resource tool to students. The Assistant Director of Admissions will periodically review the FAQ to ensure that it remains current.**

**We respectfully request that this item be closed.**

## **FOLLOW-UP RESPONSE**

**The FAQ was put in place as noted in June. We respectfully request that this item be closed.**

## **NEW STUDENTS**

We reviewed controls over the residency determination process for newly admitted students. During our review, we noted two residency applications were missing the signature of

the student attesting to the Declaration of Intent of Residency, and two cases where the driver's license date verification, indicating the license was issued 12 months prior to enrollment, was not properly performed.

We recommend employees ensure residency applications are properly completed and supporting documents are properly reviewed in accordance with BOR Handbook Title 4, Chapter 15 policy to ensure consistency in residency status determinations.

### **Institution Response**

**We agree with this recommendation**

#### **Correction**

**All staff members who process new and reclassification residency applications have been re-trained to ensure that they are aware of the necessity and significance of fully completing these documents. The documents are now fully completed prior to submission.**

#### **Prevention & Monitoring**

**Spot checks will be performed by the Assistant Director of Admissions to ensure that this process is properly done.**

**We respectfully request that this item be closed.**

#### **FOLLOW-UP RESPONSE**

**This recommendation was fully implemented at the time of the initial responses.**

#### **RECLASSIFICATION**

We reviewed controls over the reclassification process to determine students properly completed the residency application, submitted supporting documentation and were properly granted residency, if applicable. We noted two student files were retained that included copies of sensitive information for credit cards and social security cards.

We recommend employees be reminded to properly secure, maintain, and dispose of sensitive information to protect against credit card fraud and identity theft.

## **Institution Response**

**We agree with this recommendation**

### **Correction**

**Staff members have received additional training to ensure that they are fully aware of the retention & disposal processes of the documents. This includes training that only the information that is absolutely needed for the application be retained.**

### **Prevention & Monitoring**

**The training has raised awareness to the level that we do not anticipate any re-occurrence of this issue. The Assistant Director of Admissions will include a review for these items as part of her periodic review noted above.**

**We respectfully request that this item be closed.**

## **FOLLOW-UP RESPONSE**

**This recommendation was fully implemented at the time of the initial responses.**

## **APPEALS**

We reviewed controls over the appeals process to determine whether the process is operating consistently, obtaining required supporting documentation, residency applications properly completed and reasonableness of appeals committee decisions. According to BOR policies, students must provide a copy of the most recent tax return and or a copy of their parent's tax return to provide evidence of financial independence. During our review, we examined 10 files transferred to the appeals committee for review. Of these, we noted one student was granted tentative residency with the condition to provide the institution with a copy of the most recent tax return. The file was missing the copy of the recent tax return.

We recommend the department obtain the required documentation prior to granting residency in accordance with the BOR Handbook.

## **Institution Response**

**We agree with this recommendation**

### **Correction**

**We now have a standardized system in place where any tentatively approved residency (as approved by the Appeals Committee) is placed in a single database. These students are sent appropriate reminders prior to the deadline for submitting supporting documents. Students who do not submit the additionally required paperwork by the specific deadline have their residency for that semester revoked.**

### **Prevention & Monitoring**

**Our Appeals Committee takes the approach to grant tentative residency in limited cases where additional time may be needed to supply documents such as updated tax returns. The checks and balances that we have put into place make it easier for all evaluators to see where a student's residency status stands at any given point and should prove an effective means to ensure that this problem will not re-occur.**

**We respectfully request that this item be closed.**

### **FOLLOW-UP RESPONSE**

**This recommendation was fully implemented at the time of the initial responses.**

### **OTHER – RESIDENCY POLICIES**

We noted some situations where the residency policies were not sufficiently clear to support consistent application when making residency status determinations, or where the policy designed had an inherent weakness towards confirming student residency status as follows.

1. System institutions rely on previous residency determinations made by other NSHE institutions in accordance with the NSHE Procedures and Guidelines Manual, Chapter 15, Section 3.2, even though the institutions are authorized by NSHE Procedures and Guidelines Manual, Chapter 6, Section 16 to utilize 10% random sampling of new student admissions by reviewing supporting documentation confirming their residency as reported on their admission application. We noted the College of Southern Nevada (CSN) is UNLV's largest institution providing transfer students. During our review, we noted CSN was in compliance with the audits of residency determination in accordance with NSHE Procedures and Guidelines Manual. However, UNLV is required to rely on

the residency determinations made by NSHE institutions, even though 90% of the students are not required to submit supporting documentation substantiating their residency status.

We recommend NSHE System Administration review the policies to determine whether the minimum percentage of audited students is appropriate and reliable to ensure residency status.

### **System Administration Response**

**Title 4 Chapter 15, Section 10, addresses the uniformity of decisions in granting residency for tuition purposes and states the following:**

*The decision of an institution of the NSHE to grant resident student or nonresident student status to a person shall be honored at other System institutions, unless a person obtained resident student status under false pretenses or the facts existing at the time resident student status was granted have significantly changed.*

**The policy is clear that in cases where a person is thought to have been granted resident status under false pretenses or have significantly changed circumstances, an institution may collect documentation from the student to support their residency status, regardless of whether originally submitted to the institution. The random audit of ten percent of the application population established in *Procedures and Guidelines*, Chapter 6, Section 16, is believed to be a reasonable percentage.**

### **FOLLOW-UP RESPONSE**

**There has been no change in this portion of the policy for the reasons provided in the original response.**

2. BOR Handbook, Title 4, Chapter 15, Sections 2.15 and 2.16 define requirements to establish residency in the state of Nevada. The policy is vague or silent in regard to the situation of students residing in the residence halls. We noted three instances in which students were denied residency due to the fact they were living in residence halls.

We recommend NSHE System Administration determine whether students living in residence halls qualify for reclassification of residency after 12 months of physical presence in Nevada and update the policy, if changes are warranted.

### **System Administration Response**

**Students living in resident halls are neither precluded by policy from applying for initial residency nor for residency reclassification. Title 4, Chapter 15, Sections 2.15 and 2.16 define the terms “residence” and “resident” and do not dictate which students are eligible to apply for residency or residency reclassification. By itself, location in a residence hall neither hurts nor helps a student’s residency application. Rather, a student living in a residence hall must meet the burden of proof concerning bona fide residence and intent to remain in Nevada in order to be classified as a resident for tuition purposes.**

### **FOLLOW-UP RESPONSE**

**There has been no change in this portion of the policy because, by itself, location in a residence hall neither hurts nor helps a student’s residency or residency reclassification application.**

3. According to our discussions with institutions, questions were raised related to residency status of students holding visas. BOR Handbook, Title 4, Chapter 15, Section 4.9 identifies what is allowed for establishing residency (i.e. a permanent visa, official asylum, refugee status, temporary resident alien card, or an approved immigration petition as a result of marriage), and notes other types of visa’s shall not be allowed to support classification as resident student, except as may be required by federal law or court decisions and upon due consideration of evidence of Nevada residence. However, under former NSHE Administration students considered aliens and Nevada high school graduates were granted Nevada residency.

We recommend System Administration provide guidance in determining whether graduates of a Nevada high schools considered aliens should be granted residency under BOR Handbook, Title 4, Chapter 15.



## **System Administration Response**

**System Administration is currently working with institutional Student Affairs Officers to clarify the policy regarding residency status for resident aliens and address matters such as which specific circumstances a resident alien may be granted residency for tuition purposes. A policy revision is expected to be presented to the Board at the September 5-6, 2013 meeting for consideration.**

### **FOLLOW-UP RESPONSE**

**A revision to Board policy was approved at the September 5-6, 2013 meeting. Policy was clarified to make it clear that Title 4, Chapter 15, Section 3 has primacy over Title 4, Chapter 15, Section 4.**

4. BOR Handbook, Title 4, Chapter 15, Section 8 “Reclassification of Nonresident Status” includes two subsections; 2. Bona fide Residence in Nevada and 4. Intent to Remain in Nevada. Both include lists of acceptable items to submit for supporting residency, some of which identify the same items (i.e. voter registration, vehicle registration). However, students have noted they are not allowed to submit the same documents to fulfill both requirements. As a result, students become frustrated and confused when they appear to be submitting the required documentation to prove Nevada residency.

We recommend System Administration perform a review of Subsections 8.2 and 8.4 and provide guidance to institutions to clarify whether supporting items listed under both requirements can be applied simultaneously to fulfill each of the two separate residence tests.

## **System Administration Response**

**System Administration is currently working with institutional Student Affairs Officers to revise the residency reclassification process and potentially combine the lists of documentation required to demonstrate “bona fide residence” and “intent to remain in Nevada.” It is anticipated that this policy revision will go to the September 5-6, 2013 meeting for consideration.**

**FOLLOW-UP RESPONSE**

**A revision to Board policy was approved at the September 5-6, 2013 meeting. This revision combined the lists of documentation required to demonstrate “bona fide residence” and “intent to remain in Nevada.”**

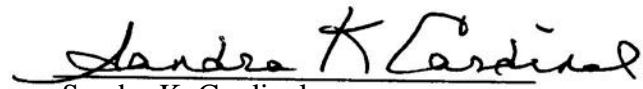
The Internal Audit Department would like to thank UNLV Enrollment Student Services and the Office of Admissions personnel for their assistance and cooperation during this review.

Las Vegas, Nevada

January 22, 2013

  
Ibeth Bojorquez  
Internal Auditor

  
J. Vito Hite  
Internal Audit Manager

  
Sandra K. Cardinal  
Assistant Vice Chancellor for Internal Audit



**AUDIT:** UNLV Residency Determination

**AUDIT PERIOD:** 07/01/2011 – 06/30/2012

**NUMBER OF FINDINGS:** 4

**NUMBER OF RECOMMENDATIONS IMPLEMENTED:** 4

Nbr	Finding	Agree	Implemented	Est Date of Completion
1	FAQ page should be created	Yes	Yes	
2	Some residency application information missing	Yes	Yes	
3	Sensitive information included in records	Yes	Yes	
4	Some supporting documentation missing	Yes	Yes	