




Memorandum
Office of the President

TO: Members of the Board of Regents Audit Committee
NSHE

FROM: Michael D. Richards, PhD. 
President

SUBJECT: Award Year 2011-12 Verification Review Final Resolution

DATE: February 1, 2016

In response to the Chair's request for information regarding the close-out with the Department of Education on the 2011-12 Award Year Verification Review, the following attachments are provided for your information. They include:

1. September 4, 2013 -- letter to U. S. Department of Education which provided the initial estimate of institutional liability for Incomplete Verification; and
2. March 4, 2015 -- letter to U.S. Department of Education that identifies the final amount of institutional liability for Incomplete Verification.

The original verification estimate included both over-awards and under-awards for Title IV PELL only. The Department of Education had indicated initially that they would fund the under awards; however, that information was incorrect. The final cost for PELL was \$1,233,038.33 (which is the combined over- and under-awards) as compared to CSN's initial estimate of \$1,050,115.02.

Title IV funding provides students the potential for eligibility to receive other forms of aid in addition to PELL, such as SEOG. The final resolution includes any returns that were required as part of the verification. As noted in the communication dated March 4, 2015, CSN returned funds for Direct Loans in August 2014 and final resolution was processed through the Department of Education G5 system on March 4, 2015. CSN worked closely with the San Francisco/Seattle School Participation Division throughout the entire process and completion of the review and resolution.

The source of funding utilized to resolve the verification errors was non-state funding and included investment income, vending, and auxiliary revenues.

Should you have any questions, please feel free to contact me.

MDR:pac

c: Patricia Charlton, Senior Vice President, Strategic Initiatives, CSN
Mary Kaye Bailey, Vice President for Finance, CSN



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Charleston Campus
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September 4, 2013

Terri Tom, Audit Resolution Specialist
U.S. Department of Education, Federal Student Aid
San Francisco/Seattle School Participation Division
50 Beale Street, Suite 9800
San Francisco, CA 94105-1863

Ref: Corrections -- Preliminary Audit Determination
Audit Control Number (ACN): 09-2012-32196

Dear Ms. Tom:

On May 29, 2013, the College of Southern Nevada provided a response to the Preliminary Audit Determination for Audit Control Number 09-2012-32196. In that communication, the College noted:

As a result of the completed comprehensive review, the institutional liability associated with Finding Number 2012-05, Incomplete Verification at College of Southern Nevada, Pages 267-268 is \$792,399.48.

The following clarification is provided for your information:

Over-Awards:	\$921,257.25
Under-Awards:	<u>\$128,857.77</u>
	\$792,399.48

As noted in our email communications of August 21-22, 2013, CSN will need to make corrections to reflect both over-awards and under-awards for the 2011-12 year. Thank you again for your confirmation that once corrected, CSN will receive reimbursement from the Department of Education for the additional disbursement of awards that must be provided to students who were under-awarded in the 2011-12 award year.

The College of Southern Nevada will work closely with the Department of Education to address the corrections through the system as the 2011-12 year is closed out. We recognize a limited timeframe will be available to process these corrections and that, as a result of the processing through the Department of Education's Common Origination and Disbursement (COD) system, some adjustments may result and the total liability may be subject to revision.

Terri Tom
U.S. Department of Education/Federal Student Aid

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I would appreciate your assistance in working with Senior Vice President for Finance & Administration Patricia (Patty) Charlton regarding repayment of any liability that the College may realize, such as options for repayment that can be utilized if necessary. SVP Charlton can be reached at her office telephone: 702.651.566,7 or at patty.charlton@csn.edu.

Should you have any questions or require additional information, please contact:

Mr. Bradley Honious
Assistant Vice President, College Access Services
College of Southern Nevada
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Telephone: 702.651.5946
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Sincerely,



Michael D. Richards, Ph.D.

President

MDR:mte



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March 4, 2015

Terri Tom, Audit Resolution Specialist
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 San Francisco/Seattle School Participation Division
 50 Beale Street, Suite 9800
 San Francisco, CA 94105-1863

Ref: Award Year 2011-12 Verification Review Process

Dear Ms. Tom:

The College of Southern Nevada has completed all actions requested by your office as they relate to the Award Year 2011-12 verification review. The external evaluator ProEducation Solutions has independently examined this process which included review of:

1. Verifications;
2. Corrections processed through Common Origination Disbursement (COD); and
3. Reconciliations, which were also confirmed by ProEducation Solutions.

In summary, the corrections to verification discrepancies were:

	Award Year 2011-12 Over-Awards
CSN SEOG Match	\$ 3,125.00
Direct Loan	141,648.00
Federal Pell Grant	1,233,038.33
Federal SEOG	7,125.00
Total	\$1,384,936.33

As we have discussed, the Direct Loan(s) were finalized and closed in August 2014. Under awards were processed in part through COD, with the remaining balance addressed through College of Southern Nevada. The final reconciliation and payment is being processed today, March 4, 2015 through G5 in the amount of \$1,204,306.08.

Please let me know if there is any further information that I can provide to you. I can be reached at my office number 702.651.5667 or by email: patty.charlton@csn.edu.

Thank you,

Patricia Charlton
 Senior Vice President
 Strategic Initiatives & Administrative Services

PAC:mte

- c: Mary Kaye Bailey, Vice President for Finance, CSN
 Victoria Goeke, Interim Director of Financial Aid, CSN
 Martina Fernandez-Rosario, Director, San Francisco School Participation Division