

**Department of Education  
Office of Inspector General – Internal Audit  
Six-Month Status Report on: State Scholarships  
Report # A-1516-029 Issued: April 25, 2017  
Status as of October 25, 2017**

Finding	Recommendation(s)	Management Response	Management Response as of October 25, 2017	Anticipated Completion Date & Contact
OSFA did not ensure disbursed refunds were returned in a timely manner	We recommend that OSFA enhance their policies and procedures to include required timeframes for the remittance of funds for courses dropped by a student or courses from which a student has withdrawn when disbursements are made after the end of the semester. We additionally recommend OSFA utilize its statutory authority to withhold payment if an institution fails to make refunds in a timely manner.	<p>OSFA has taken varied steps, without comprehensive statutory authority, to ensure that institutions are aware of the deadlines to return funds.</p> <p>OSFA will pursue administrative process changes to include system changes as well as additional internal staff procedures that will both enhance current processes and add processes not previously developed. OSFA will also seek statutory authority, as best determined by DOE Senior Management and OSFA staff, which will target the institution and not harm the student.</p> <p><i>Anticipated completion 4/1/2018: Levis Hughes</i></p>	<p>Presented at the May 2017 FASFAA Conference and discussed reporting deadlines, purpose of courtesy reminders, new consequences for failing to make deadlines, and reviewed the reconciliation process.</p> <p>Put a new trigger letter into production that will be sent out to institutions 10 days prior to their 30 day deadline to send in funds related to drop/withdrawn hours.</p> <p>In memos (FRAG, ABLE, FSAG), institutions were reminded of their deadlines to return funds.</p> <p>In memos (FRAG), for administration of 2017-18</p>	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p>

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			<p>funds, inserted language about providing future funds on a reimbursement basis if failed to return funds within their 60 day deadline.</p> <p>Drafted proposed statutory language changes outlining consequences for failing to return funds timely.</p> <p>OSFA is in the process of updating the State Scholarship &amp; Grant Programs Policy Manual.</p> <p>OSFA is in the process of reviewing what changes need to occur in SSFAD to best assist institutions in meeting their reconciliation deadlines.</p>	<p>In process, April, 2018</p> <p>Policy Manual Updates – November 30, 2017</p> <p>SSFAD changes – July 1, 2018 (changes would be incorporated as the system is converted from Classic ASP to</p>

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				.NET environment)  Levis Hughes 410-6810
OSFA did not ensure undisbursed advances were returned in a timely manner.	We recommend that OSFA enhance their policies and procedures to include required timeframes for the remittance of funds for undisbursed advances when disbursements are made after the drop and add period. We additionally recommend OSFA utilize its statutory authority to withhold payment if an institution fails to make refunds in a timely manner.	OSFA has taken varied steps, without comprehensive statutory authority, to ensure that institutions are aware of the deadlines to return funds.  OSFA will pursue administrative process changes to include system changes as well as additional internal staff procedures that will both enhance current processes and add processes not previously developed. OSFA will also seek statutory authority, as best determined by DOE Senior Management and OSFA staff, which will target the institution and not harm the student.	Presented at the May 2017 FASFAA Conference and discussed reporting deadlines, purpose of courtesy reminders, new consequences for failing to make deadlines, and reviewed the reconciliation process.  Put a new trigger letter into production that will be sent out to institutions 10 days prior to their 30 day deadline to send in funds related to drop/withdrawn hours.	Completed  Completed  Completed

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		<p><i>Anticipated completion 4/1/2018: Levis Hughes</i></p>	<p>In memos (FRAG, ABLE, FSAG), institutions were reminded of their deadlines to return funds.</p> <p>In memos (FRAG), for administration of 2017-18 funds, inserted language about providing future funds on a reimbursement basis if failed to return funds within their 60 day deadline.</p> <p>Drafted proposed statutory language changes outlining consequences for failing to return funds timely.</p> <p>OSFA is in the process of updating the State Scholarship &amp; Grant Programs Policy Manual.</p>	<p>Completed</p> <p>In process. April, 2018</p> <p>Policy Manual Updates – November 30, 2017</p>

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			OSFA is in the process of reviewing what changes need to occur in SSFAD to best assist institutions in meeting their reconciliation deadlines.	SSFAD changes – July 1, 2018 (changes would be incorporated as the system is converted from Classic ASP to .NET environment)  Levis Hughes 410-6810