
**SOUTHEAST MISSOURI
STATE UNIVERSITY**
OMB CIRCULAR A-133
SINGLE AUDIT REPORT
JUNE 30, 2011

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**Independent Auditors' Report On Internal
Control Over Financial Reporting And On
Compliance And Other Matters Based On An
Audit Of Financial Statements Performed In
Accordance With *Government Auditing Standards***

Board of Regents
Southeast Missouri State University
Cape Girardeau, Missouri

We have audited the financial statements of Southeast Missouri State University (the University) as of and for the year ended June 30, 2011, and have issued our report thereon dated October 18, 2011. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financials statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of 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 determination of financial statement amounts. 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*.

This report is intended solely for the information and use of the Board of Regents, management, others within the University and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

RubinBrown LLP

October 18, 2011

**Independent Auditors' Report On
Compliance With Requirements That
Could Have A Direct And Material Effect
On Each Major Program And On Internal
Control Over Compliance In Accordance With
OMB Circular A-133 And On The Schedule
Of Expenditures Of Federal Awards**

Board of Regents
Southeast Missouri State University
Cape Girardeau, Missouri

Compliance

We have audited the compliance of Southeast Missouri State University (the University) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The University's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the University's compliance with those requirements.

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 each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2011-01.

Internal Control Over Compliance

The management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the University's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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 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.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2011-01. *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.

The University's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the University's responses and, accordingly, we express no opinion on it.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the University as of and for the year ended June 30, 2011, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 18, 2011. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Regents, management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

RubinBrown LLP

November 18, 2011 (except for paragraph 8
which, is dated October 18, 2011)

SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	CFDA Number	Federal Expenditures
National Science Foundation:				
Direct	RCN UBE Incubator	DBI-0957359	47.074	\$ 1,916
	Mathematical and Physical Services - Faculty Development	CHE-0822995	47.049	34,795
	Summer Program in Green Chemistry	OISE-966395	47.079	21,024
	ARRA-Research Lab Renovation	CHE-0962983	47.082	<u>131,383</u>
Total National Science Foundation				<u>\$ 189,118</u>
United States Department of Agriculture:				
Passed through Missouri Department of Health and Senior Services	Child and Adult Care Food Program			
	UCEC Food Program 2010	ERS4610-1443	10.558	\$ 12,813
	UCEC Food Program 2011	ERS4611-1831	10.558	<u>10,508</u>
	Total Child and Adult Care food Program			23,321
Direct	Beef Research Facility	—	10.769	84,350
Passed through the National Resource Conservation Service	Water Quality Enhancement Workshops	—	10.904	<u>16,395</u>
Total United States Department of Agriculture				<u>\$ 124,066</u>
United States Department of Transportation:				
Passed through Missouri Department of Transportation	Federal Transit Capital Investment Grants			
	Formula Grants for Other Than Urbanized Areas - Shuttle Services	221327	20.509	<u>\$ 134,000</u>
United States Department of Education:				
Direct	Student Financial Aid Cluster:			
	Federal Supplemental Educational Opportunity Grant Program	P007A082382	84.007	\$ 217,793
	Federal Work Study Program	P033A082382	84.033	313,494
	Federal Pell Grant Program	P063P081752	84.063	14,945,438
	Direct Student Loans	P268K101752	84.268	44,931,643
	Academic Competitiveness Grant	P375A081752	84.375	657,619
	National Science and Mathematics Access	P376S081752	84.376	355,484
	Federal Perkins Loan Program	—	84.038	555,846
	Teacher Education Assistance for College and Higher Education Grants	P379T101752	84.379	<u>276,791</u>
	Total Student Financial Aid Cluster			<u>62,254,108</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For The Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal CFDA Number	Federal Expenditures
Direct	Trio Cluster			
	Student Support Services	P042A061314-09	84.042	\$ 11,296
	Student Support Services	P042A061314-09	84.042	57,773
	Student Support Services	P042A100954	84.042	178,563
	Student Support Services	—	84.042	21,500
	McNair Post-Baccalaureate Achievement	P217A080222	84.217	89,041
	McNair Post-Baccalaureate Achievement	P217A080222	84.217	143,676
	Total Trio Cluster			<u>501,849</u>
Direct	Fund for the Improvement of Postsecondary Education	P116Z090129	84.116	<u>219,978</u>
Direct	Gear Up			
	Gaining Early Awareness and Readiness for Undergraduate Programs - Gear Up Programs 2010	P334A050293-10	84.334	52,176
	Gaining Early Awareness and Readiness for Undergraduate Programs - Gear Up Programs 2011	P334A050293-11	84.334	186,822
	Total Gear Up			<u>238,998</u>
Passed through Missouri Department of Higher Education	Prep and PAS 2010	—	84.378	10,375
	Prep and PAS 2011	—	84.378	67,265
	Prep and PAS 2012	—	84.378	5,477
				<u>83,117</u>
Passed through Missouri Department of Elementary and Secondary Education	School Improvement Grants Cluster			
	School Turnaround Program 2010	—	84.377	55,008
	ARRA - Missouri School Improvement Grants	—	84.388	58,369
Passed through University of Missouri - Columbia	ARRA - MU Turnaround Schools	—	84.388	11,362
				<u>124,739</u>
Passed through Missouri Department of Higher Education	State Fiscal Stabilization Fund Cluster			
	ARRA State Fiscal Stabilization Fund - Higher Education Grants	—	84.394A	1,869,610
	ARRA State Fiscal Stabilization Fund - Government Services	—	84.397A	988,892
	Total State Fiscal Stabilization Fund Cluster			<u>2,858,502</u>
Passed through Missouri Department of Higher Education	Improving Teacher Quality State Grants			
	Boosting Bootheel Math 09	—	84.367	666
	Boosting Bootheel Math 10	—	84.367	127,561
	Boosting Bootheel Math 12	—	84.367	25,332
	Total Improving Teacher Quality State Grants			<u>153,559</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For The Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal CFDA Number	Federal Expenditures
Direct	Higher Education _ Institutional Aid - Title III Strengthening Institutions	P031A090131	84.031	\$ 228,675
	Higher Education _ Institutional Aid - Title III Strengthening Institutions	P031A09131-10	84.031	129,585
				<u>358,260</u>
Total United States Department of Education				<u>\$ 66,793,110</u>
Delta Regional Authority				
Direct	DRA Accelerated Entre in the Delta	MO-5542	90.201	\$ 50,792
Passed through The University of Alabama	Delta Regional Development			
	Delta Leadership	09-074	90.200	20,202
	Delta Leadership	09-074	90.200	3,296
				<u>23,498</u>
Passed through the U.S. Department of Agriculture	USDA Rural Business opportunity	29016436003569	10.773	12,095
Total Delta Regional Authority				<u>\$ 86,385</u>
National Aeronautical and Space Administration				
Direct	Aerospace Education Services Program			
	MO NASA Education Proj D	NNX08AP14G	43.001	\$ 115,249
	NASA Education Enhancement	NNX09AR15G	43.001	500,000
	MO NASA Education Proj F	NNX10AH94G	43.001	159,814
Total National Aeronautical Space Administration				<u>\$ 775,063</u>
National Endowment for the Arts				
Direct	Promotion of the Arts - Grants to Organizations and Individuals	221430	45.024	\$ 10,000
National Endowment for the Humanities				
Passed through Missouri Humanities Council	Promotion of the Humanities - Grants to Organizations and Individuals	221435	45.129	\$ 1,669
Small Business Administration				
Passed through University of Missouri - Columbia	Small Business Development Center			
	SBDC 2010	—	59.037	\$ 16,968
	SBDC 2011	—	59.037	40,825
	Total Small Business Development Center			<u>57,793</u>
Direct	SBA Reitalizaing Rural Communities	SDBAHQ-09-I-0042	59.007	164,009
	Delta MDC	SBAQ-10-Y-0066	59.050	54,043
	Growth Start	SBAQ-10-Y-0065	59.050	32,973
				<u>87,016</u>
Total Small Business Administration				<u>\$ 308,818</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For The Year Ended June 30, 2011**

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal CFDA Number	Federal Expenditures
United States Department of Health and Human Services				
Direct	Rural Health Outreach Special Initiative			
	Rural Health Outreach Special Initiative 2011	D1ARH16057-01-00	93.888	\$ 193,664
	Rural Health Outreach Special Initiative 2010	D1ARH20082-01-00	93.888	16,912
				<u>210,576</u>
Passed through Missouri Department of Mental Health	Advanced Education Nursing Traineeships - Adv Ed Nursing Traineeships 2011	A10HP00196-09-00	93.358	24,795
	Block Grants for Prevention and Treatment of Substance Abuse			
	Southeast Regional Support Center	SDA420P1009	93.959	282
	Southeast Regional Support Center	SDA120P1009	93.959	92,552
				<u>92,834</u>
Passed through Southeast Missouri Area Agency on Aging	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior APPLE Paperwork Project AAA 2011	—	93.044	13,695
Passed through Southeast Missouri Area Agency on Aging	National Family Caregiver Support, Title III, Part B - AAA SA Eldercare 2011	—	93.052	14,275
Passed through Missouri Department of Health and Senior Services	Center for Disease Control and Prevention, Investigation and Technical Assistance			
	Addressing Asthma 2010	EH724182-04	93.283	644
	Mosquito Surveillance	DH090019001	93.283	20,106
	Total Center for Disease Control and Prevention, Investigation and Technical Assistance			<u>20,750</u>
Passed through Missouri Department of Elementary and Secondary Education	Child Care and Development Block Grant Cluster			
	CDA Training	—	93.575	20,038
Passed through Missouri Department of Health and Senior Services	ARRA - Environmental Asthma Trigger Training in Schools	AOC10380389	93.713	253,135
	Total Child Care and Development Block Grant			<u>273,173</u>
Total United States Department of Health and Human Services				<u>\$ 650,098</u>
Federal Emergency Management Agency				
Pass through State of Missouri Emergency Management	PDM Generator	EMK-2008-PD-0002	97.047	\$ 3,906
United States Department of Housing and Urban Development				
Direct	Rural Housing and Economic Development - HUD Construction 09	—	14.250	\$ 4,290
United States Department of Justice				
Direct	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking - Victory 2007	2006-WA-AX-0006	16.525	\$ 71,148

SOUTHEAST MISSOURI STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For The Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal CFDA Number	Federal Expenditures
United States Department of Labor				
Direct	WIA Pilots, Demonstrations, and Research Projects - DOL Entrepreneurship Training Initiative	EA-18260-09-06-A-29	17.261	\$ 125,080
Passed through Workforce Investment Board of Southeast Missouri	Developing Green Degree Programs	—	17.268	94,347
	Advanced Manufacturing 10	—	17.268	26,924
	MO BEST	—	17.268	20,692
	Robotics Competition 10	—	17.268	10,326
	Wired Entrepreneur Training 10	—	17.268	8,322
				<u>160,611</u>
Total United States Department of Labor				<u>\$ 285,691</u>
Institute of Museum and Library Sciences				
Passed through Missouri State Library	Confluence and Crossroads	2011-LSD1-DIGC1C	45.310	<u>\$ 710</u>
National Historical Publications and Records Administration				
Passed through Missouri Secretary of State	Little River Drainage	—	89.003	<u>\$ 5,346</u>
United States Environmental Protection Agency				
Direct	Asthma in Home 2011	XA-97720101	66.034	<u>\$ 17,527</u>
Total Expenditures of Federal Awards				<u>\$ 69,460,945</u>

SOUTHEAST MISSOURI STATE UNIVERSITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2011

1. Basis Of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal awards programs of Southeast Missouri State University (the University) for the year ended June 30, 2011 and is presented on the accrual basis of accounting. For the purpose of the Schedule, federal awards include grants, contracts, loans, and loan guarantee agreements entered into directly between the University and agencies and departments of the federal government or passed through other government agencies or other organizations.

2. Basis Of Accounting And Relationship To The Financial Statements

Federal financial assistance revenues from the Federal Work Study, the Federal Pell Grant Program and the Federal Supplemental Educational Opportunity Grant programs are reported in the University's financial statements as federal grant revenues. The activity of the Direct Student Loans is not included in the University's financial statements, as the benefits of these programs are awarded directly to students and not to the University.

Amounts reported in the accompanying Schedule are presented using the accrual basis of accounting, which is described in Note 2 to the University's financial statements. Related federal financial reports are prepared on the cash basis of accounting.

3. Loan Programs

The following schedule represents loans advanced by the University for the year ended June 30, 2011:

	<u>CFDA</u>	<u>Advances</u>
Student Financial Aid:		
Department of Education:		
Federal Direct Loans	84.268	\$ 44,931,643
Federal Perkins Loans	84.038	555,846

The above advances are included as federal expenditures in the Schedule.

SOUTHEAST MISSOURI STATE UNIVERSITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2011

Section I - Summary Of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(s) identified that are not considered to be material weakness(es)? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(s) identified that are not considered to be material weakness(es)? X yes none reported

Type of auditors' report issued on compliance for major programs: Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? X yes no

Identification Of Major Programs:

Student Financial Aid Cluster

- CFDA #84.007 - U.S. Department of Education - Federal Supplemental Educational Opportunity Grant Program
- CFDA #84.033 - U.S. Department of Education - Federal Work Study Program
- CFDA #84.038 - U.S. Department of Education - Federal Perkins Loan Program
- CFDA #84.063 - U.S. Department of Education - Federal Pell Grant Program
- CFDA #84.268 - U.S. Department of Education - Federal Direct Loan Program
- CFDA #84.375 - U.S. Department of Education - Academic Competiveness Grant
- CFDA #84.376 - U.S. Department of Education - National Science and Mathematics Access
- CFDA #84.379 - U.S. Department of Education - TEACH Grant

State Fiscal Stabilization Fund Cluster

- CFDA #84.397A - U.S. Department of Education - ARRA State Fiscal Stabilization Fund - Governmental Services
- CFDA #84.394A - U.S. Department of Education - ARRA State Fiscal Stabilization Fund - Higher Education Grant

Child Care Development Block Grant Cluster

- CFDA #93.575 - U.S. Department of Health and Human Services - Child Care Development Block Grant
- CFDA #93.713 - U.S. Department of Health and Human Services - ARRA Child Care Development Block Grant

CFDA #84.031 - U.S. Department of Education - Higher Education _ Institutional Aid - Title III Strengthening Institutions

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes no

SOUTHEAST MISSOURI STATE UNIVERSITY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)
For The Year Ended June 30, 2011**

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings And Questioned Costs

Finding No. 2011-01

**Federal Award
Information:**

Student Financial Aid Cluster

CFDA No:

Various

Criteria:

The Student Financial Aid Handbook requires that students not be awarded Title IV funds in excess of their financial need.

Condition:

For one student out of forty selected for recalculation of benefits, it was determined that an incorrect cost of attendance was being used to calculate the student's financial need. This occurred because the cost of attendance budget for in-state, on-campus students incorrectly included the transportation costs applicable to in-state, off-campus students. This resulted in an overaward of the student's subsidized loan. The student's loans were reallocated to unsubsidized so that the student was not overawarded; however, this condition was found to impact more than just the student selected.

The University identified all students impacted by the error by running a query of all students with an on-campus residence hall address but a cost of attendance incorporating off-campus transportation costs. Where possible, the loans of affected students were reallocated from subsidized to unsubsidized to correct this error. However, even after this reallocation took place, it was determined that \$43,015 in subsidized loans had been overawarded to students where reallocation was not possible.

Questioned Costs:

\$43,015

Cause:

The cost of attendance for in-state students living on campus incorrectly incorporated transportation costs applicable to students living off campus. The University did identify this error during the fiscal year and manually corrected the cost of attendance budget for all impacted students at that time. However, students who were classified as "in-state on-campus" after the University's manual correction took place were awarded loans based on the incorrect cost of attendance budget.

SOUTHEAST MISSOURI STATE UNIVERSITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*) For The Year Ended June 30, 2011

Effect: Students who were not remedied when the error was initially detected, and whose loans could not be reallocated between subsidized and unsubsidized, were overawarded subsidized loans for the 2010/2011 academic year.

Recommendation: We recommend the University contact the Department of Education to determine the appropriate course of action to remediate the \$43,015 overawarding of subsidized loans to students where reallocation between subsidized loans and unsubsidized loans was not possible. Additionally, we recommend that the University institute additional review procedures regarding its cost of attendance budgets to ensure that similar errors do not occur in future years.

Corrective Action

Plan: The University concurs with the finding and questioned costs of \$43,015, and has discussed steps for corrective action with the Department of Education.

The University will add two steps to its current review procedures to assist in mitigating errors in future years. First, all professional level staff in the Financial Aid area will review the budget set-up form in the Financial Aid management system (Banner) at the time budgets are established annually. This will allow five additional staff members to review the budgets and budget components prior to assigning budgets to individual student records. Secondly, Financial Aid will randomly review student award notifications prior to printing to assure that budgets are consistent with student residency and living plans. The University believes these two controls will assure that the correct budgets and amounts are assigned to students prior to sending award notifications and processing aid payments.

Completion Date: November 2011

Contact Person And Title:

Karen Walker, Director of Student Financial Aid; Kathy M. Mangels,
Vice President of Finance and Administration.

SOUTHEAST MISSOURI STATE UNIVERSITY

SCHEDULE OF PRIOR AUDIT FINDINGS

For The Year Ended June 30, 2011

Finding No. 2010-01

Condition:

For three graduating students that we selected for testwork, the NSLDS was not notified of the students' graduations within the requisite 60 days. Two of the students graduated from the graduate school. The Graduate Office is responsible for submitting graduate students' information to the NSLDS as required. However, the Graduate Office neglected to communicate the graduation of these students to the NSLDS as required.

The remaining student was an undergraduate student who had a hold placed on her status. The Registrar's Office separately communicates to the NSLDS via a manual process the graduation of students with holds on their status once the hold has been cleared. However, in the case of this student, her graduation status was not communicated to the NSLDS even after the hold on her status had been removed.

Status:

During the 2010/2011 academic year, a file was sent to the NSLDS four weeks after the posted graduation date for the fall, spring, and summer terms for both undergraduate and graduate students. Any student who was approved after the initial file is sent was manually added to the clearinghouse and a comment placed on the student's record indicating the circumstances for the late addition to the graduation record. If more than 30 days had passed since the date of graduation, the student was be allowed to graduate in the term but was required to submit a new graduation application for a future term.

As a final check to verify that the information sent to the NSLDS is complete and correct, both the Registrar's Office and the Graduate Office reviewed information sent to the NSLDS and compared it against data acquired from the University's student system regarding a particular semester's graduates within one week after the initial data file was uploaded and accepted by the NSLDS. After 30 days had passed, both offices once again reviewed and compare the information on file with NSLDS and the University's student system to verify all manually added records.

Additionally, the graduation of the three students noted above has been communicated to the NSLDS.