



OFFICE OF THE  
**STATE AUDITOR**

May 2, 2017

Mr. Scott Snelson, Campus President  
Tooele Applied Technology College  
88 S Tooele Blvd  
Tooele, UT 84074

Dear Mr. Snelson:

We have performed risk assessment procedures to certain aspects of Tooele Applied Technology College's (the College) internal controls for July 2016 through February 2017. The purpose of these procedures is to assist the College in evaluating its internal control environment. We performed risk assessment procedures for the College's internal controls over the following areas:

- Separation of Duties
- Cash Receipting
- Hiring Practices
- Financial Aid Compliance
- Purchasing/Disbursements
- QuickBooks/NorthStar/Insight

We gained an understanding of the College's current internal control environment through review of written policies and procedures, interviews with College personnel, and review of relevant documentation. We also reviewed selected transactions to gain an understanding of the internal control environment.

Our procedures were more limited than would be necessary to express an opinion on the effectiveness of the College's internal control or any part thereof. Accordingly, we do not express such opinions. Alternatively, we have identified the internal controls reviewed, relevant policies, and any findings resulting from that review. Had we performed additional procedures or had we made an audit of the effectiveness of the College's internal control, other matters might have come to our attention that would have been reported to you.

Our findings resulting from the above procedures are included in the attached Reporting Matrix.

By its nature, this report focuses on exceptions, weaknesses, and problems. This focus should not be understood to mean there are not also various strengths and accomplishments. We

appreciate the courtesy and assistance extended to us by the personnel of the College during the course of the engagement, and we look forward to a continuing professional relationship. If you have questions, please contact Hollie Andrus, Director, at 801-808-0467 or handrus@utah.gov.

*Office of the State Auditor*

Office of the State Auditor

cc: Kent Thygerson, Vice President of Finance & Operations

## REPORTING MATRIX

### SEPARATION OF DUTIES

	Control Activity	Written Policy	Results
<b>1</b>	<p>The following financial responsibilities are separated, or if impractical to separate duties, additional controls are in place:</p> <ul style="list-style-type: none"> <li>• Access to cash/checks received</li> <li>• Preparing/sending AR billings</li> <li>• Approval/Initiation of AR write-offs</li> <li>• Ability to make disbursements, including credit card purchases</li> <li>• Authorization/approval of transactions</li> <li>• Access to adjust the accounting records, including subledgers</li> <li>• Preparation of reconciliations</li> </ul>	No	<ul style="list-style-type: none"> <li>• Recommend that the mail is opened by two individuals and a log maintained of checks received. This log should then be reconciled by the Vice President (VP) of Financial Operations to deposits per the Bank and deposits recorded in Quickbooks/Northstar. Cash/checks received should not be handled by the VP of Financial Operations.</li> <li>• Recommend that the daily deposits of the bookstore and cosmetology departments (and other departments as necessary) be counted/reconciled to cash/checks received by the Accounting Clerk and placed in a sealed bag for deposit. Copies of daily deposit reports (<i>and not the cash/checks received</i>) should then be submitted to the Accounting department for recording in Quickbooks/Northstar and performance of the bank reconciliation.</li> <li>• Recommend the VP of Financial Operations: (1) not have any access to cash/checks received, as others adequately review the daily receipts and safe; (2) not have the ability to generate checks, as other financial employees have adequate ability to do so; and (3) implement a secondary electronic banking approval of online bank transfers. If the above cannot be adequately implemented, we recommend, at a minimum, TATC require someone independent of TATC financial</li> </ul>

	Control Activity	Written Policy	Results
			<p>staff with a financial background perform a <i>detailed review</i> of the bank reconciliation. Since the VP of Financial Operations has access to cash/checks received through his duty of reviewing daily receipts and access to TATC's safe, has the ability to generate checks and access bank accounts, has access to and makes entries into Quickbooks, performs the bank reconciliation, and also prepares the financial reports submitted to the Board for review and approval, the possibility exists that misappropriations or errors could occur without detection.</p> <ul style="list-style-type: none"> <li>• Recommend the Accountant not have access to cash/checks received other than mailed in receipts (that will be reconciled by the VP of Financial Operations) since she also has the responsibility to record, send billings, and write off accounts receivable. The combination of these duties could allow for misappropriations or errors to occur without detection.</li> <li>• Recommend developing written policies and procedures to properly separate financial duties.</li> </ul>

## HIRING PRACTICES

	<b>Control Activity</b>	<b>Written Policy</b>	<b>Results</b>
<b>1</b>	Employees hired are evaluated/qualified for the job.	Yes	Recommend maintaining all hiring documents. Although policies require hiring documents be maintained for one year, all of the 7 new employees reviewed had various hiring documents missing, including screening/rating sheets, reference checks, and hiring memos.
<b>2</b>	Employees hired pass a background check.	Yes	No concerns noted.
<b>3</b>	Employee references were checked.	Yes	Recommend TATC contact references and maintain documentation showing references were contacted. For 5 of the 7 new employees reviewed, documentation showing contact with references was not maintained.
<b>4</b>	New employees do not have any conflicts of interest and are not in violation of nepotism policies.	Yes	Recommend adding policy for all employees to read and sign a conflict of interest statement and disclosure for nepotism.
<b>5</b>	Job openings are advertised to a wide pool of candidates and the job descriptions are adequate.	Yes	Recommend maintaining copies and dates of all job postings.
<b>6</b>	Current employees are evaluated based on performance and continue to meet qualifications and job requirements.	Yes	One of 3 new employees reviewed did not have an evaluation within 6 months as required by policy.
<b>7</b>	New employees receive adequate training and orientation.	Yes	No concerns noted.

## PURCHASING

	Control Activity	Written Policy	Results
1	The initiation of purchases of goods and services is done by preparing requisitions bearing the approval of officials designated to authorize requisitions. (Less than \$2,500 – Management; \$2,500-\$4,999 – Management/VP of Finance; Greater than \$4,999 – Management/VP of Finance/President)	Yes	No concerns noted.
2	Each department has designated at least one specific individual to monitor actual expenditures with budgeted amounts.	Yes	No concerns noted.
3	Procedures are in place to determine if an item/service is currently available on contract.	No	Recommend Purchase Order/Bid checklist be updated to include line for checking State contracts for item(s) to be ordered. Although policy states that items should be purchased through State contract if available, TATC does not have any procedures in place to ensure this is performed.
4	Competitive bidding procedures are in place and documented (a minimum of three quotes) for purchases greater than \$1,000 but less than \$5,000.	Yes	Recommend modifying bidding policies and procedures to <i>require</i> , rather than simply suggest, bidding for single items greater than \$1,000 but less than \$5,000.
5	Competitive bidding procedures are in place and documented (obtain minimum three quotes) for purchases greater than \$5,000 but less than \$50,000.	Yes	No concerns noted.
6	A competitive sealed bidding/proposal process is in place and documented for purchases greater than \$50,000.	No	Although purchases greater than \$50,000 are rare, we still recommend developing procedures to address purchases greater than \$50,000.
7	A sole source policy is followed if goods or services are available from a soul source.	Yes	No concerns noted.
8	Procedures are in place to prevent and detect splitting orders with the intent to avoid obtaining and documenting higher levels of approval prior to the purchase.	Yes	No concerns noted.

	<b>Control Activity</b>	<b>Written Policy</b>	<b>Results</b>
<b>9</b>	Open purchase orders are reviewed on at least a quarterly basis to determine if they are correct and valid.	No	Recommend establishing written policies regarding quarterly reviews of open purchase orders.
<b>10</b>	Changes to contracts or purchase orders are subject to the same controls and approvals as the original agreement	Yes	No concerns noted.
<b>11</b>	A prospective purchasing cardholder completes a Purchasing Card Application.	Yes	Recommend cardholders complete applications and TATC maintain these applications. An application for 1 of 3 cardholders reviewed was not maintained.
<b>12</b>	The prospective purchasing cardholder attends a cardholder training session.	Yes	Recommend adding documentation of attendance, including agendas, as well as requiring reoccurring training as needed. Although card holders stated they had attending training, no documentation was maintained showing attendance.
<b>13</b>	Each purchasing card is assigned a single transaction limit as well as an individual credit limit for purchasing small-dollar, low-risk goods and services for departmental needs.	Yes	Recommend evaluating each cardholder's duties to determine appropriate limits and establish limits that are for small-dollar, low-risk purchases. Although each card was assigned both individual purchase and total credit balance limits, these amounts ranged from a \$250 single item limit to a \$10,000 single item limit. Four individuals had individual item limits equal to/greater than \$5,000. Total credit balance limits ranged from \$500 to \$25,000. Eight individuals had credit limits equal to/greater than \$5,000.
<b>14</b>	Certain Merchant Category Codes are blocked from usage.	Yes	No concerns noted.
<b>15</b>	Fixed assets purchased with a purchasing card are accounted for appropriately in the fixed asset system.	Yes	No concerns noted.
<b>16</b>	A purchasing card log is prepared each month by the cardholder and includes all detail itemized receipts.	Yes	No concerns noted.

	<b>Control Activity</b>	<b>Written Policy</b>	<b>Results</b>
<b>17</b>	The completed Monthly Reconciliation Statement is forwarded to the appropriate Department or Division Manager and approved.	Yes	No concerns noted.
<b>18</b>	Disputed purchasing card transactions are identified in writing within 60 days.	Yes	No concerns noted.
<b>19</b>	Purchasing cardholders paying sales tax on items purchased.	Yes	No concerns noted.
<b>20</b>	Cardholders are able to accept personal rebates, rewards, or promotional items as a result of a purchasing card transaction.	N/A	No concerns noted - State Purchasing cards utilized.
<b>21</b>	A supplier is asked to provide an itemized receipt upon shipment of goods for purchases made with a purchasing card via phone, fax, mail, email, or other electronic means.	Yes	No concerns noted.
<b>22</b>	Purchasing cardholders are prohibited from giving out their purchasing card to others for use without the cardholder being present and maintaining custody of the card.	Yes	No concerns noted.
<b>23</b>	The purchasing card is returned to the TATC upon the cardholder's termination of employment or transfer to another TATC department.	No	Recommend establishing written policies regarding the return of purchasing cards to TATC upon cardholder's termination of employment or transfer to another TATC department.
<b>24</b>	Inactive cards or cards with minimal usage are evaluated and cancelled if necessary.	No	Recommend TATC evaluate card usage and cancel cards as considered necessary.
<b>25</b>	The receipt of all goods is documented with at least a signature and date.	Yes	No concerns noted.
<b>26</b>	Copies of receiving reports are sent directly to accounting, purchasing, and (if applicable) inventory record keeping.	No	Recommend establishing written policies regarding sending receiving reports directly to accounting, purchasing, and (if applicable) inventory record keeping.
<b>27</b>	Payments/disbursements to employees and vendors are made only on the basis of original receipts/invoices.	No	Recommend establishing written policies prohibiting payments made based on vendor statements. Payments should be made only when an original vendor invoice is provided.

	<b>Control Activity</b>	<b>Written Policy</b>	<b>Results</b>
<b>28</b>	Copies of receiving reports and applicable purchase orders are obtained directly from issuing departments.	Yes	No concerns noted.
<b>29</b>	Invoice quantities, prices, and terms are compared with those on the purchase order.	Yes	No concerns noted.
<b>30</b>	Differences in invoice and purchase order price, terms, shipping arrangements, discounts, or quantities are referred to the purchasing department or appropriate manager for review and approval.	Yes	No concerns noted.
<b>31</b>	The original contracts are reviewed for available discounts and proper pricing before payment is made.	Yes	No concerns noted.
<b>32</b>	Sales tax is not paid and exemptions are filed with vendors except for employee travel reimbursements.	No	Recommend establishing written policies regarding sales tax and sales tax exemptions.
<b>33</b>	A review of the distribution of charges in the accounting department is done by an individual with the knowledge and experience to determine the correctness of the distribution.	No	Recommend establishing written policies regarding a knowledgeable and experienced employee's review of the distribution of charges in the accounting department.
<b>34</b>	All required supporting documentation is scanned, retained, or attached with the payment transactions that are entered in the accounting system.	No	Recommend establishing written policies regarding proper maintenance of supporting documentation.
<b>35</b>	A senior employee reviews and approves invoices for payment, physically checks each for completeness of supporting documents and required clerical checking.	No	Recommend establishing written policies requiring senior employee review and approval of invoices, including completeness of supporting documents and required clerical checking.
<b>36</b>	Both the accounting and purchasing departments are promptly notified of returned purchases.	No	Recommend establishing written policies to promptly notifying accounting/purchasing departments of returned purchases.
<b>37</b>	A vendor credit advice or refund check is matched with the notification of returned purchases for quantities, prices, and restocking fees.	No	Recommend establishing written policies for matching vendor credit advice or refund checks with notification of returned purchases for quantities, prices, and restocking fees.

	<b>Control Activity</b>	<b>Written Policy</b>	<b>Results</b>
<b>38</b>	A list of attendees and an agenda is included in the supporting documentation for group gatherings.	No	Recommend developing policies and procedures for expenditures related to group gatherings.
<b>39</b>	All travel that requires the expenditure of funds appropriated to or controlled by TATC are authorized before departure.	Yes	No concerns noted.
<b>40</b>	Travelers are reimbursed for expenses based on original receipts.	Yes	Recommend establishing per diem limits in policies and limiting reimbursements to only business-related expenses that are in compliance with TATC policies.
<b>41</b>	Employee Expense Vouchers are approved by both the employee traveler and their authorized travel approver/supervisor.	Yes	No concerns noted.
<b>42</b>	The payment for transactions are approved on a timely basis to ensure available discounts are taken.	Yes	No concerns noted.
<b>43</b>	The person approving transactions in the accounting system reviews each transaction's details in the system for reasonableness and accuracy prior to approval instead of relying on the hard copy of documentation.	No	Recommend establishing written policies requiring a review of each transaction's details as entered <i>in the system</i> for reasonableness and accuracy before granting approval.
<b>45</b>	Outstanding accounts payable balances on vendor statements are investigated to determine why they have not been paid.	No	Recommend establishing written policies regarding investigation of reasons for nonpayment of outstanding accounts payable.
<b>46</b>	The department manager performs timely reviews for items charged to the department to ensure charges belong to the department and are coded timely and accurately.	Yes	No concerns noted.
<b>47</b>	Blank checks (if negotiable) are kept in a secure location and accessible only to those authorized to prepare checks.	No	Recommend establishing written policies to require blank checks be kept in a secure location and accessible only those authorized to prepare checks.
<b>48</b>	Access to check writing software is limited to personnel without cash receipting or reconciling duties.	No	Recommend removing VP of Financial Operations' access to check writing software.
<b>49</b>	The use of signature stamps is prohibited.	No	Recommend establish written policies prohibiting the use of signature stamps.
<b>50</b>	All cash/bank transfers require a second approval.	No	Recommend requiring second online approval of all cash/bank transfers.

	<b>Control Activity</b>	<b>Written Policy</b>	<b>Results</b>
<b>51</b>	Only authorized officials are permitted to perform wire transfers and other banking privileges.	No	Recommend establishing written policies permitting only authorized officials to perform wire transfers and other banking privileges.
<b>52</b>	Upon an authorized official's termination or transfer, all banking privileges are revoked in a timely manner.	No	Recommend adding policy/procedures to ensure that privileges are revoked upon termination or transfer of an official's employment.

## CASH RECEIPTING

	Control Activity	Written Policy	Results
<b>Cosmetology and Nails</b>			
1	An appointment log is maintained and all receipts are recorded in Insight.	No	No concerns noted.
2	The appointment log is reconciled to receipts by someone independent of cash receipting process.	No	Recommend reconciling appointments from Insight to collections and/or comparing collections to schedules of stylists working to ensure sales are consistent among stylists.
3	All voided transactions, discounts, and refunds are approved or reviewed by a supervisor.	No	No concerns noted.
4	Someone other than a cashier reconciles end-of-day reports to the cash/checks received and prepares a deposit slip.	No	Recommend that the daily appointment logs be counted/reconciled to cash/checks received by the immediate supervisors and placed in a sealed bag for deposit. Copies of daily deposit reports ( <i>and not the cash/checks received</i> ) should then be submitted to the Accounting department for recording in Quickbooks/Northstar and performance of the bank reconciliation.
5	Validated deposit slip is reconciled to the Insight daily receipt reports by someone independent of the cash receipting function.	Yes	No concerns noted.
6	Quickbooks is reconciled to the Insight daily receipt reports by someone independent of the cash receipting function.	No	Recommend establishing written policies requiring the reconciliation of Quickbooks to Insight daily receipt reports by someone independent of the cash receipting function.
7	Inventory is kept in a secure location with restricted access.	No	Recommend establishing written policies regarding keeping inventory in a secure location with restricted access.
8	Inventory is tracked and accounted for.	No	Recommend implementing a process for tracking cosmetology inventory.
<b>Bookstore</b>			
9	Cashier enters receipts into the QuickBooks POS system.	Yes	Recommend installing security cameras and/or periodically comparing collections by each cashier for consistency to detect product being sold without being entered in the POS system.

	<b>Control Activity</b>	<b>Written Policy</b>	<b>Results</b>
<b>10</b>	All voided transactions, discounts, refunds, and returns are approved by a supervisor.	Yes	Recommend generating a report directly from Bookstore POS of all refunds, discounts, voids and comparing that to the individually signed/authorized receipts.
<b>11</b>	Someone other than the cashier reconciles end-of-day reports to the cash and checks received and prepares the deposit.	Yes	Recommend that the daily reports be counted/reconciled to cash/checks received by the immediate supervisors and placed in a sealed bag for deposit. Copies of daily deposit reports ( <i>and not the cash/checks received</i> ) should then be submitted to the Accounting department for recording in Quickbooks/Northstar and performance of the bank reconciliation.
<b>12</b>	The validated deposit slip is reconciled to the Bookstore POS daily receipt reports by someone independent of the cash receipting function.	Yes	No concerns noted.
<b>13</b>	Quickbooks is reconciled to the POS Quickbooks daily reports by someone independent of the cash receipting function.	No	Recommend establishing written policies requiring someone independent of the cash receipting function to reconcile Quickbooks to POS Quickbooks daily reports.
<b>Northstar (Tuition, Custom Fit, Vendors, Grants, etc.)</b>			
<b>15</b>	Someone other than cashier reconciles end-of-day reports to the cash/checks received and prepares the deposit.	Yes	Recommend that the daily reports be counted/reconciled to cash/checks received by the immediate supervisors and placed in a sealed bag for deposit. Copies of daily deposit reports ( <i>and not the cash/checks received</i> ) should then be submitted to the Accounting department for recording in Quickbooks/Northstar and performance of the bank reconciliation.
<b>16</b>	Payments made on accounts receivable are reconciled to the original invoices.	Yes	No concerns noted.
<b>17</b>	The validated deposit is reconciled to end-of-day Northstar receipt reports and entered into the general ledger.	No	Recommend establishing written policies requiring the validated deposit be reconciled to end-of-day Northstar receipt reports and entered into the general ledger.

	<b>Control Activity</b>	<b>Written Policy</b>	<b>Results</b>
<b>18</b>	Accounts receivable are reviewed by supervisor for aged receivables.	No	Recommend establishing written policies requiring a supervisor to review accounts receivable for aged receivables.
<b>19</b>	Write offs of accounts receivable are reviewed by a supervisor.	No	Recommend the VP of Financial Operations generate a report directly from Northstar of all accounts receivable written off and then compare the report to approved write offs.
<b>General Receipting</b>			
<b>20</b>	All cash and cash equivalents received by mail are received by an individual other than the cashier. Receipts are logged and that log is reconciled to the deposit.	No	Recommend the mail be opened by two individuals and a log maintained of checks received. This log should then be reconciled by the VP of Financial Operations to deposits per the bank and deposits recorded in Quickbooks/Northstar.
<b>21</b>	All checks and cash received are recorded on pre-numbered receipt forms or a cash register/receipt system immediately upon receipt.	No	Recommend establishing written policies requiring all checks and cash received be recorded on pre-numbered receipt forms or a cash register/receipt system immediately upon receipt.
<b>22</b>	Surprise counts/audits of cash drawers are performed by a supervisor.	No	Recommend establishing written policies requiring surprise counts/audits of cash drawers by a supervisor.
<b>23</b>	Employees are prohibited from using change funds to make loans (IOUs) or to cash personal checks.	No	Recommend establishing written policies prohibiting employees from using change funds to make loans (IOUs) or to cash personal checks.
<b>24</b>	Cash is stored in a locked safe with limited access. Safe combinations and keys to cash boxes or files are restricted to an essential number of employees and locked during the cashier's or employee's absence. Safe combinations or locks are periodically changed at each personnel change.	No	Recommend safe access limited to essential personnel and that each safe or deposit box is locked at all times during the day to limit the risk of theft or misappropriation of funds. We also recommend that safe combinations or locks be periodically changed, including whenever there is a personnel change. Currently the safe is maintained in an unsecure room, unlocked during the day.
<b>25</b>	Departments deposit all collections within three business days of receipt, and more frequently as activity warrants.	No	Recommend establishing written policies requiring departments to deposit all collections within three business days of receipt, and more frequently as activity warrants.

	<b>Control Activity</b>	<b>Written Policy</b>	<b>Results</b>
<b>26</b>	All insufficient funds checks, bank debit and credit memos, and deposit items that are returned as uncollectible are received directly and controlled by a person who has no access to cash receipts.	No	Recommend insufficient funds checks, etc. be received directly and controlled by a person who does not have access to cash receipts.
<b>27</b>	Disbursement of cash from cash receipts prior to their deposit are prohibited.	No	Recommend establishing written policies prohibiting disbursement of cash from cash receipts prior to their deposit.
<b>28</b>	Subsidiary accounts receivable ledgers are balanced and reconciled to Quickbooks regularly.	No	Recommend establishing written policies regarding balancing subsidiary accounts receivable ledgers and reconciling them to Quickbooks regularly.
<b>29</b>	Accounts receivable statements are mailed monthly by someone other than the Accountant over accounts receivable or someone with access to cash.	No	Recommend someone other than the Accountant over accounts receivable generate and mail all accounts receivable statements.
<b>30</b>	All adjustments to the accounts receivable are properly authorized.	No	Recommend someone independent of the write-off process review all adjustments made to accounts receivable and compare them to all adjustments that were authorized.
<b>31</b>	TATC periodically ages the accounts receivable to determine collectability and validity.	No	Recommend establishing written policies regarding periodically aging the accounts receivable to determine collectability and validity.
<b>32</b>	Delinquent accounts are referred to proper authority for action.	No	Recommend independent review of accounts receivable by someone other than the Accountant. This review should include generating an accounts receivable report directly from Northstar and reviewing collection efforts.
<b>33</b>	The cash/check/credit card composition is recorded for each transaction and reconciled to the deposit.	Yes	No concerns noted.

## QUICKBOOKS, NORTHSTAR, AND INSIGHT

	<b>Control Activity</b>	<b>Written Policy</b>	<b>Results</b>
<b>1</b>	Employee access to Northstar or Insight is limited based on job duties.	No	Recommend removing the VP of Financial Operations' access to Northstar and Insight, or limit his access to inquiry only, analyze other employees' access to systems, and limit access as considered necessary for job duties.
<b>2</b>	Use of an audit trail function.	No	Recommend TATC generate audit trail reports which the VP of Financial Operations and Accountant review for appropriateness. Currently, multiple employees have complete access to all areas of each computer software program with no "audit trail" of their activities.
<b>3</b>	General Ledger systems (Northstar, Quickbooks, and Insight) are closed out at year end and monitored for old transactions or adjustments made after month end.	No	Recommend locking down each general ledger system after each monthly report is generated and reviewed. Also recommend as part of the audit trail, monitoring for transactions that have been posted after month-end procedures have been performed.
<b>4</b>	Regular reconciliations are performed between Quickbooks and all subledgers.	No	Recommend establishing written policies regarding performance of regular reconciliations between Quickbooks and all subledgers.

## FINANCIAL AID

	Control Activity	Written Policy	Results
1	Under the reimbursement payment method, TATC disburses funds to students prior to requesting funds.	Yes	No concerns noted.
2	Requests for reimbursements are made by creating a request through FASLine, including drawdown amounts.	Yes	Recommend designing controls and review documentation requirements. The control should review calculation amounts prior to the disbursement request and should be documented by a reviewer.
3	The financial system and financial aid system reconcile.	Yes	Recommend implementing complementary controls for FAS, Inc., a service organization, to ensure compliance.
4	Proper separation of duties exists in order to draw funds (ie. the person drawing the funds does not also perform the bank reconciliation).	No	Recommend implementing a compensating control involving a detailed review of the bank reconciliation by someone with financial experience who does not also have financial duties.
5	Federal eligibility is determined and reviewed, including verification prior to disbursement (Pell recipients have a valid ISIR or SAR).	Yes	Recommend performing and documenting a review of students' eligibility documents prior to financial aid disbursement.
6	Transfer students are properly identified, reviewed, and notification is sent to NSLDS for financial aid history, prior to disbursement.	Yes	Recommend performing a review to define and require adequate eligibility documents in all student files for control performance and documentation purposes.
7	Proper award amount is determined based on financial need, U.S. Dept. of Education Payment and Disbursement Schedule amount, student enrollment (hours and program), eligibility period, payment period, and individual payment period disbursements.	Yes	Recommend performing a control review to ensure it functions as designed, including documentation of the review.
8	Disbursements are done in a timely manner, including no more than 10 days prior to class start and within 14 days after class start.	Yes	Recommend performing a control review to ensure it functions properly and is adequately documented.

	<b>Control Activity</b>	<b>Written Policy</b>	<b>Results</b>
<b>9</b>	Unaccepted disbursed funds are returned to U.S. Dept. of Education—uncashed funds within 240 days of issuance; additional attempts to disburse are made with 45 days after return/rejection.	No	Recommend TATC implement and document a control to ensure unaccepted and uncashed funds are returned U.S. Dept. of Education within the required time frame.
<b>10</b>	TATC submits Pell payment data to the U.S. Dept. of Education through the Common Origination and Disbursement (COD) System.	Yes	Recommend establishing internal controls to ensure the proper documentation is uploaded to FASLine each month. Recommend establishing appropriate complementary user controls over FAS, Inc. to ensure compliance.
<b>11</b>	Separate fund accounts are set up for each federal program fund type.	Yes	Recommend establishing a separate general ledger class to account for each type of federal funds and continue to maintain a separate bank account for federal funds.
<b>12</b>	Enrollment Reporting roster files are submitted on a regular basis as outlined by the Financial Aid Handbook.	Yes	Recommend establishing complementary user controls over FAS, Inc., to monitor compliance with Enrollment Reporting requirements.
<b>13</b>	TATC maintains and monitors institutional eligibility requirements.	Yes	Recommend documenting controls and procedures for monitoring its eligibility adequately.
<b>14</b>	Additional compliance requirements as outlined by the Financial Aid Handbook are reviewed and monitored.	Yes	No concerns noted.
<b>15</b>	Student award amounts are applied to student accounts accurately.	Yes	Recommend reviewing award amounts to ensure student amounts are applied to accounts accurately and include documentation of the review.
<b>16</b>	Staff are adequately trained on updates/changes to compliance requirements and new federal programs.	Yes	No concerns noted.
<b>17</b>	Proper separation of duties exists between financial aid staff and finance staff.	Yes	No concerns noted.

	Control Activity	Written Policy	Results
<b>Return of Title IV Funds</b>			
<i>If a student begins attending, and then withdraws:</i>			
<b>18</b>	<p>Accurate withdrawal date is determined within 30 days of end of:</p> <ul style="list-style-type: none"> <li>• Payment period,</li> <li>• Academic year, or</li> <li>• Educational program.</li> </ul> <p>Withdrawal date is determined by:</p> <ul style="list-style-type: none"> <li>• Official withdrawal</li> <li>• Unofficial withdrawal</li> <li>• Unsatisfactory Student Academic Progress (SAP)</li> </ul>	Yes	<p>Recommend documenting the following: official withdrawal, unofficial withdrawal, date of termination of withdrawal, or unsatisfactory SAP withdrawal.</p> <p>Recommend also developing procedures and controls to track LOA students in case of withdrawal and to identify students who transfer to a Pell non-eligible program.</p>
<b>19</b>	<p>Funds earned and funds to be returned are accurately calculated using:</p> <ul style="list-style-type: none"> <li>• The student's correct withdrawal date as documented</li> <li>• Percentage of completion</li> <li>• Amount of funds disbursed</li> <li>• The lesser of unearned funds or total institutional charges incurred</li> </ul>	Yes	<p>Recommend TATC document the evidence of the review of the Title IV calculation.</p>
<b>20</b>	<p>The correct amount of Title IV funds are returned within 45 days of determining student status.</p>	Yes	<p>Recommend establishing a control to ensure returns are submitted through FASLine within the required period and are reconciled.</p>
<i>For post-withdrawal disbursements:</i>			
<b>21</b>	<p>Grant funds are disbursed:</p> <ul style="list-style-type: none"> <li>• Either to the student or the student's account</li> <li>• For the correct amount</li> <li>• For current-year charges</li> <li>• After receiving student's authorization (if the charges are for anything other than tuition, fees, and room and board)</li> <li>• Within 45 days of determination of student status</li> </ul>	No	<p>Recommend developing controls and procedures for post-withdrawal disbursements, document evidence of controls being performed, and provide staff training on these procedures.</p>

	<b>Control Activity</b>	<b>Written Policy</b>	<b>Results</b>
<b>22</b>	The correct amount of unearned Title IV funds are returned within 45 days of determination of student status.	Yes	Recommend establishing a control to ensure returns are submitted through FASLine within the required period and are reconciled.
<i>Student does not begin attending:</i>			
<b>23</b>	Student's nonattendance is confirmed.	Yes	Recommend documenting non-attendance.
<b>24</b>	All disbursed funds are returned within 30 days of confirmation of student's nonattendance.	Yes	Recommend establishing a control to ensure returns are submitted through FASLine within the required period and are reconciled.