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**EIN 05-6000522**

**Summary Schedule of Prior Year Audit Findings**

**Reference Number 2005-01**

**Federal Agency:** U.S. Department of Education

**CFDA Number:** 84.268

**Program:** Federal Direct Loan Program

*Summary of Finding:*

If a student ceases enrollment without performing an exit interview and has received a Federal Direct Loan, the financial aid administrator must confirm that the student has completed on-line counseling, or mailed exit counseling material to the borrower at his or her last known address. The material must be mailed within 30 days after learning that the borrower has left school or failed to participate in an exit counseling session.

Four of the 30 students tested that received a Federal Direct Loan and ceased enrollment did not have evidence that an exit interview was performed or mailed.

We also noted that the exit interview for one student was not performed within the required 30-day timeframe.

*Status:*

The University has corrected this issue by automating this process in August of 2005. There is a daily process that reviews for all graduate and undergraduate students who withdraw, dropped all credits or completed their degree. A letter is created and sent to all students who satisfy the above criteria.

**Reference Number 2005-02**

**Federal Agency:** U.S. Department of Education

**CFDA Number:** 84.268

**Program:** Federal Direct Loan Program

*Summary of Finding:*

Institutions must complete and return within 30 days of receipt the roster file sent by the NSLDS. Once received, institutions must update the file for changes in student status, report the effective date of the status, and submit the changes to the NSLDS. Unless an institution expects to complete its next roster file within 60 days, the institution must notify NSLDS within 30 days of notification of a student's change in status.

Student status was not transmitted to the NSLDS within the required timeframe for five of the 30 students selected for status change testwork.

*Status:*

The University has taken steps to strengthen its procedures of notification of student's change of status to the National Student Loan Clearinghouse.

**Reference Number 2005-03**

**Federal Agency:** U.S. Department of Education

**CFDA Number:** 84.038

**Program:** Federal Perkins Loan Program

*Summary of Finding:*

Perkins loan regulations require an institution to maintain Perkins loan records for each student, which include information collected at initial and exit loan counseling sessions.

## Summary Schedule of Prior Year Audit Findings

### *Reference Number 2005-03 continued*

We noted nine student files that lacked evidence to indicate that an initial interview had been performed.

**Status:**

Corrected. The University has changed the procedures for the new academic year and has implemented the Truth in Lending Entrance information (TIL). This information is available for all Perkins borrowers and the University will not accept promissory notes without the TIL attached.

### **Reference Number 2005-04**

**Federal Agency:** U.S. Department of Education

**CFDA Number:** 84.268 and 84.038

**Program:** Federal Direct Loan Program and Federal Perkins Loan Program

***Summary of Finding:***

If an institution credits a student's account with Federal Direct Loan funds or Federal Perkins Loan Program funds, the institution must notify the student of the date and amount of the disbursement and the student's right to cancel all or a portion of that loan. The institution must send the notice to the student, either in writing or electronically, no earlier than 30 days before and no later than 30 days after the date the institution credits the student's account. If a school notifies a borrower electronically, it must request that the borrower confirm the receipt of the notice. If a student or parent wishes to cancel all or a portion of the loan, the school must honor the request if the request is received no later than:

- 14 days after the date the school sends the notice, or
- the first day of the payment period, if the school sends the notice more than 14 days before the first day of the payment period.

The University currently does not have a procedure in place to notify students of the date and amount of the disbursement of their loan and their right to cancel loan proceeds upon receipt of FDL and Federal Perkins Loan Program funds.

***Status:***

The University has corrected this issue by implementing a procedure to notify students of the date and amount of their loan disbursements and their right to cancel loan funds.

### **Reference Number 2005-05**

**Federal Agency:** U.S. Department of Education

**CFDA Number:** 84.268

**Program:** Federal Direct Loan Program

***Summary of Finding:***

Per federal regulations, Title IV refund calculations are required to be completed no later than 30 days after the date the institution determines the student withdrew.

Through our testwork performed over Title IV refunds, we noted that 7 refund calculations that were not performed within the 30-day time requirement.

***Status:***

The University diligently follows the policies and procedures currently in place to conduct Title IV calculations within the 30 day time frame requirement.

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