

The following finding represents a significant deficiency in internal control over compliance and instance of noncompliance including questioned costs that are required to be reported by the Uniform Guidance.

2025-001 Special Tests and Provisions – Return to Title IV (R2T4)

Federal Agency: U.S. Department of Education (ED)

Pass-Through Entity: Direct funded

Program Name: Student Financial Assistance Cluster

Assistance Listing Numbers: 84.007, 84.033, 84.063, and 84.268

Award Identification Numbers: P007A240563, P033A240563, P063P243174, P063P241172, P268K253174, P268K251172

Award Year: 2024-2025

Criteria

OMB *Compliance Supplement*, 34 CFR section 668.22(e)(f): The amount of Title IV assistance earned by the student is calculated by dividing the number of days completed by the student within the period of enrollment by the total number of days in the enrollment period. The enrollment period includes all days within the period that the student was scheduled to complete, except that scheduled breaks of at least five consecutive days are excluded from the total number of calendar days in the period of enrollment and the number of calendar days completed in that period.

Condition

Significant Deficiency in Internal Control over Compliance and Instance of Noncompliance – For five of the sixty students tested, the District inaccurately calculated the amount of Title IV aid earned by students who withdrew from enrollment.

Questioned Costs

There are no questioned costs associated with the noncompliance.

Context

A non-statistical sample of 60 students out of 743 students, which had Return to Title IV calculations performed during the 2025 aid year.

Effect

The District is not in compliance with the federal R2T4 requirements described in the OMB compliance supplement.

Cause

The District's internal controls over Return to Title IV calculations were not sufficient to ensure compliance with relevant requirements.

Repeat Finding (Yes or No)

No.

Recommendation

The District should review policies and procedures over the Return to Title IV calculations to ensure that the procedures are in line with the compliance requirements of the program. The District should strengthen internal controls over the review of the Return to Title IV calculations to ensure that the data utilized in preparing the calculation is accurate and that required funds are returned in a timely manner.

Views of Responsible Officials and Corrective Action Plan

The District has reviewed the policies and procedures over the R2T4 calculation and has identified additional controls to prevent miscalculations going forward. The Student Financial Aid Office has begun the implementation of the following corrective action plan to prevent future recurrence:

- Implement a cross-check with the Common Origination & Disbursement (COD) site R2T4 calculator to supplement the tools within our internal financial system. The COD system automatically calculates dates attended by students, eliminating the manual element of this step in the calculation.
- Implement a second review to spot check calculations during each semester to ensure accuracy.
- Require Blue Icon R2T4 training and certification for staff preparing, reviewing, and processing R2T4 calculations.

These controls began implementation in November 2025 and are expected to be fully in place by March 2026. New regulations for R2T4 are expected to be released in early 2026. Blue Icon training will be scheduled once the new regulations are released.