

**Texas A & M University at Prairie View**

Reference No. 03-37

**Special Tests and Provisions - Student Status Changes**

**Student Financial Aid Cluster**

**Type of Finding - Reportable Condition Control**

Under the Federal Family Education Loan Program (FFELP), the University must complete and return student status confirmation reports (SSCR) sent by the National Student Loan Data System (NSLDS) within 30 days of receipt. To comply with this regulation, the University may work directly with NSLDS or they may work with the National Student Clearinghouse (NSC). Texas A&M University – Prairie View (PVAMU) has elected to utilize the services of NSC.

Questioned Cost:	\$ 0
U.S. Department of Education	

Per review of the NSC on-line Operations Guide, the following submissions are required:

- First of Term Submission is to be submitted immediately after the registration “add” period is over since it is used to report students who should have their loans deferred. This file is also used to report students who withdraw because they have not returned from the prior period.
- Mid-Term Submission is used to report the enrollment of late students and students who have withdrawn or changed status after the registration period.
- End of Term Submission is also used to report the enrollment of late students and students who have withdrawn or changed status after the registration period. In addition, the submission should be scheduled after classes end in order to report graduates.

NSC also recommends an additional report, Graduates-Only Submission, in the early summer if the End of Term Submission does not include graduates. If the graduates are not reported in the End of Term or the Graduates-Only Submission, then NSC will not report graduates as having separated from school until the next First of Term Submission. By this time, the majority of the grace period has passed, leaving little time for the student’s lender to notify the students of repayment obligations and deadlines.

The reported date to NSC for four of 30 students selected with student status changes was not within the required time frames. PVAMU only submits the three required reports with the End of Term Submission report being filed prior to graduation. In addition, upon review of the four students’ status in December 2002, NSC did not reflect the students as graduated. However the PVAMU Financial Aid Office did report the expected graduations to the respective lenders timely, so there are no questioned costs.

Recommendation:

PVAMU should consider filing the optional Graduates-Only Submission. In addition, the report generation process should be reviewed to ensure the following First of Term Submission correctly includes all student status changes.

Management Response and Corrective Action Plan:

*Effective with the spring semester, the Student Financial Aid Office will report all student enrollment changes on line to the NSC as they occur. These changes (i.e., withdrawal, graduation, enrolled less than half-time, etc.) will be reported by the Student Financial Aid Office in addition to the submission to NSC by the Registrar. By using this method, the student status changes will be reported on a monthly basis for the students that receive financial aid.*

*Implementation Date: Spring Semester 2003*

*Responsible Person: A.D. James*

Reference No. 03-38

**Special Tests and Provisions - Disbursements To Or On Behalf of Students**

**Student Financial Aid Cluster**

**Type of Finding - Reportable Condition Control**

A school must conduct initial counseling with each FFELP loan borrower either in person, by audiovisual presentation, or by interactive electronic means prior to its release of the first disbursement, unless the student borrower has received a prior FFELP loan. (34 C.F.R. 682.604(f)) Texas A&M University – Prairie View (PVAMU) has policies to require counselors to verify that counseling has occurred (per review of a specific screen) prior to disbursing FFELP loans. Six students in the sample of 30 disbursements were first time borrowers. For 1 of the 6 students, counseling did occur but subsequent to the loan being disbursed.

Questioned Cost:	\$ 0
U.S. Department of Education	

Recommendation:

PVAMU should strengthen controls related to releasing checks for disbursement on first time borrowers to ensure that funds are only released after entrance counseling has occurred. A suggestion would be to add a “loan counseling completed” field on screen 348, which places an automated hold on disbursements until an authorized user indicates counseling has been completed.

Management Response and Corrective Action Plan:

*Effective immediately, the following controls will be implemented to improve the crediting of student accounts for students receiving loan funds: The office of Student Financial Services will input on SIS screen 348 financial aid holds on all borrowers who have not done loan counseling. This hold will prevent funds from being credited to the student’s account until loan counseling is completed. To further strengthen this area, the counseling holds release of the funds will be security protected in that only four designated staff members will be allowed to release a counseling hold.*

*Implementation Date: December 11, 2002*

*Responsible Person: A.D. James*