FINANCIAL AID GUIDANCE MEMO

REFERENCE: FA 22-007
TOPIC: FINANCIAL AID AUDITS
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DATE: August 30, 2021
RELEVANT STATUTE: OHIO REVISED CODE 3333.04 AND 3333.047

During calendar year 2022, our office will audit state awards disbursed during the 2020-2021 academic year for select Ohio colleges and universities and select Pennsylvania colleges and universities. We plan to audit the following awards: Ohio College Opportunity Grant, Ohio War Orphans Scholarship, Ohio Safety Officers College Memorial Fund, Nurse Education Assistance Loan Program, Choose Ohio First Scholarship, and Ohio National Guard Scholarship.

All Ohio and Pennsylvania institutions with financial aid errors based on 2018-2019 audit results will be audited during the 2022 calendar year. Ohio and Pennsylvania institutions with zero errors found during the 2018-2019 audit results will not automatically be audited in calendar year 2022. Additional institutions to be audited will be chosen by random selection in order to maintain our goal of auditing a set number of institutions yearly. Every institution will be audited at least once every three years. This three-year time period began in calendar year 2016. Following is a timeline that should be helpful in preparation for said audits:

October, 2021

Initial audit letter will be sent to campus president/director and copied to financial aid director/contact by email. This letter will be signed by our Vice Chancellor of Finance and Data Management and will assign the 2022 calendar month to each institution for its audit. We can work with schools if changes to the schedule need to be made. Please make sure that all contact information is up to date to assure timely processing.

6 Weeks Before Audit

The financial aid office at the institution will receive an official request through the HEI Secure File Transfer Site with the names and social security numbers (chosen at random) of students selected in our audit sample. The sample size will take into consideration the number of errors during the 2018-2019 academic year audits for both Ohio and Pennsylvania institutions (see chart below for number of students to be audited). A follow-up email with audit instructions will be sent to the financial aid director/contact. Confirmation of receipt of this initial request is encouraged.

Documentation

For the financial aid audits, documentation including, but not limited to, the following will be requested:

- admissions application (supplemental documentation may be accepted upon prior approval)
- full academic transcript for student’s entire enrollment
- ISIR in which aid was paid on
- Proof of Selective Service registration for male students (if not listed on the ISIR)
- detailed student account statement, ledger, or bill including documentation showing all instructional fees for the current and prior terms
- copy of payment plan or installment contract, if applicable
- tuition and fees schedule concurrent with the enrollment period
- academic calendar (including term codes)
• course catalog
• Institutional Cost of Attendance chart for students residing on campus, off campus, and with parents

This documentation will be required for the term(s) and academic year under audit (2020-2021) and will need to be submitted in ascending numeric order by social security number as indicated in the financial aid sample provided.

All documents for audit will be required to be sent electronically using the HEI Secure File Portal and will be deleted upon completion of audit.

In addition, the financial aid HEI liaison at each institution will be sent a HEI User Verification Form to complete and return. It is the responsibility of the liaison to periodically review their employees’ user access and determine if that system access is appropriate.

** ODHE is aware of the recent federal implementation of the FAFSA Simplification Act’s removal of selective service regarding the receipt of federal student aid, effective June 17, 2021. Ohio revised code section 3345.32 still requires compliance with the selective service law in order for a student to be eligible for any of Ohio’s state grants and scholarships. ORC 3345.32 Student Noncompliance with Selective Service can be found here: https://codes.ohio.gov/ohio-revised-code/section-3345.32. As such, ODHE will still require selective service verification as part of the audit documentation process. If Ohio legislation is changed, ODHE will inform the campuses.

Once Submitted

Our office will perform the audit and present the financial aid office at the institution with our initial findings. Initial findings are not final. Additional documentation may be required to resolve initial discrepancies prior to finalization. If the percentage of anomalies is less than 5% (category or summary), the audit will be finalized. If the percentage of anomalies (category or summary) is equal to or greater than 5%, an additional number of student records will be requested (double the original audit sample size). After this additional review, if the percentage of anomalies is less than 5%, the audit will be finalized. If the percentage of anomalies is still 5% or greater, an audit of all remaining student records for that academic year will commence.

Audit Finalized

All audit refunds are due within 30 days of the final audit discrepancy report to avoid the accrual of interest. If after 45 days the refund check is not submitted, the amount owed will be turned over to the Ohio Attorney General’s Office for collection (see Ohio Revised Code 131.02 - http://codes.ohio.gov/orc/131).

Once an institution makes a payment of any refund due, a final letter closing the financial aid audit will be sent to the financial aid director/contact and copied to the campus president/director.

Throughout the audit process, our staff will remain flexible and willing to work with all schools to allow ample time and opportunity for documentation and dialogue. Communication between the financial aid auditor and the institution is critical for the timeliness of audit collection and review.

Financial aid personnel should direct questions to the financial aid auditor, Alyssa Ooten, by phone at 614.387.1013, or by email at aooten@highered.ohio.gov.
2020-2021 Review of Student Records

<table>
<thead>
<tr>
<th>% OF ANOMALIES FROM 2018-2019</th>
<th># OF FINANCIAL AID STUDENTS REVIEWED*</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>100</td>
</tr>
<tr>
<td>1-3%</td>
<td>150</td>
</tr>
<tr>
<td>Over 3%</td>
<td>200</td>
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</tbody>
</table>

*If an institution has fewer aid recipients, 100% of the students will be reviewed during the audit process.