

Memorandum

To: Lansing Community College Board of Trustees
From: Vicki VanDenBerg, Darlene Middleton, Katie Thornton
Date: Monday, October 17, 2005
Re: Student Financial Aid Risk and Vulnerability Assessment

Objective: Identify areas of risk and vulnerability as a result of the Fall Semester 2005 implementation of Oracle in the Student Financial Aid department.

We have grouped the findings by status and ordered by priority (High, Moderate, and Low). In addition, we have summarized our testing results in the Attachment to this memo.

STATUS – TO BE ADDRESSED

High Priority

- *Issue:* Student Financial Aid (SFA) is manually completing a "pink" sheet [loan worksheet] for every loan application to summarize all eligibility information due to inadequate reports produced from Oracle. SFA will be using the "pink" sheet for Spring Semester 2006.

Recommendation: Customized reports should be created to reduce manual effort and likelihood for human error.

- *Issue:* Procedures were not followed to produce uniform results (especially in the area of "work arounds" to solve individual problems) which resulted in a multitude of adjustments for federal grants including Supplemental Employment Opportunity Grant and Pell Grant (awarding, then canceling, and re-awarding) and the application of manually posted awards (Merit, Michigan Competitive Scholarship and Tuition Incentive Program).

Recommendation: "Work arounds" should be reviewed for efficiency, effectiveness and avoided where a true procedure can be completed.

- *Issue:* Title IV federal grant refunds for students canceling, dropping and changing courses for Summer Semester 2005 have not been paid back to the Federal Government within 30 days (in progress).

Recommendation: Procedures for Title IV refunds need to be instituted for Fall Semester 2005 to meet the 30 day requirement.

- *Issue:* SFA is identifying problems (incorrect Pell and SEOG awards, lack or incorrect calculations for satisfactory progress, etc.) when completing the "pink" sheet for loan processing.

Recommendation: The need for quick ways to review large amounts of information for reasonableness should be investigated through Oracle queries, downloads and comparison of actual activity.

- *Issue:* Staff in the SFA, Cash Operations and Information Systems and College Development (ISCD) departments have been working long hours (~70 hours/week) (during the week of October 14th a SFA staff worked until 2am one evening). Fatigue can lead to mistakes.

Recommendation: Assess and review work assignments and consider hiring additional temporary staff.

- *Issue:* Transactions are posting to student accounts without semester information, only date of transaction. As a result, Fall semester financial aid was applied to an outstanding balance in the Summer semester before the Summer semester was completed.

Recommendation: Assess the capability of the system and make necessary adjustments to handle posting of activity in the proper order in time for Spring semester registration.

Moderate to High Priority

- *Issue:* Oracle has not consistently applied satisfactory progression tests to student accounts as of 10/14/05, including not properly accounting for transfer credits (ISCD is working on transfer credit inclusion).

Recommendation: SFA and ISCD need to review satisfactory progression testing for students awarded funds. In addition, it needs to be clarified how the testing is technically "run" in the Oracle system (i.e. is it by individual student or against the entire population and how often?).

- *Issue:* Some students have had a program/major change which resulted in Oracle not assessing or charging tuition and fees to the student accounts, only charging course fees and refunding all financial aid applied to the account.

Recommendation: Work with Oracle to resolve

Moderate Priority

- *Issue:* Academic Completion Plans (ACP) tests for 150% completion (progression test for federal funds) where the student meets with an academic advisor once they have attempted 75 credits, and the total number of credits remaining for degree completion is determined. Oracle did not show this information and awards were paid incorrectly (a student with 6 ACP credits remaining but enrolled for 12 credits during Fall 2005, the student was paid the Pell amount for a full-time student instead of a half-time student).

Recommendation: If the "work around" is excessively inefficient, the College should consider investing in these customizations in Oracle.

- *Issue:* An SFA staff username for Oracle and a federal online website was used by a number of people. There were no system restrictions to prevent multiple sign-ons.

Recommendation: The College should run security reports to check usage/responsibilities and instituted protocol for accommodating additional staff assisting SFA.

- *Issue:* Some students have a 3rd party sponsorship for payment of tuition & fees from organizations (Women's Resource Center, Michigan Works!, etc) and employers. These sponsorships pay after any federal grants are applied to the balance due. As a result of late application of Pell and SEOG, the 3rd party sponsors were billed for their respective students before awards were applied to accounts. As a result, Cash Operations will have to refund collections back to the 3rd party through a manual process. Timely posting of SFA awards will eliminate this issue.

Recommendation: Assess whether any type of customized report could be created to reduce manual effort.

Low to Moderate Priority

- *Issue:* 40% of emergency loans have not been paid back yet and the College is letting SFA students register a day early.

Recommendation: Assess the impact of these outstanding balances. Can the students register with an outstanding emergency loan? What is the plan for issuing for Spring semester? Set criteria on how to award and to who and communicate to students for Spring semester, if necessary.

- *Issue:* Communications not set up for students in Oracle. Manual mail merges were run from ISCD to send out "to-do" (July and on) and "award" (early September) letters. This is inefficient and resulted in error and significant delays in awarding student financial aid.

Recommendation: A formal communication plan should be instituted between SFA and ISCD to identify responsibilities of each department.

- *Issue:* ISIR records were not entirely loaded (due to receiving separate files) into Oracle to date (SFA has students on the "issue log" whose ISIR information has not been loaded). Currently there is no process in place to verify that all ISIR files have been loaded and loaded completely.

Recommendation: A process should be instituted to assure timely loading of ISIR information.

Low Priority

- *Issue:* Police academy loans have a different term (July-November) and those loans have not been processed yet.

Recommendation: The Oracle system needs to be set up to handle this type of loan.

- *Issue:* Lack of paper documentation of student financial aid activity, awarding information, process sign-off/review. More than one preparer handled the information and there was no formal approval tracking.

Recommendation: ISCD will be adding electronic sign-offs in the system to capture the preparer for entries.

- *Issue:* FERPA - The College's help desk employees assisted students with questions requiring their accounts. These interactions may have included personal information (i.e. social security numbers, passwords). Volunteers and student employees also had access to student records and personal information.

Recommendation: All College staff should be reminded of FERPA regulations.

- *Issue:* In the Disbursement Detail screen when edits are made [canceling, reducing, increasing awards], a warning message pops up every time that states "Over Award Holds on the Award." The staff ignores this now, but could be missing an actual over-award.

Recommendation: This message should only pop up when there is an actual over-ward.

STATUS - IN-PROGRESS

- Oracle cannot calculate a GPA from a specific semester. It is a running, live calculation. GPA is one of the satisfactory progress tests to receive student financial aid. ISCD is working on a way to capture GPA and store by semester.
- All Merit and waiver awards (Michigan Competitive and TIP awards, etc) were applied to student accounts manually with deviations from eligible amounts resulting in awarding to ineligible students, awarding too much to eligible students and not awarding to all eligible students. These scholarship student accounts are currently being reviewed and corrected. Expected completion is by November 11.
- Manual adjustments to financial aid currently are not restricted and would allow duplication for any non-Pell award. ISCD is working with Oracle to set up restrictions to prevent duplicate postings.

STATUS - COMPLETED

- 61 student disbursements to students that should not have received the disbursement, primarily with SEOG funds (\$100 per student) and Pell funding. All students have been billed back for the funds.
- C-codes (ISIR comment codes) were not mapped properly to the appropriate "to-do" item until the beginning of September, which resulted in delayed communication to students for required items needed to complete and award their financial aid.
- Oracle will be updated with new Student Financial Aid regulations for Fall 2006.
- Manual adjustments were made to award Pell when the automatic award had already hit the student accounts (10 instances of double awarding Pell found and corrected). The system no longer allows duplicate Pell awarding.

ATTACHMENT

Objective: To document the impact of Oracle system implementation for 2005 Fall Semester Registration. We performed the following tests and found that a number of issues have yet to be resolved.

	Emergency Loan Testing	ISIR Download Testing	Issues Log Testing	Observing SFA counter	Merit Award Testing
Number of Students Tested	5	10	5	10	5
Finding Type:					
Lack of proper authorization	1	-	-	-	-
Improper or lack of calculation of satisfactory progress (3 tests)	1	1	1	-	-
Lack of timely posting of "to-do" items (communication to students)	-	8	1	1	-
System delayed payment or erroneously canceling financial aid	-	3	1	4	-
Improper refund checks/refunding too much	-	-	2	-	-
Improper student information in Oracle (local resident coded as international, name change, etc.)	-	-	-	2	-
Received \$30 more for Pell than allowable	-	-	-	1	-
Merit should have been awarded per Final Roster from the State and has not yet been	-	-	-	-	1
Total Findings	2	12	5	8	1