



***Federal Student Aid
Program Review Follow-Up
Missouri State University-West Plains***

May 16, 2018

Office of Internal Audit and Compliance



Missouri State
UNIVERSITY

DATE: May 16, 2018

TO: Dr. Angela Totty, Dean of Student Services, Missouri State University – West Plains
Scott Schneider, Director of Business and Support Services
Dr. Drew Bennett, Chancellor, Missouri State University – West Plains

CC: Rachael Dockery, General Counsel
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FROM: Donna Christian, Director of Internal Audit and Compliance
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BACKGROUND

During 2015, the United States Department of Education conducted a review of the administration of federal student aid programs by Missouri State University – West Plains (MSU-WP). The review focused on compliance with statutes and federal regulations as they pertain to the administration of Title IV, Higher Education Act programs. The review consisted of, but was not limited to an examination of MSU-WP policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers and fiscal records.

In February 2016, the Department of Education issued a Program Review Report to MSU-WP containing seven findings of noncompliance. In May 2016, MSU-WP responded to each of the seven findings. In December 2017, the Department of Education issued their Final Program Review Determination letter and MSU-WP returned \$197,546.02 in federal financial aid to the Department of Education on February 5, 2018.

The Office of Internal Audit and Compliance performed a follow-up review of 30 student files for the 2016-2017 and 2017-2018 school years to determine the status of each of the seven findings included in the Department of Education report. The status of each finding is classified as one of the following:

Implemented: Management fully implemented the recommendation, either as originally described in the audit report or in a manner that resolved the issue.

In Progress: Management has begun to implement the recommendation and intends to complete the implementation process.

Not Implemented: Management has not taken action to implement the recommendation.

Additional findings unrelated to the review by the Department of Education also came to our attention during this review. Further, MSU-WP management requested the Department of Internal Audit and Compliance review procedures used for collecting unpaid student accounts during this review. Findings related to these areas are included in the Current Observations, Recommendations and Management Responses section of this report.

OBJECTIVE AND SCOPE

The objectives were to review the administration of federal student aid programs by MSU-WP to ensure all seven findings reported by the Department of Education had been properly corrected. The scope included, but was not necessarily limited to, financial aid administered during the 2016-2017 and 2017-2018 school years.

SUMMARY

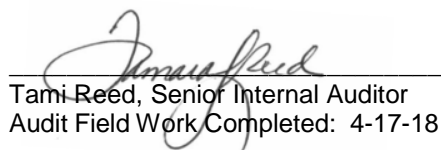
This review determined that all seven findings noted in the Department of Education audit have been **Implemented**. We applaud MSU-WP personnel for their work to ensure all findings were properly addressed.

Current observations addressed the following:

- Bookstore charges have been included when calculating the return of federal funds; however, the Federal Aid Handbook does not require the inclusion of bookstore charges. Eliminating these charges from the calculation will result in less federal funds being returned and more federal funds being retained by the University and/or the students.
- Student refund procedures do not agree with University policy and are handled differently for federal aid students versus nonfederal aid students.
- Attendance taking policies and procedures are not in agreement and should be addressed to ensure both consistency and compliance with federal aid requirements.
- Some recommendations were made to improve the reporting and collection of unpaid student accounts.



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Audit Field Work Completed: 4-17-18

Federal Student Aid
Program Review Follow-Up Section

FINDING, REQUIRED ACTION AND FOLLOW-UP STATUS AS REPORTED BY THE DEPARTMENT OF EDUCATION IN THE PROGRAM REVIEW REPORT

Below includes a summary of each of the seven findings and the required action included in the Program Review Report issued by the U.S. Department of Education, Federal Student Aid, School Participation Division on February 29, 2016. Similar to the procedures performed by the U. S. Department of Education auditors, Internal Audit and Compliance reviewed a sample of 30 current student files to determine the status of each finding. The status of each finding is classified as Implemented, In Progress, and Not Implemented as defined above. Additional findings unrelated to the review by the Department of Education were also identified during the review of these student case files and are included at the end of this follow-up section.

1. Written Arrangement with non-Title IV Eligible Institution Requires Accreditor Approval

FINDING:

MSU-WP contracts with the Missouri Sherriff's Association, a Title IV ineligible institution, to provide law enforcement education related to the MSU-WP's Associate of Applied Science in Law Enforcement. The Higher Learning Commission's (HLC) approval of the agreement between the school and the Missouri Sheriff's Association was not formally and explicitly secured until September 14, 2015. This approval is required before Title IV, HEA program funds can be offered to students. As a result, the review concluded that MSU-WP was liable for the Title IV, HEA funds expended on students enrolled in the program prior to the HLC approval date.

REQUIRED ACTION:

MSU-WP prepare a spreadsheet identifying each Title IV, HEA fund recipient for the 2013-2014 and 2014-2015 award years.

STATUS:

Implemented.

As required, a spreadsheet was prepared listing each Title IV, HEA fund recipient for the 2013-2014 and 2014-2015 award years enrolled in the Law Enforcement program. The spreadsheet listed a total of approximately \$2.2 million in federal aid funds that had been received by MSU-WP and was subject to refund to the Department of Education.

In response to the finding MSU-WP temporarily discontinued the Law Enforcement program, and in October 2015 the University signed a new contract with the Missouri Sheriff's Association. The University also contracted with outside legal counsel to communicate with the Department of Education on behalf of the University regarding the potential refund of \$2.2 million in federal aid funds. In the Final Program Review Determination Letter dated December 6, 2017, the Department of Education stated the corrective action necessary to resolve the finding had been taken and the finding is considered closed. As a result, no federal aid funds were required to be returned.

In 2016 MSU-WP reinstated the Law Enforcement program. MSU-WP currently has three consortia agreements (including the agreement with the Missouri Sheriff's Association). We obtained copies of all consortia agreements and the corresponding HCL confirmation documentation to ensure formal HLC approval. No exceptions were noted.

2. Enrollment Status Not Verified Prior to Disbursement

FINDING:

MSU-WP failed to establish and maintain records to provide proof that a student began attendance in his or her classes. Schools must have a procedure in place to confirm whether a student has begun attendance in all classes for the purposes of the Federal Pell Grant Program. A student is considered not to have begun attendance in any class in which the school is unable to document that attendance. Title IV, HEA funds were disbursed to eight of the 30 students reviewed whose academic transcript showed the student received all F grades, W grades, or a combination of the two. Without attendance documentation to determine whether or not these students attended any of their classes, federal aid would not be allowed.

REQUIRED ACTION:

MSU-WP must review and revise its internal policies and procedures to ensure a process is in place to prove and document students have established attendance in every class for which Title IV, HEA funds are disbursed. Additionally, MSU-WP must review attendance records of all Federal Pell Grant recipients who attended the institution from July 1, 2013 to present who failed to earn a passing grade in one or more courses. For each student who failed to earn a passing grade in a course, MSU-WP must determine if the student established attendance in that course. If MSU-WP cannot document attendance in the course, then that course cannot be included in the student's enrollment and the student's status for the calculation of financial aid must be adjusted.

STATUS:

Implemented.

*MSU-WP performed a review of all Federal Pell Grant recipients who attended the institution from July 1, 2013 to February 2, 2016 who failed to earn a passing grade in one or more courses. These students received a total of \$546,320 in Federal Pell Grant funds. MSU-WP personnel worked diligently to identify documentation to establish attendance for each student. The University contracted with outside legal counsel to communicate with the Department of Education on behalf of the University. The Department of Education determined MSU-WP was responsible for returning **\$192,595.31** in Federal Pell Grant funds for 238 students. MSU-WP was also liable for interest charges of these funds totaling **\$3,255.53**. MSU-WP paid **\$195,850.84** on February 5, 2018.*

Following the Department of Education review, MSU-WP implemented the Banner 9.X Student Faculty Attendance Tracking module. Additionally, the new attendance tracking procedures approved by Faculty Senate and outlined in the MSU-WP online course catalog state, "Faculty must electronically record attendance for the entire semester for all courses."

Internal Audit randomly selected 30 students and reviewed each student's attendance records in the new attendance-tracking module for compliance with new attendance tracking procedures. Two instances were identified where the instructor erroneously verified attendance for a student, but it was later determined that the student never attended class and the attendance record was subsequently corrected. Additionally, not all faculty are documenting attendance in compliance with the new policy. The status of this finding is considered implemented because significant improvement was made to address the lack of attendance documentation; however, some confusion exists with the interpretation of the new attendance policy and steps should be taken to clarify the issue to ensure that policies and procedures agree. (See Current Observations, Recommendations and Management Responses #3)

3. Late Enrollment Reporting

FINDING:

Student enrollment information was inaccurate and/or reported late to the National Student Loan Database System (NSLDS) for two of the 30 student files reviewed. Student enrollment information is extremely important. It is used to determine if the student is still considered in school, must be moved into repayment, or is eligible for an in-school deferment.

REQUIRED ACTION:

MSU-WP is required to review and revise its procedures for reporting enrollment status changes to NSLDS to ensure accurate and timely reporting.

STATUS:

Implemented.

In the Final Program Review Determination Letter dated December 6, 2017, the Department of Education stated the corrective action necessary to resolve the finding was taken and the finding may be considered closed.

Internal Audit reviewed current procedures for reporting enrollment status changes to NSLDS and noted that reports were consistently made multiple times per month. No exceptions were identified during our review.

4. Student Credit Balance Deficiencies

FINDING:

When the total amount of a student's Title IV, HEA program funds exceeds the amount of tuition and fees, room and board, and other authorized charges, the resulting credit balance must be paid directly to the student or parent within the required timeframe. Title IV, HEA program fund credit balances were not returned to the students before the 14-day deadline for 18 of the 30 student files reviewed.

REQUIRED ACTION:

MSU-WP must update its procedures for identifying Title IV, HEA program fund credit balances and returning them to the student (or parent, in the case of Federal Direct PLUS loans) within the required timeframe.

STATUS:

Implemented.

In the Final Program Review Determination Letter dated December 6, 2017, the Department of Education stated the corrective action necessary to resolve the finding had been taken and the finding is considered closed.

Internal Audit reviewed a total of 163 credit balances over the 2016-2017 and 2017-2018 school years. Of the 163 credit balances only two instances were noted where the credit balance was not refunded within the required 14-day period. These two exceptions occurred in early July 2016, which was immediately after the Department of Education review. Since July 2016, procedures were updated and

no exceptions were identified after July 2016. As a result, Internal Audit labeled the status of this finding as implemented.

5. Exit Counseling Not Documented

FINDING:

A school must ensure exit counseling is conducted with each Direct Loan borrower either in person or by various alternative methods as outlined in the Code of Federal Regulations. MSU-WP failed to provide and document exit loan counseling to one Direct Loan borrower.

REQUIRED ACTION:

MSU-WP must provide exit loan counseling materials to the borrower cited above at the student's last known address, and provide documentation indicating materials were sent. A receipt of certified mailing is considered adequate documentation. Since this was an isolated case, MSU-WP is encouraged to review its policies and procedures to ensure students receive exit loan counseling.

STATUS:

Implemented.

In the Final Program Review Determination Letter dated December 6, 2017, the Department of Education stated the corrective action necessary to resolve the finding had been taken and the finding is considered closed.

As part of the current review, Internal Audit reviewed MSU-WP's written procedures. Exit Counseling Procedures and the Withdrawal Checklist were updated immediately after the review by the Department of Education and recently clarified in another update that was approved by MSU-WP Administrative Council on January 30, 2018. Exit counseling is conducted for students who are withdrawing, have ceased attending, are graduating, or drop below halftime status. The procedures were revised to include a section that places a hold on a student's account for non-attendance to prevent disbursements until an exit interview is conducted with the student.

6. Return to Title IV Funds Made Late

FINDING:

When a student receiving Title IV grant or loan funds withdraws, the institution must determine the amount of Title IV grant or loan funds the student earned and the amount to return. The institution must return the amount due as soon as possible, but no later than 45 days after the student withdrew. MSU-WP failed to return funds to the Department of Education within the required time frame for one student.

REQUIRED ACTION:

MSU-WP must review and revise its internal policies and procedures, as needed to ensure returns are performed properly and in a timely manner. MSU-WP is reminded that the Department of Education incurs unnecessary costs due to incorrect refund calculations as well as late refunds, and may require MSU-WP to reimburse the Department for unnecessary charges.

STATUS:

Implemented.

In the Final Program Review Determination Letter dated December 6, 2017, the Department of Education determined that \$7.54 was due as a result of a late return of Federal Pell Grant funds. MSU-WP returned these funds on February 5, 2018.

As part of the current review, Internal Audit's review of 30 students found that all funds were returned to the Department of Education within 45 days after the student withdrew. No exceptions were noted.

7. Ineligible Student – Satisfactory Academic Progress (SAP)

FINDING:

A student is eligible to receive Title IV, HEA program assistance if the student maintains satisfactory academic progress in his or her course of study according to the institution's published standards of satisfactory progress that satisfy the provisions of the Code of Federal Regulations. MSU-WP awarded and disbursed Title IV, HEA funds to two students that did not maintain SAP according to the standards set by the institution.

REQUIRED ACTION:

MSU-WP must provide documentation specific to one of the students in question; otherwise this student is ineligible for any funds. MSU-WP must correct its practice to ensure only prior and transfer hours that apply to the student's current program are counted in SAP assessments. MSU-WP must also revise and implement procedures that will ensure the SAP policies set by the institution are followed by the institution.

STATUS:

Implemented.

MSU-WP was unable to provide adequate documentation specific to the student in question. As a result, in the Final Program Review Determination Letter dated December 6, 2017, the Department of Education concluded that MSU-WP was liable for \$3,142.35 in ineligible Federal Pell Grant and Direct Loan funds disbursed to this student. MSU-WP subsequently did identify and provide the Department of Education with additional information and the amount calculated as ineligible was reduced to \$1,665.43 plus interest charges of \$22.21. MSU-WP paid the \$1,687.64 on February 5, 2018.

As part of the current review, Internal Audit's review of procedures and student files revealed no indication that this was a continuing problem at MSU-WP. The Satisfactory Academic Progress procedures were revised and approved by the Administrative Council in June 2017.

Federal Student Aid
Program Review Current Observations

CURRENT OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSES

This section includes additional findings unrelated to the review by the Department of Education that were identified during our review of current student case files. Additionally, upon request by MSU-WP administration, the student accounts receivable balances, uncollectible debts and collection procedures were reviewed with related findings in this section.

1. Return to Title IV Funds (R2T4)

When a recipient of federal student aid ceases to be enrolled (100% withdrawal) prior to the end of a semester, a Return of Title IV Funds (R2T4) form is required to be completed and filed with the Department of Education. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive, and some funds have to be returned. By completing the R2T4 form, the institution determines the earned and unearned amount of Title IV funds.

In completion of the R2T4 form, institutional charges (tuition, fees, etc.) are used to determine the portion of unearned Title IV aid that the school is responsible for returning. According to the Federal Financial Aid Handbook, charges for books, supplies, or materials should not be included in the calculation if the student has a real and reasonable opportunity to purchase those items from a source other than the institution.

MSU-WP includes bookstore charges that are on student accounts when calculating the amount of Title IV aid to return. By including bookstore charges, MSU-WP is returning more federal aid than required. For example, Student A's account shows tuition of \$1,692 and bookstore charges of \$685 for a total of \$2,377 for the semester. Student A withdraws from school after attending 46 of the 111 total semester days, or 41.4 percent of the semester. According to the R2T4 form, the amount of federal aid that MSU-WP must return is calculated as 58.6 percent of the institutional charges. MSU-WP used total charges of \$2,377 when calculating the amount to return or \$1,393 ($\$2,377 \times 58.6\%$). However, according to the Financial Aid Handbook, the bookstore charges should not have been included because students can obtain these items from other sources. The calculation should have been $\$1,692 \times 58.6\%$ or \$992. As a result, MSU-WP returned \$401 more than required.

Seventeen of the 30 student files we reviewed included bookstore charges on their R2T4 as institutional charges totaling \$13,501. Based on the individual unearned Title IV percentages for each of these seventeen students, \$5,208 was unnecessarily returned to the Department of Education.

Recommendation:

Discontinue including bookstore charges on the R2T4 as institutional charges.

Management's Response:

Management agrees with the recommendation and will discontinue the inclusion of Bookstore Charges as institutional charges when calculating R2T4. This process will begin with the Fall 2018 financial aid year.

2. Student Refund Procedure on Early Withdraw For Federal Aid Recipients

The University has a Board of Governors approved refund policy for students withdrawing from classes. The refund percentage decreases based on the date of withdrawal. For example, the Spring 2018

refund policy is:

Withdrawal Dates	Refund Percentage
January 16-January 22	100%
January 23-January 29	75%
January 30-February 12	50%
February 13-March 20	25%
March 21 and after	No refund

While the Board of Governors approved this refund policy for all students, it is only followed for non-federal aid students at MSU-WP. Students at MSU-WP that receive federal financial aid, receive refunds posted to their student accounts based upon their calculated percentage on the R2T4 form. As a result, students qualifying for federal aid receive more of a refund than students who do not qualify for federal aid. The Federal Student Aid Handbook specifically states, "The Return of Federal Title IV Funds regulations do not dictate an institutional refund policy."

Our review of 30 students identified 22 students who received refunds in excess of the refunds provided by policy. For these 22 students refunds totaled \$19,095, of which \$4,663 complied with policy and the remaining \$14,432 was in excess of policy limits. Additionally, in some of these cases the student received a cash refund from MSU-WP of federal aid monies.

Recommendation:

Discontinue applying credits in excess of the Board of Governors' approved refund policy.

Management's Response:

Management agrees to implement the recommendation to follow the approved Board of Governor's refund schedule and discontinue the process of posting additional refunds to student accounts based on the calculated percentage from the R2T4 process beginning in Fall 2018. At the conclusion of the 2018-2019 year, we will assess how this change impacted our campus and our students.

3. Attendance Tracking

- A. Some confusion exists among employees as to whether or not MSU-WP is an attendance tracking school for federal aid purposes. In response to the Department of Education finding #2, MSU-WP implemented an attendance tracking software and in April 2016 the Faculty Senate approved a policy stating that faculty *must* electronically record attendance for the entire semester for all courses. However, our review noted that not all faculty are recording attendance and financial aid documentation on R2T4 forms indicates that MSU-WP is not an attendance tracking school.

As of the Spring 2018 census date, 39 instructors had not recorded attendance for a total of 75 classes. Additionally, many of the instructors that did record attendance through the Spring 2018 census date discontinued taking attendance after the census date even though the policy requires

attendance through the entire semester.

Federal aid refund calculations of the R2T4 form are handled significantly different for attendance tracking schools versus nonattendance tracking schools. While the approved policy implies that MSU-WP is an attendance tracking school, procedures used by instructors and financial aid staff are for nonattendance tracking schools.

Steps should be taken to either revise the policy to reflect current procedures or revise procedures to match current policy. When attendance tracking policies and procedures are not in line, noncompliance of federal aid requirements can occur.

- B. When using the Attendance Tracker software in Banner, the instructor has the option of entering each student's attendance individually, or entering attendance for the entire class at once by checking a box that is labeled "update all." During our review of 30 student files, we noted two instances where the attendance tracker showed a student attending class on the same date as their withdrawal. The instructor checking the "update all" box instead of recording the attendance of each student caused this error. Accurate attendance records are necessary for the proper calculation of the return of federal funds.
- C. When a student withdraws from class(es), then appeals to the Refund Exception Committee and receives approval for a full refund of fees, the student's enrollment data is completely removed from any available Banner screen. As a result, the last day of attendance needed to calculate the R2T4 is no longer available for viewing in Banner. Prior to recording the student's withdrawal, personnel print out the attendance information and place it in the student's file; however, the computer trail is eliminated from any available Banner screens. According to Computer Services personnel, the data remains in the Banner software, but is not available for viewing with any current Banner reporting screens. Financial Aid personnel should work with Computer Services personnel to develop a report within Banner that makes this information available for continual viewing.

Recommendation:

- A. Ensure all faculty record attendance is in compliance with the current policy, or consider revising the policy to reflect current practice.
- B. Ensure attendance is accurately recorded.
- C. Work with Computer Services personnel to establish a method of viewing student attendance data within Banner after the Refund Exception Committee issues a refund approval on a student's withdrawal.

Management's Response:

- A. *Management agrees with the recommendation to review the current attendance policy with faculty. The following language for an updated policy has been submitted to the Dean of Academic Affairs and Faculty Senate Chair for review:*

Beginning Attendance (must be verified before processing financial aid)

All faculty must verify beginning attendance on all students using the Attendance Tracker software at least once by the specified date published in the academic calendar for each part of term.

Recording Last Date of Attendance (must be recorded to process return to Title IV)

All faculty must provide the correct Last Date of Attendance (LDA) when entering the final grade for all students receiving an F grade.

The Faculty Senate is not planning another meeting until Fall 2018 and a review of the policy for changes will be conducted at that time to be immediately enacted.

- B. *Registration and Records will be responsible for the adherence to gather the information from the faculty. Messages sent to faculty at the beginning of each term will have the specific dates for deadlines of each part of term.*
- C. *Registration and Records will collaborate with Computer Services to utilize the data that is currently still recorded but no longer visible so that we can maintain an appropriate electronic trail in the student's Banner record.*

4. Student Uncollectible Accounts Receivable Balances

At June 30, 2016 and 2017, student accounts receivable balances totaled \$4,674,373 and \$4,677,874, respectively. Although the student's accounts receivable balance has not increased significantly, the write-off of uncollectible accounts (bad debt expense) has increased from \$116,640 during the year ended June 30, 2016 to \$240,833 during the year ended June 30, 2017. Student accounts are written off and sent to a collection agency when no payment has been received for 365 days.

- A. An allowance for bad debt has not been established and presented in the MSU-WP financial statements. MSU-Springfield calculates the allowance for bad debt by determining all outstanding student's accounts receivable for students not currently enrolled with no payment received in 90 days. By presenting an allowance for bad debt in the financial statement, administration has a more realistic view of the portion of the accounts receivable balance that is likely to be collected. This will provide better information for budget preparation and would follow the same accounting presentation as the MSU-Springfield financial statements.
- B. MSU-WP students are assessed a 26.5% collection fee when accounts are turned over to a collection agency, while MSU-Springfield students are assessed a 30% collection fee. This fee is to cover the cost charged by the collection company. In as much as the Springfield and West Plains both use the same collection companies, management should consider using the same collection rate for both campuses.

Additionally, MSU-WP adds the collection fee to student accounts prior to writing the accounts off and charging the uncollected balance to bad debt expense. By inflating the receivable amount before removing it from the accounting records, the bad debt expense is overstated. Also, the collection fee, which may never be incurred by the institution, is recorded in the University's financial statements. As a result, the bad debt write-offs were overstated by \$24,434 and \$50,451, for FY16 and FY17, respectively.

Recommendations:

- A. Consider establishing an allowance for bad debt to provide a more realistic estimate of accounts receivable collections and more useful information for budget preparation.
- B. Discontinue posting the collection fee to the student's account receivable prior to writing off the bad debt. When the fee is assessed, consider using a 30% collection fee to mirror the amount charged on the Springfield campus.

Management's Response:

- A. *We agree with the recommendation and will provide more realistic accounts receivable collection amounts to the Executive Budget Committee for the budget process.*
- B. *More discussion into the collection fee process needs to take place before a clear strategy can be implemented. While the changes needed are not fully known at this time, the campus will work towards using the 30% collection fee that mirrors the amount charged on the Springfield campus.*

5. Student Accounts Receivable Collection Process

- A. At the end of each semester, all accounts with outstanding balances are reviewed, and collection letters are sent to all enrolled students who still owe for tuition and fees. Accounts with an outstanding balance of \$500 or more are sent a registered letter requiring a return receipt at a cost of approximately \$11.50 per letter. Of the 217 registered letters sent after the Fall 2017 semester, 81 of the letters were either unclaimed, undeliverable or refused. Postage expense of \$3,559 in FY17 and \$3,223 for FY 18 (as of April, not including Spring 2018 semester mailing) were incurred to send the registered letters. Additional postage costs of approximately \$2,000 annually are incurred for nonregistered letters.

Considering the high cost of registered letters, as well as the low delivery rate, consideration should be given to discontinuing or reducing the amount of registered letters mailed to students. If MSU-WP continues to utilize registered letters, consideration should be given to adding the cost of the letters to student accounts, as University policy allows.

- B. Currently MSU-WP charges students a finance charge on unpaid balances for only six months (February, March, April, September, October and November) of the year rather than monthly as the policy indicates. According to Operating Policy 8.12, My Payment Plan (Deferred Payment), "If all charges for the semester are not paid by the last business day of the second month in which the semester begins, a finance charge will be applied at a monthly periodic rate of 1% to the remaining balance." MSU-WP should assess finance charges on student accounts monthly.

Recommendations:

- A. With the high cost of registered mail, consider reducing or discontinuing sending registered letters as part of collection procedures. An alternative would be to add the cost of the registered letter to student accounts.
- B. Assess the finance charge monthly to unpaid student accounts.

Management's Response:

- A. *The campus will discontinue sending registered letters. Further evaluation into one additional mailing to past due high balance accounts will be undertaken with the thought of sending this group an additional regular letter in the mail. This process will begin with the Spring 2018 semester.*
- B. *The finance charge on student accounts will be assessed monthly with the understanding that this could increase student accounts receivable as well as the amount of uncollectible funds for non-payment that are charged off and sent to the collection agency. Implementation of this will begin immediately.*