

**CLATSOP COMMUNITY COLLEGE
REPORT ON FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**



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**CLATSOP COMMUNITY COLLEGE
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Education
Clatsop Community College
Astoria, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component unit of Clatsop Community College (the College), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Clatsop Community College's basic financial statements, and have issued our report thereon dated December 28, 2022. The financial statements of the discretely presented component unit was not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

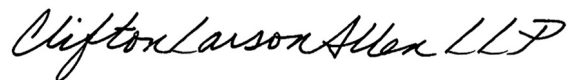
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

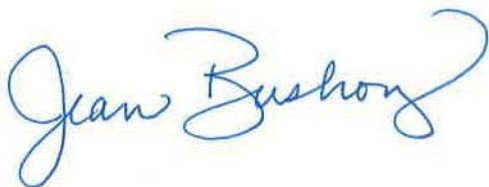
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Bellevue, Washington
December 28, 2022



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER
COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education
Clatsop Community College
Astoria, Oregon

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Clatsop Community College's (the College) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2022. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on COVID-19 Education Stabilization Fund

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Clatsop Community College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Covid-19 Education Stabilization Fund for the year ended June 30, 2022.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Clatsop Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2022.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Matter(s) Giving Rise to Qualified Opinion on COVID-19 Education Stabilization Fund

As described in the accompanying schedule of findings and questioned costs, Clatsop Community College did not comply with requirements regarding Assistance Listing No. 84.425E HEERF Student Aid Portion as described in finding 2022-002 for Allowable Costs, Cash Management and Reporting.

Compliance with such requirements is necessary, in our opinion, for Clatsop Community College to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the College's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-003, 2022-004, 2022-005, 2022-006, 2022-007, 2022-008 and 2022-009. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-003, 2022-004, 2022-005, 2022-006, 2022-007, 2022-008 and 2022-009, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the discretely presented component unit of the College, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated December 28, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Bellevue, Washington
March 28, 2023

**CLATSOP COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
STUDENT FINANCIAL ASSISTANCE CLUSTER:				
Department of Education Direct Programs				
Federal Pell Grant Program	84.063			\$ 971,466
Federal Direct Student Loans	84.268			370,785
Federal Supplemental Educational Opportunity Grants	84.007			96,216
Federal Work-Study Program	84.033			102,454
Total Student Financial Assistance Cluster				<u>1,540,921</u>
Education Stabilization Fund				
Department of Education Direct Programs				
COVID-19 - HEERF - Student Aid Portion	84.425E			750,114
COVID-19 - HEERF - Institutional Portion	84.425F			750,129
Total Education Stabilization Fund				<u>1,500,243</u>
TRIO CLUSTER:				
Department of Education Direct Programs				
TRIO Talent Search	84.044			390,189
TRIO - Upward Bound	84.047			334,883
TRIO - Student Support Services	84.042			315,173
Total TRIO Cluster				<u>1,040,245</u>
Department of Education Pass-Through Programs				
State Department of Education - Career and Technical Education - Basic Grants to States	84.048	36401 / 36427		198,683
Higher Education Coordinating Commission - Adult Education - Basic Grants to States	84.002	EE151608		151,765
Total Department of Education Pass-Through Programs				<u>350,448</u>
Total Department of Education				<u>4,431,857</u>
Small Business Administration Pass-Through Program				
Oregon Small Business Development Network Office -- Small Business Development Center	59.037	15-144		74,062
Total Expenditures of Federal Awards				<u><u>\$ 4,505,919</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CLATSOP COMMUNITY COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Clatsop Community College under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Clatsop Community College, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Clatsop Community College.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principals contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Clatsop Community College has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**CLATSOP COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Type of auditors’ report issued on compliance for major programs: Qualified for Education Stabilization Fund and Unmodified for Student Financial Assistance

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Student Financial Assistance Cluster:	
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Loans
Education Stabilization Fund – Higher Education Emergency Relief Fund (HEERF)	
84.425E	COVID-19 - HEERF Student Aid Portion
84.425F	COVID-19 - HEERF Institutional Portion

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

**CLATSOP COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

2022-001

Federal Agency: U.S. Department of Education

Federal Program Title: Education Stabilization Fund – Higher Educational Emergency Relief Fund

Assistance Listing Number: 84.425E – COVID-19 - HEERF – Student Aid Portion
84.425F – COVID-19 - HEERF – Institutional Portion

Federal Award Identification Number and Year: P425E202061 – 2020, P425F200625 – 2020

Award Period: July 1, 2021 to June 30, 2022

Type of Finding: Significant Deficiency in Internal Control over Compliance; Compliance, Other Matter

Criteria or specific requirement: Per Uniform Guidance 2 CFR 200.303, non-federal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations and program compliance requirements. The initial reporting for this grant requires the report to be submitted to the Institution’s website within 30 days of the signed Certification Agreement or 30 days after the electronic announcement dated May 6, whichever is later. Institutions were then required to update their websites every 45 days after initial upload. This was changed to quarterly on August 31, 2020. In addition, an annual report is required.

Condition: The College did not comply with timely and accurate reporting for the Quarterly Student and Institutional program.

Questioned Costs: None

Context: During our testing of the reporting process, we noted:

- Three of three of the quarterly student reports tested were not posted timely.
- One of three of the quarterly student reports tested were not reviewed and approved prior to submission.
- One item of the quarterly student report was unable to be supported with supporting documentation.
- Three items of the quarterly student reports tested did not agree to supporting documentation.
- 2 of the 2 quarterly institutional reports tested were not published timely.
- 2 of the 2 quarterly institutional reports tested were not reviewed and approved prior to submission.

**CLATSOP COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2022-001 (continued)

Cause: A control system to prevent and detect errors in the reporting process was not created at the time the reports were filed and the College did not have a process to track the reporting requirements. In addition, the College did not have a proper system in place to retain all documentation and ensure the information in the reports had supporting information.

Effect: The College was not in compliance with the U.S. Department of Education (ED) regulations for timely and accurate HEERF reporting. In addition, it was possible for errors to occur in the reports and not be caught due to lack of review.

Repeat Finding: Yes. Prior year finding 2021-009

Recommendation: We recommend the College review their reporting procedures to ensure all reports are submitted timely and the supporting documentation used to prepare the report is retained. The reports should be reviewed by someone other than the preparer of the report and this review should be documented.

Views of responsible officials: There is no disagreement with the audit finding.

2022-002

Federal Agency: U.S. Department of Education

Federal Program Title: Education Stabilization Fund – Higher Educational Emergency Relief Fund

Assistance Listing Number: 84.425E – COVID-19 - HEERF – Student Aid Portion

Federal Award Identification Number and Year: P425F202061 – 2020

Award Period: July 1, 2021 to June 30, 2022

Type of Finding: Material Weakness in Internal Control over Compliance; Compliance, Material Noncompliance.

Criteria or specific requirement: The student emergency financial aid grant is provided to the student, and may be used by the student for any component of the student's cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care, or child care. Institutions may not compel a student to use a portion of their grants to satisfy any existing debts or balance. In addition, per the Uniform Guidance 2 CFR 200.303, non-federal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Condition: A portion of the HEERF Student Aid Portion funds were awarded to students only if the student signed and returned a letter authorizing the College to use those funds to pay off their account balance for five terms.

Questioned Costs: \$143,186

**CLATSOP COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2022-002 (continued)

Context: We performed testing over 40 disbursements made to students from the HEERF Student Aid Portion disbursements noting 10 of the disbursements were unallowable. The College drew down federal funding from the student portion award to cover the costs incurred. The College also reported the disbursements made on their quarterly reporting.

Cause: The College sent letters to students notifying them of available funding and requesting their permission to use the funding for that purpose. The letter indicated the funding would be made from Institution Portion of the HEERF funds. When applying the funds to the student accounts, the College used HEERF Student Aid Portion funds.

Effect: The College was not in compliance with allowable costs under the HEERF Student Aid Portion requirements. As a result of this noncompliance, the College incorrectly drew down funds from the HEERF Student Aid Portion and reported unallowed costs on their quarterly reports for the student portion.

Repeat Finding: No

Recommendation: We recommend the College implement procedures to review HEERF funding sources before applying to expenditures to ensure appropriate application.

Views of responsible officials: There is no disagreement with the audit finding.

2022-003

Federal Agency: U.S. Department of Education

Federal Program Title: Student Financial Assistance Cluster

Assistance Listing Number: 84.268 – Federal Direct Loans

Federal Award Identification Number and Year: P268K220355 - 2022

Award Period: July 1, 2021 to June 30, 2022

Type of Finding: Significant Deficiency in Internal Control over Compliance; Compliance, Other Matter

Criteria or specific requirement: The U.S. Department of Education requires the College to report the disbursement dates and amounts to the Common Origination and Disbursement (COD) system within 15 days of disbursing Pell (34 CFR 690.83(b)(2) and Direct Loan (34 CFR 685.309) funds to a student. In addition, per the Uniform Guidance 2 CFR 200.303, non-federal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Condition: The College did not report Direct Loan disbursements within the required 15 days.

Questioned Costs: None

**CLATSOP COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2022-003 (continued)

Context: During our testing, we noted two Direct Loan disbursements of the 40 Pell and Direct Loan disbursements tested were not reported to COD within the required 15 days. The two disbursements were for the same student.

Cause: The student's master promissory note had expired by the time the student's third disbursement for fiscal year 2022 was made. Because of this, the College's software would not report the disbursement date to COD. The College manually applied the disbursement date in COD.

Effect: A lack of timely reporting may prevent the College and other schools from having the most accurate student information which may lead to over awards.

Repeat Finding: Yes. Prior year finding number was 2021-003.

Recommendation: We recommend the College evaluate the limitations of their software around COD reporting and establish procedures and policies that address any limitations around reporting disbursements to COD to ensure that student information is reported timely.

Views of responsible officials: There is no disagreement with the audit finding.

2022-004

Federal Agency: U.S. Department of Education

Federal Program Title: Student Financial Assistance Cluster:

Assistance Listing Number: 84.063 – Federal Pell Grant Program
84.268 – Federal Direct Loans
84.007 – Federal Supplemental Educational Opportunity Grants
84.033 – Federal Work Study Program

Federal Award Identification Number and Year: P063P210355 - 2022, P268K220355 - 2022,
P007A213474 - 2022, P033A213474 - 2022

Award Period: July 1, 2021 to June 30, 2022

Type of Finding: Significant Deficiency in Internal Control over Compliance; Compliance, Other Matter

Criteria or specific requirement: The College must establish a reasonable satisfactory academic progress (SAP) policy for determining whether an otherwise eligible student is making satisfactory academic progress in his or her educational program and may receive assistance under the Title IV (34 CFR 668.34). In addition, per the Uniform Guidance 2 CFR 200.303, non-federal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. In addition, per the Uniform Guidance 2 CFR 200.303, non-federal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

**CLATSOP COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2022-004 (continued)

Condition: In our testing, we noted an instance in which the College could not provide evidence the student received a SAP warning.

Questioned Costs: None

Context: During our testing we noted 1 of the 40 students tested did not have documentation available supporting that the student received SAP warning when they were not meeting SAP. The student's prior term was in 2017-2018 when the college used a different software, and student's SAP warning did not carry over into the new software.

Cause: The student's prior term was in 2017-2018 when the college used a different software, and student's SAP warning did not carry over into the new software.

Effect: Students could have received aid that were not meeting SAP. In this situation, the student was eligible to receive aid in the following terms.

Repeat Finding: Yes. See prior year finding 2021-004

Recommendation: We recommend a process be put in place to ensure documentation is maintained and available, particularly when making software changes.

Views of responsible officials: There is no disagreement with the audit finding.

2022-005

Federal Agency: U.S. Department of Education

Federal Program Title: Student Financial Assistance Cluster:

Assistance Listing Number: 84.063 – Federal Pell Grant Program

Federal Award Identification Number and Year: P063P210355 - 2022

Award Period: July 1, 2021 to June 30, 2022

Type of Finding: Significant Deficiency in Internal Control over Compliance; Compliance, Other Matter

Criteria or specific requirement: The amount of a student's Pell Grant for an academic year is based upon the payment and disbursement schedules published by the Secretary for each award year (34 CFR 690.62). In addition, per the Uniform Guidance 2 CFR 200.303, non-federal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Condition: For one student, the College under awarded Pell.

Questioned Costs: None

**CLATSOP COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2022-005 (continued)

Context: In our testing, we noted that 1 of the 38 students tested that received Pell, was under awarded based on their expected family contribution (EFC) and enrollment status.

Cause: It was noted that the new software used to prepare the student award packages had errors in the disbursement schedule that was used to determine the Pell awards.

Effect: One student was under awarded Pell Grant.

Repeat Finding: Yes. Prior year Finding 2021-005.

Recommendation: We recommend that a process be put in place to test the software system prior to doing award packages to ensure that the Pell award for all students is calculated correctly.

Views of responsible officials: There is no disagreement with the audit finding.

2022-006

Federal Agency: U.S. Department of Education

Federal Program Title: Student Financial Assistance Cluster:

Assistance Listing Number: 84.063 – Federal Pell Grant Program

84.268 – Federal Direct Loans

84.007 – Federal Supplemental Educational Opportunity Grants

84.033 – Federal Work Study Program

Federal Award Identification Number and Year: P063P210355 - 2022, P268K220355 - 2022,
P007A213474 - 2022, P033A213474 - 2022

Award Period: July 1, 2021 to June 30, 2022

Type of Finding: Significant Deficiency in Internal Control over Compliance; Compliance, Other Matter

Criteria or specific requirement: The Code of Federal Regulations, 34 CFR 682.610, states that institutions must report accurately the enrollment status of all students regardless if they receive aid from the institution or not. This includes the enrollment effective date and related enrollment status, which must be reported for both the Campus-Level and the Program-Level as well as the program begin date. In addition, regulations require that an institution make necessary corrections and return the records within 10 days for any roster files that do not pass the National Student Loan Data System (NSLDS) enrollment reporting edits. In addition, per the Uniform Guidance 2 CFR 200.303, non-federal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Condition: There were instances in which the College did not correct and resubmit the National Student Loan Data Systems (NSLDS) rosters timely. There were also instances in which the College did not report the correct status and effective dates and status changes were not always reported timely.

**CLATSOP COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2022-006 (continued)

Questioned Costs: None

Condition and Context: During our testing, we noted that the National Student Loan Data Systems (NSLDS) rosters returned yielded error reports that were not corrected and resubmitted within the required 10 days. The College utilizes the National Student Clearinghouse (NSC) as a third-party provider in order to submit student information to NSLDS.

In addition, we noted that the enrollment status of 8 of the 30 students tested was not reported correctly to NSLDS. The enrollment effective date of 8 of the 30 students tested was not reported correctly to NSLDS. The status change of 8 of the 30 students tested was not reported timely to NSLDS. The program begin date of 2 of 30 students tested did not agree to the program begin date per NSLDS.

Cause: Management did not determine if student status changes in enrollment and program were being updated accurately and timely and they did not ensure the error reports were responded to within the 10-day requirement.

Effect: The College was not in compliance with the requirements to timely respond to error reports and to properly report student enrollment data correctly or timely to NSLDS.

Repeat Finding: Yes. Prior-year finding number was 2021-006.

Recommendation: We recommend that the College put a process in place to ensure all error reports are updated within the required 10 days. They should also establish a process to ensure all students who have a status change are accurately and timely reported to NSLDS. This process should include understanding of NSC's processes and ensuring they are correctly reporting to NSLDS.

Views of responsible officials: There is no disagreement with the audit finding.

2022-007

Federal Agency: U.S. Department of Education

Federal Program Title: Student Financial Assistance Cluster

Assistance Listing Number: 84.268 – Federal Direct Loans

Federal Award Identification Number and Year: P268K220355 - 2022

Award Period: July 1, 2021 to June 30, 2022

Type of Finding: Significant Deficiency in Internal Control over Compliance; Compliance, Other Matter

**CLATSOP COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2022-007 (continued)

Criteria or specific requirement: The institution must notify the student, or parent, in writing of (1) the date and amount of the disbursement; (2) the student's right, or parent's right, to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to the holder of that loan or the TEACH Grant payments returned to ED; and (3) the procedure and time by which the student or parent must notify the institution that he or she wishes to cancel the loan, TEACH Grant, or TEACH Grant disbursement. The notification requirement for loan funds applies only if the funds are disbursed by EFT payment or master check (34 CFR 668.165). In addition, per the Uniform Guidance 2 CFR 200.303, non-federal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Condition: We tested notifications of loan disbursements and noted only a general notification of disbursements went out stating the date that funds were anticipated to be disbursed to student accounts in general. The required elements of the notification of disbursements were not met by this blanket notification.

Questioned Costs: None

Context: In our testing, we noted that seven of the seven students tested that receive Loans did not receive a notification of disbursements.

Cause: The College did not send award disbursement notifications to students at the time of the loan disbursement.

Effect: The College was not in compliance with the requirement to provide notification to a student when their loan disbursement is made.

Repeat Finding: No.

Recommendation: We recommend the College evaluate its procedures around disbursements of loans and ensure that notifications of disbursements are sent and contain all of the required elements outlined in the FSA Handbook.

Views of responsible officials: There is no disagreement with the audit finding.

**CLATSOP COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2022-008

Federal Agency: U.S. Department of Education

Federal Program Title: Student Financial Assistance Cluster

Assistance Listing Number: 84.063 – Federal Pell Grant Program
84.268 – Federal Direct Loans
84.007 – Federal Supplemental Educational Opportunity Grants
84.033 – Federal Work Study Program

Federal Award Identification Number and Year: P063P210355 - 2022, P268K220355 - 2022,
P007A213474 - 2022, P033A213474 – 2022

Award Period: July 1, 2021 to June 30, 2022

Type of Finding: Significant Deficiency in Internal Control over Compliance; Compliance, Other Matter

Criteria or specific requirement: Per the Uniform Guidance 2 CFR 200.303, non-federal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. Effective internal controls should include a documented formal review to ensure the accuracy of all Return of Title IV (R2T4) calculations. The FSA Handbook provides guidance and a form on how the R2T4 calculation is to be calculated, applied to disbursements made, and timeline for returning any required return.

Condition: There was an instance when the College did not correctly calculate the return of title IV funds (R2T4) and submit the payment timely. In addition, the College did not have observable controls to test over the return of title IV (R2T4) calculations.

Questioned Costs: None

Context: During our testing, we noted 1 of the 8 students tested for R2T4 was incorrectly calculated, incorrectly applied, and credited to the Department of Education more than 45 days after it was determined the student withdrew. We also noted that all 8 samples lacked documentation of review of Refund of Title IV aid calculation.

Cause: The new software made it difficult to make sure calculations were correct and reviewed.

Effect: The College was not in compliance with how the R2T4 calculation was prepared and submitted. It is possible for errors to occur and not be caught in a timely manner when there isn't a documented review process.

Repeat Finding: Yes. Prior year finding 2021-007 and 2021-008

Recommendation: We recommend the process be put in place to ensure the calculation of the R2T4 is done correctly and that all calculations are reviewed and such review is documented.

**CLATSOP COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2022-008 (continued)

Views of responsible officials: There is no disagreement with the audit finding.

2022-009

Federal Agency: U.S. Department of Education

Federal Program Title: Student Financial Assistance Cluster:

Assistance Listing Number: 84.063 – Federal Pell Grant Program
84.268 – Federal Direct Loans
84.007 – Federal Supplemental Educational Opportunity Grants
84.033 – Federal Work Study Program

Federal Award Identification Number and Year: P063P210355 - 2022, P268K220355 - 2022,
P007A213474 - 2022, P033A213474 - 2022

Award Period: July 1, 2021 to June 30, 2022

Type of Finding: Significant Deficiency in Internal Control over Compliance; Compliance, Other Matter

Criteria or specific requirement: Under 24 CFR 668.164, an institution must return to the U.S. Department of Education, any Title IV funds that it attempts to disburse directly to a student or parent that are not received by the student or parent. If an EFT to a student's or parent's financial account is rejected, or a check to a student or parent is returned, the institution may make additional attempts to disburse the funds, provided that those attempts are made no later than 45 days after the EFT was rejected or the check returned. In cases where the College does not make another attempt, the funds must be returned to the U.S. Department of Education before the end of this 45-day period. If a check is sent to a student or parent is not returned to the institution but is not cashed, the institution must return the funds to the U.S. Department of Education no later than 240 days after the date it first issued the check. In addition, per the Uniform Guidance 2 CFR 200.303, non-federal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Condition: In our testing, we noted checks that should have been returned to the U.S. Department of Education.

Questioned Costs: None

Context: In our testing, we identified 3 outstanding checks payable to students for Title IV awards that were not returned to the Department of Education within the 240 day prescribed timeframe.

Cause: The College's policies and procedures did not ensure compliance with the applicable criteria.

Effect: The checks identified resulted in noncompliance with the Title IV regulation.

Repeat Finding: No.

**CLATSOP COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2022-009 (continued)

Recommendation: We recommend the College update its procedures for processing and monitoring outstanding checks to students, to ensure compliance with the Title IV requirements.

Views of responsible officials: There is no disagreement with the audit finding.



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