



Item: AF: I-4H

## AUDIT AND FINANCE COMMITTEE

Wednesday, October 24, 2007

**SUBJECT: REVIEW OF AUDITS: REPORT NO. 2008-006, FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM OPERATIONAL AUDIT FOR THE FISCAL YEAR ENDED JUNE 30, 2006.**

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### PROPOSED COMMITTEE ACTION

Information Only.

### BACKGROUND INFORMATION

The objective of this audit was to determine the extent to which Florida's public universities and community colleges implemented procedures to administer the Florida Bright Futures Scholarship Program for the fiscal year ended June 30, 2006.

There were no audit findings for Florida Atlantic University.

### IMPLEMENTATION PLAN/DATE

Not Applicable.

### FISCAL IMPLICATIONS

Not Applicable.

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**Supporting Documentation:** Report No. 2008-006.

**Presented by:** Dr. Kenneth A. Jessell, VP Financial Affairs

**Phone:** 561-297-3266



# AUDITOR GENERAL

WILLIAM O. MONROE, CPA



## FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM

### Operational Audit

#### SUMMARY

The objective of our audit was to determine the extent to which Florida's public universities and community colleges (institutions) implemented procedures to administer the Florida Bright Futures Scholarship Program (Program) for the fiscal year ended June 30, 2006.

**Finding No. 1:** Four institutions did not always demonstrate compliance with State Board of Education Rule 6A-10.044, Florida Administrative Code, for students classified as "All Florida" residents, including two that misclassified six students as independent persons.

**Finding No. 2:** We noted overawards totaling \$6,239 at six institutions that were not timely refunded to the Florida Department of Education.

**Finding No. 3:** Two institutions did not accurately report to the Florida Department of Education the credit hours enrolled or earned for 12 students. Also, one institution did not timely submit a Disbursement Eligibility Report.

**Finding No. 4:** One institution did not timely reconcile its scholarship award disbursement records with disbursements reported to the Florida Department of Education.

**Finding No. 5:** Four institutions did not timely return undisbursed Program funds to the Florida Department of Education.

#### BACKGROUND

The Florida Bright Futures Scholarship Program was established by the Florida Legislature to provide

lottery-funded scholarships to reward Florida high school graduates who merit recognition of their academic achievement, and enroll in an eligible Florida public or private postsecondary educational institution within three years of high school graduation. The Florida Bright Futures Scholarship Program (Program) is the umbrella program for State-funded scholarships based on academic achievement of high school students. The Program consists of three types of awards, the Florida Academic Scholarship, the Florida Medallion Scholarship, and the Florida Gold Seal Vocational Scholarship. The Top Scholars Award is also funded from Program moneys, and is an additional annual award for college-related expenses that is given to the student with the highest academic ranking in each school district.

During the 2005-06 fiscal year, disbursements of awards from the Program to students enrolled in Florida's public universities and community colleges were \$239,892,977 and \$29,420,439, respectively, for a total of \$269,313,416. A summary of advances and disbursements by university and college (institution) is presented as Appendix A.

The Florida Department of Education (DOE) determines student eligibility for awards. Students must meet general criteria to qualify for any of the types of scholarship awards from the Program. In addition to the general criteria, each of the three scholarship awards within the Program has specific

criteria that must be met. After initial qualification for an award, students must continue to meet the eligibility criteria for renewal awards. Criteria to be met include achieving and maintaining specified grade point averages, and completing at least 12 semester credit hours in the last academic year in which the student earned a scholarship.

DOE is responsible for administering the Program disbursement and reconciliation process. Each term, DOE provides a list of eligible students to the institutions and advances scholarship moneys to the institutions for disbursement to the students who enroll at that institution. The institutions are required to verify that the student has enrolled in the required number of hours to receive the scholarship, calculate the amount of the disbursement based on the type of scholarship for which the student was eligible, and disburse the money to the student. Any moneys not disbursed to eligible students must be returned to DOE within 60 days after the end of regular registration. The institutions are also required to report disbursements, enrolled hours, earned hours, and grade point averages to the DOE.

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## FINDINGS AND RECOMMENDATIONS

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### **Finding No. 1: Residency Requirements**

To be eligible for an initial Florida Bright Futures Scholarship Program award, Section 1009.531(1)(a), Florida Statutes, requires that a student be a Florida resident as defined by Section 1009.40, Florida Statutes, and the rules of the State Board of Education (SBE).

SBE Rule 6A-10.044, Florida Administrative Code, establishes the documentation requirements for determining the classification or reclassification of students as Florida residents for tuition purposes. This Rule provides that student applicants who meet certain criteria shall be initially classified as “All Florida” residents for tuition purposes. For such students, the student or student’s mother, father, or legal guardian claiming Florida residence must provide

written or electronic verification that he or she has been issued two of the following three Florida documents that are dated more than 12 months old: a voter’s registration, a driver’s license, or a vehicle registration. Additionally, if the student is requesting resident status as an independent person, the student must be at least 24 years of age.

For students classified as “All Florida” students, the institutions generally documented that the students (or their mother, father, or legal guardian, if applicable) had been issued two of the three specified documents by requiring them to sign an affidavit including information such as the voter’s registration number, driver’s license number, or vehicle registration number. Our review disclosed that most institutions complied with the Florida residency documentation requirements; however, we noted the following instances in which institutions did not demonstrate compliance with SBE Rule 6A-10.044, Florida Administrative Code, for students classified as “All Florida” residents:

- Four institutions, for a total of 32 students, did not document, of record, that the students (or their mother, father, or legal guardian, if applicable) had been issued two of the three specified documents required to evidence Florida residency for students classified as “All Florida” residents, as follows:
  - For two institutions, for 12 students, the signed affidavit did not include information evidencing issuance of two of the three specified documents (Florida Community College at Jacksonville, 8 students; and Polk Community College, 4 students).
  - For one institution (Florida Community College at Jacksonville), 2 students registered via an online student membership application, which only requires information for one of the three specified documents.

- For three institutions, for 18 students, the College did not require completion of a signed affidavit evidencing issuance of two of the three specified documents because the students had previously been dual enrolled (i.e., enrolled in the College while still attending high school) (Florida Community College at Jacksonville, 4 students; St. Petersburg College, 7 students; and Tallahassee Community College, 7 students).

- For two institutions, 6 students classified as an independent person were under 24 years of age, contrary to SBE Rule 6A-10.044(6)(a), Florida Administrative Code (Florida Community College at Jacksonville, 2 students; and Polk Community College, 4 students).

**Recommendation:** The institutions noted above should ensure that all students classified as “All Florida” residents provide evidence that they (or their mother, father, or legal guardian, if applicable) have been issued two of the three specified documents required to evidence Florida residency, and ensure that such students classified as independent persons are at least 24 years old.

**Finding No. 2: Overawards**

Sections 1009.534(2), 1009.535(2), and 1009.536(2), Florida Statutes, provide for the Florida Academic Scholars Award, Florida Medallion Scholars Award, and Florida Gold Seal Vocational Scholars Award, respectively. For the Florida Academic Scholars Award, qualifying students receive 100 percent of tuition and fees plus an annual allowance of \$600 for college-related expenses, and for the Florida Medallion Scholars and Florida Gold Seal Vocational Scholars Awards, qualifying students receive 75 percent of tuition and fees.

Section 1009.53(5)(a), Florida Statutes, provides that an institution must make a refund to DOE if a

student who receives an award disbursement terminates enrollment for any reason during an academic term and a refund is permitted by the institution’s refund policy.

Our review disclosed that most institutions complied with the refund requirements of Section 1009.53(5)(a), Florida Statutes. However, our review disclosed overawards<sup>1</sup> at six institutions that had not been refunded to DOE, as follows:

Summary of Overawards		
Institution	Number of Instances	Total Amount of Overawards
Central Florida Community College (1)	96	\$ 2,196
Hillsborough Community College	1	254
Lake City Community College	1	164
Seminole Community College (2)	20	2,669
St. Johns River Community College (3)	32	628
Tallahassee Community College	2	328
<b>Total</b>	<b>152</b>	<b>\$ 6,239</b>

Notes: (1) Our test of 30 students disclosed that 3 students were overawarded due to a computer programming error that allowed certain laboratory fees to be paid twice. Subsequent to our inquiry, the College identified an additional 93 students that were overawarded as a result of the computer error.  
 (2) Our test of 30 students disclosed that 1 student was overawarded as a result of the College paying 100 percent of tuition and fees for a Florida Medallion Scholars Award rather than 75 percent, contrary to Section 1009.535(2), Florida Statutes. Subsequent to our inquiry, the College identified an additional 19 students that were overawarded for the same reason.  
 (3) Our test of 30 students disclosed that 2 students were overawarded due to the College paying for ineligible remedial courses. Subsequent to our inquiry, the College identified an additional 30 students that were overawarded for the same reason.

Subsequent to our inquiry, the institutions noted above remitted the amounts of the overawards to DOE.

**Recommendation:** The institutions noted above should ensure that required refunds are made to DOE on a timely basis.

<sup>1</sup> Award disbursements made to students who subsequently terminate are referred to as “overawards,” consistent with terminology used in the Federal regulations and the Florida Department of Education Student Financial Aid handbook.

**Finding No. 3: Credit Hours Enrolled and Earned Reporting**

Section 1009.53(5)(a), Florida Statutes, provides that within 30 days after the end of the regular registration each semester, the institutions must certify to DOE the eligibility status of each student who receives an award. To satisfy this requirement, DOE requires the institutions to submit a Disbursement Eligibility Report showing credit hours enrolled. Additionally, DOE requires the institutions to submit a Grade and Hour Report, by June 30, showing credit hours earned and grade point averages.

Our review disclosed that most institutions accurately reported to DOE the required information; however, we noted that two institutions did not accurately report credit hours enrolled or earned (a similar finding was noted for Florida Keys Community College in our report No. 2006-173). Student eligibility was not affected by these errors, but incorrect reporting increases the risk that ineligible students will receive Program awards. The institutions, and the number and types of errors noted, were as follows:

Errors in Reporting Credit Hours				
Institution	Disbursement Eligibility Report (Hours Enrolled)		Grade and Hour Report (Hours Earned)	
	Number of Instances	Hours in Error	Number of Instances	Hours in Error
Florida Keys Community College			5	66
Tallahassee Community College	4	16	3	16

We also noted that one institution, Florida Agricultural and Mechanical University, was 32 days late in submitting the Disbursement Eligibility Report to DOE for the Fall 2005 term.

**Recommendation:** The institutions noted above should ensure that credit hours enrolled and earned are reported accurately and timely to DOE.

**Finding No. 4: Reconciliation of Program Funds**

The institutions can access DOE's database and print a Bright Futures Payment Summary at any date. This report presents total Program funds advanced to the institution, total scholarship awards disbursed to students, and calculates either an amount to be refunded to DOE or an amount owed to the institution for each semester. Total scholarship awards disbursed to students are reported by each institution to DOE on the Disbursement Eligibility Report.

DOE's recommended reconciliation procedures encourage the institutions to reconcile their scholarship awards disbursement records each term, as opposed to waiting until the end of the academic year (June 30). Such reconciliations were timely performed by most institutions; however, our review disclosed that as of December 31, 2006, Florida Agricultural and Mechanical University (FAMU) had not reconciled its scholarship awards disbursement records (accounting records and financial aid records) with disbursements reported to DOE for the fiscal year ended June 30, 2006 (a similar finding was noted for Florida Agricultural and Mechanical University in our report No. 2006-173). Subsequent to our inquiry, FAMU completed this reconciliation, which disclosed that it had refunded \$32,709 to DOE in error.

**Recommendation:** FAMU should improve its effort to account for program funds by timely reconciling scholarship awards disbursement records with disbursements reported to DOE. FAMU should also attempt to recover the \$32,709 refunded to DOE in error.

**Finding No. 5: Return of Undisbursed Advances**

Section 1009.53(5), Florida Statutes, provides that DOE issue awards from the Program annually, and transmit payment for awards to each institution before the registration period each semester. Section

1009.53(5)(b), Florida Statutes, provides that an institution receiving funds from the Program must certify to DOE the amount of funds disbursed to each student, and return to DOE any undisbursed advances within 60 days after the end of regular registration.

Our review disclosed that most institutions timely returned undisbursed Program funds to DOE for the Fall 2005 and Spring 2006 terms; however, we noted four institutions that had not done so as of December 31, 2006, as follows:

Untimely Return of Undisbursed Program Funds to DOE				
Institution	Fall 2005		Spring 2006	
	Amount	Number of Days Late	Amount	Number of Days Late
Florida Agricultural and Mechanical University	\$ 68,935	318	\$ 258,461	108
Florida International University (1)	1,906	(1)	5,159	(1)
Palm Beach Community College	3,317	(2)		
University of South Florida			1,413	(3)

Notes: (1) These untimely refunds were a result of students submitting an appeal to withdraw from courses because circumstances beyond the students' control made it impossible for the students to continue taking the courses. Contrary to DOE guidelines, these undisbursed awards were not returned to DOE within 60 days of the date the appeal was approved. For the Fall 2005 term, funds for one student were returned 263 days late. For the Spring 2006 term, funds for five students were returned from 48 to 123 days late.

(2) \$2,277 of the funds were returned 52 days late and \$1,040 were returned 339 days late.

(3) Funds for three students were returned from 185 to 297 days late.

**Recommendation:** The institutions noted above should ensure that undisbursed program funds are returned to DOE within the time frame provided by law.

**OBJECTIVES, SCOPE, AND METHODOLOGY**

This audit was conducted pursuant to Section 1009.53(5)(c), Florida Statutes, and focused on the administration of the Program by Florida's 11 public universities and 28 community colleges for the fiscal year ended June 30, 2006. The objectives of the audit were to determine whether the universities and community colleges administered Program moneys in accordance with governing provisions of laws, administrative rules, and other guidelines, and properly accounted for the moneys received and distributed through the Program. In conducting our

audit, we reviewed and observed internal controls at the universities and community colleges for the purpose of determining the extent to which such controls promoted and encouraged achievement of management's objective in the categories of compliance with applicable laws, administrative rules, and other guidelines relating to the Program; the reliability of financial records and reports; and the safeguarding of assets relating to the Program.

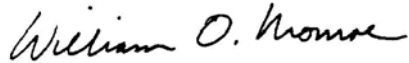
This audit was conducted in accordance with Generally Accepted Government Auditing Standards.

**PRIOR AUDIT FINDINGS**

Our previous audits have addressed the administration of the Program by Florida's public universities and community colleges. As part of our current audit, we determined that the universities and community colleges had substantially corrected the deficiencies noted in our report No. 2005-170, except as noted in finding Nos. 3 and 4.

**AUTHORITY**

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



William O. Monroe, CPA  
Auditor General

**MANAGEMENT RESPONSES**

The institutions' management responses are included as Appendix B.

This audit was coordinated by David T. Ward, CPA. Please address inquiries regarding this report to Ted Sauerbeck, CPA, Audit Manager, via e-mail at [redsauerbeck@aud.state.fl.us](mailto:redsauerbeck@aud.state.fl.us) or by telephone at (850) 487-4468.

This report, as well as other audit reports prepared by the Auditor General, can be obtained on our Web site at [www.state.fl.us/audgen](http://www.state.fl.us/audgen); by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

**APPENDIX A**  
**FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM**  
**STATE UNIVERSITIES AND COMMUNITY COLLEGES**  
**SUMMARY OF ADVANCES AND DISBURSEMENTS**  
**For the Fiscal Year Ended June 30, 2006**

Institution (1)	Advances		Disbursements	
	From Department	Scholarship Awards to Students	Refunds to Department	Total Disbursements
Florida Agricultural and Mechanical University	\$ 3,200,000	\$ 2,905,313	\$ 327,396	\$ 3,232,709 (2)
Florida Atlantic University	9,492,443	9,492,443		9,492,443
Florida Gulf Coast University	5,249,466	5,144,267	105,199	5,249,466
Florida International University	16,738,496	16,714,133	11,987	16,726,120 (3)
Florida State University	42,457,625	42,436,372	21,253	42,457,625
New College of Florida	1,850,293	1,820,734	29,559	1,850,293
University of Central Florida	44,532,473	44,527,808	4,665	44,532,473
University of Florida	70,355,187	69,525,106	830,081	70,355,187
University of North Florida	11,298,487	11,298,487		11,298,487
University of South Florida	30,552,993	30,096,988	455,267	30,552,255 (4)
University of West Florida	5,936,529	5,931,326	5,203	5,936,529
<b>Total Public State Universities</b>	<b>241,663,992</b>	<b>239,892,977</b>	<b>1,790,610</b>	<b>241,683,587</b>
Brevard Community College	1,769,868	1,731,130	38,738	1,769,868
Broward Community College	1,319,170	1,315,116	4,054	1,319,170
Central Florida Community College	887,014	885,813	1,201	887,014
Chipola College	587,612	564,293	23,319	587,612
Daytona Beach Community College	1,376,500	1,345,063	31,437	1,376,500
Edison College	956,027	854,548	101,479	956,027
Florida Community College at Jacksonville	1,352,174	1,351,885	289	1,352,174
Florida Keys Community College	69,800	69,800		69,800
Gulf Coast Community College	830,209	799,781	30,428	830,209
Hillsborough Community College	1,369,069	1,361,300	7,769	1,369,069
Indian River Community College	996,043	969,300	26,743	996,043
Lake City Community College	421,390	388,358	33,032	421,390
Lake-Sumter Community College	570,862	570,301	561	570,862
Manatee Community College	1,107,467	1,094,245	13,222	1,107,467
Miami Dade College	1,398,576	1,397,224	1,352	1,398,576
North Florida Community College	170,333	169,996	337	170,333
Okaloosa-Walton College	832,816	824,506	8,310	832,816
Palm Beach Community College	1,076,544	1,050,076	26,468	1,076,544
Pasco-Hernando Community College	602,908	602,411	497	602,908
Pensacola Junior College	1,155,280	1,127,039	28,241	1,155,280
Polk Community College	768,673	768,623		768,623 (5)
St. Johns River Community College	533,105	519,437	13,668	533,105
St. Petersburg College	1,847,703	1,836,377	11,326	1,847,703
Santa Fe Community College	2,907,850	2,716,669	191,181	2,907,850
Seminole Community College	1,045,062	1,041,081	3,981	1,045,062
South Florida Community College	314,930	307,363	7,567	314,930
Tallahassee Community College	1,138,800	1,130,366	8,434	1,138,800
Valencia Community College	2,695,074	2,628,338	66,736	2,695,074
<b>Total Public Community Colleges</b>	<b>30,100,859</b>	<b>29,420,439</b>	<b>680,370</b>	<b>30,100,809</b>
<b>Total</b>	<b>\$ 271,764,851</b>	<b>\$ 269,313,416</b>	<b>\$ 2,470,980</b>	<b>\$ 271,784,396</b>

- Notes: (1) Amounts reported by the institution as of December 31, 2006.  
(2) As discussed in finding No. 4, the institution refunded \$32,709 more to DOE than it should have.  
(3) The institution owed \$12,376 to DOE as of December 31, 2006, and subsequently returned to DOE \$10,335 on March 8, 2007, \$1,055 on April 19, 2007, and \$986 on May 31, 2007.  
(4) The institution owed \$738 to DOE as of December 31, 2006, and subsequently returned this amount on January 11, 2007.  
(5) The \$50 of advances not yet returned to DOE as of December 31, 2006, does not represent an untimely return of funds. Rather, it represents the cumulative amount of awards pending final resolution as of December 31, 2006.



APPENDIX B  
MANAGEMENT RESPONSE



Serving Marion, Citrus  
and Levy Counties

Response location:

Ocala Campus  
P.O. Box 1388  
Ocala, FL 34478  
352/ 237-2111

Citrus County  
Campus  
3800 S. Lecanto Hwy.  
Lecanto, FL 34461  
352/ 746-6721

Levy County  
Center  
114 Rodgers Blvd.  
Chiefland, FL 32626  
352/ 493-9533

Hampton Center  
1501 W. Silver  
Springs Blvd.  
Ocala, FL 34475  
352/ 732-7755

[www.cfcc.cc.fl.us](http://www.cfcc.cc.fl.us)

Vision  
Statement

Energetic,  
purposeful,  
creative,  
Central  
Florida  
Community  
College  
promotes  
learning in an  
open, caring,  
inclusive  
environment  
which  
encourages  
individual  
and  
community  
development  
inspired by  
shared values  
of integrity,  
service,  
responsibility  
and dignity.

an equal  
opportunity  
college

June 20, 2007

William O. Monroe, CPA  
Auditor General  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

Re: Response to Preliminary and Tentative Findings for the Florida Bright Futures  
Scholarship Program for the Fiscal Year Ended June 30, 2006

Dear Mr. Monroe:

Please find below Central Florida Community College's statement of  
explanation and corrective action in response to the June 18, 2007 report of  
Preliminary and Tentative Findings regarding the Florida Bright Futures Scholarship  
Program for the fiscal year ended June 30, 2006.

Finding No. 2: Over-awards

Response: The auditor's test of the College's Florida Bright Future Program  
examined the records of 30 students disclosing that 3 were over-awarded.  
Subsequent to the auditor's inquiry, the College identified an additional 93 students  
that were over-awarded. The total amount of over-awarded dollars for these 96  
students was \$2,196. The College immediately made this remittance to the  
Department of Education.

These over-awards occurred in the spring 2006 semester only as the result of a  
computer program error that permitted the billing of certain laboratory fees twice.  
This error was corrected via a modification to the computer program.

Action: The College has corrected the computer programming error and has  
remitted all funds to the Department of Education. The College will continue to  
ensure that all required refunds are made to the Department of Education on a  
timely basis.

Sincerely,

James D. Harvey  
Vice President, Administration and Finance

JDH/ke

c: Charles Dassance  
Steve Ash



# Florida Agricultural and Mechanical University

TALLAHASSEE, FLORIDA 32307

*Excellence With Caring*

OFFICE OF THE VICE PRESIDENT  
FOR COMPLIANCE & AUDIT

July 13, 2007

TELEPHONE: (850) 412-5480  
FAX: (850) 561-2079

Mr. William O. Monroe, CPA  
Auditor General  
State of Florida  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Dear Mr. Monroe:

This letter is in response to your correspondence of June 18, 2007 concerning the Florida Bright Futures Scholarship Program for the fiscal year ended June 30, 2006. Pursuant to your request, the corrective action plan for addressing the operational audit findings is listed below:

### **Finding No. 3: Credit Hours Enrolled and Earned Reporting**

Condition: Florida Agricultural and Mechanical University was 32 days late in submitting the Disbursement Eligibility Report to DOE for the fall 2005 term.

Recommendation: The institution should ensure that credit hours enrolled and earned are reported accurately and timely to DOE.

Response: In accordance with the Florida Statute Section 1009.53 (5)(a), the Associate Director of Student Financial Aid and Scholarships (PeopleSoft systems coordinator) will be responsible for submitting the disbursement eligibility report on or before 30 days from the last day of drop/add. To ensure compliance, the Associate Director will present the Director of Financial Aid and Scholarships with a copy of the report's transmittal to the Florida Department of Education. An electronic copy of the data transmitted will be maintained on the university's network drive.

### **Finding No. 4: Reconciliation of Program Funds**

Condition: Florida Agricultural and Mechanical University did not reconcile its scholarship awards disbursement records (accounting records and financial aid records) with disbursements reported to DOE.

Recommendation: FAMU should improve its effort to account for program funds by timely reconciling scholarship awards disbursement records with disbursements reported to DOE. FAMU should also attempt to recover the \$32,709 to DOE in error.

Mr. William O. Monroe  
July 13, 2007  
Page 2

Response: The institution will conduct monthly audits to ensure that funds and resources are used and reported in accordance with the appropriate methods prescribed by the Florida Office of Student Financial Assistance. The Associate Director of Student Financial Aid and Scholarships will serve as the administrative officer responsible for directing the monthly audit activities. By the fifth day of each month, the Office of Fiscal Affairs will provide the Office of Student Financial Aid and Scholarships with a general ledger report that will consist of all journal entries posted up to the last day of each month. At the end of each month, the Office of Student Financial Aid and Scholarships will process a report of all the expenditures posted to the student information system (PEOPLESOFT). The Assistant Director of State Scholarships will reconcile both reports and resolve any discrepancies. The Director of Student Financial Aid and Scholarships and the Controller will sign the final reconciliation report and submit it to the appropriate university personnel. The Director of Student Financial Aid and Scholarships will forward a written request for the return of \$32,709, which was inadvertently remitted to the Florida Department of Education on June 27, 2006.

**Finding No. 5: Return of Undisbursed Advances**

Condition: Florida Agricultural and Mechanical University did not return undisbursed program funds in a timely manner.

Recommendation: The institution should ensure that undisbursed program funds are returned to DOE within the time frame provided by law.

Response: In accordance with the Florida Statute Section 1009.53 (5)(b), the institution will conduct monthly audits based on the Florida Department of Education's annual calendar, and the Director of Student Financial Aid and Scholarships will return all undisbursed advances within 60 days after the end of regular registration. An annual calendar was developed by the Office of Student Financial Aid and Scholarships and has been incorporated into the official Policies and Procedures Manual.

If there are any questions, please contact me at (850) 412-5479.

Sincerely,



Charles D. O'Duor  
Vice President for Audit and Compliance

c: Dr. James H. Ammons, President  
Mr. Roland Gaines, Vice President for Student Affairs  
Ms. Marcia D. Boyd, Director of Financial Aid and Scholarships



July 18, 2007

William O. Monroe, CPA  
Auditor General  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Dear Mr. Monroe:

Florida Community College at Jacksonville is providing this letter in response to the preliminary and tentative findings of your operational audit of the Florida Bright Futures Scholarship Program for the Fiscal Year ended June 30, 2006.

Finding No. 1: Residency Requirements

Four institutions, for a total of 32 students, did not document, of record, that the students (or their mother, father, or legal guardian, if applicable) had been issued two of the three specific documents required to evidence Florida residency for students classified as "All Florida" residents. For two institutions, 6 students classified as an independent person were under 24 years of age, contrary to SBE Rule 6A-10.044(6)(a), Florida Administrative Code.

Response

Florida Community College at Jacksonville is in the process of implementing all the residency rule guidelines for fall term 2007. Initial residency classification will be determined based on at least two of the prescribed documents. Affidavits will be signed either through the online electronic signature or a signed hard copy affidavit. Students classified as independent will be at least 24 years old.

Sincerely,



Steven P. Bowers  
Vice President of Administrative Services

SB/lw

cc: John Duffy, Audit Supervisor  
Dave Ward, Audit Supervisor  
Peter J. Biegel, Executive Director, Student Success & Services  
Yvonne Horner, Associate Vice President, Financial Services  
Joel Friedman, Director, Student Aid



July 16, 2007

William O. Monroe C.P.A.  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Dear Mr. Monroe,

Finding No. 5: Return of Undisbursed Advances.

The “Appeal to Drop/Withdraw with Refund” processing procedures required consultation between the Records Office and the Financial Aid Office to determine if the student would be required to repay any financial aid funds they may have received directly. Additionally, if the student would need to repay funds, the student was given additional time to repay funds before a tuition refund would be issued. This process could cause delay beyond the 60 day timeline for return of undisbursed Bright Futures funds.

Florida International University has revised the procedures to process Appeals to Drop/Withdraw with Refund. Students are notified in advance that if an appeal is approved, they may be required to repay funds. All approved appeals are now forwarded to the Financial Aid Office immediately upon approval. For those students who have aid (Bright Futures included), the Financial Aid Office initiates and completes any required return of funds to the appropriate program within required deadlines.

\* Update to footnote 3 of Appendix A of the Preliminary and Tentative Findings. The \$2,041 in undisbursed funds was returned to the State on April 19, 2007 and May 31, 2007.

Sincerely,



Francisco Valines  
Director of Financial Aid



**DR. WILLIAM A. SEEKER**  
**PRESIDENT**

July 19, 2007

William O. Monroe, CPA  
Auditor General  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

Subject: Preliminary Audit Findings

Dear Mr. Monroe:

In response to your request, and pursuant to the provisions of Section 11.45(4)(d), Florida Statutes, the enclosed response to your tentative and preliminary audit findings is being forwarded.

We appreciate your comments and recommendations. Should you require any additional information, please let us know.

Sincerely,



William A. Seeker

WAS/wjm

Cc: District Board of Trustees

Enclosure

Bcc: Maureen Crowley, Jean Mauk, Sharon Toppino

KEY WEST

  
WILLIAM A. SEEKER CAMPUS  
COLLEGE ROAD • KEY WEST, FL 33040  
305-296-9081

MIDDLE KEYS CENTER

  
P.O. BOX 501178 • 900 SOMBRERO BEACH ROAD  
MARATHON, FL 33050  
305-743-2133

UPPER KEYS CENTER

  
P.O. DRAWER 600 • 89951 U.S. HIGHWAY  
TAVERNIER, FL 33070  
305-852-8007

**FLORIDA KEYS COMMUNITY COLLEGE  
FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM  
PRELIMINARY AND TENTATIVE FINDINGS RESPONSE  
JULY 2007**

**Finding No. 3: Credit Hours Enrolled and Earned Reporting**

Recommendation: The institutions noted above (Florida Keys Community College) should ensure that credit hours enrolled and earned are reported accurately and timely to DOE.

Six students at the College were reported with the incorrect number of credit hours earned on the Grade and Hours Report (GRHR). The hours reported included credits for courses transferred during the fiscal year another institution. FKCC has corrected its internal software reporting system responsible for creating the GRHR and has revised its internal review process to ensure a more comprehensive review of the reporting.

# HILLSBOROUGH

Community College 

P.O. Box 31127 • Tampa, FL 33631  
(813) 253-7050 • FAX (813) 253-7183  
e-mail: StephensonG@hcc.cc.fl.us

**OFFICE OF THE PRESIDENT**

Gwendolyn W. Stephenson, Ph.D.

June 26, 2007

Mr. William O. Monroe, CPA  
Auditor General  
State of Florida  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

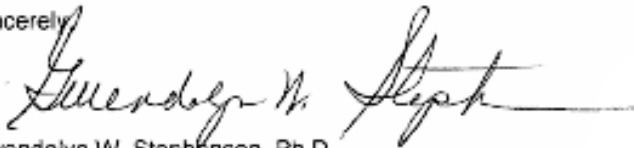
Dear Mr. Monroe:

Hillsborough Community College is in receipt of the preliminary and tentative findings pertaining to the Florida Bright Futures Scholarship Program for the Fiscal Year Ended June 30, 2006. Pursuant to Section 11.45 (4) (d), Florida Statutes, please accept this written response to the findings.

Section 1009.53 (5) (a), Florida Statutes, provides that an institution must make a refund to DOE if a student who receives an award disbursement terminates enrollment for any reason during an academic term and a refund is permitted by the institution's refund policy. In its review of Bright Futures Scholarship recipients at Hillsborough Community College, the Auditor General's staff identified one (1) student whose enrollment status had changed but whose scholarship had not been refunded to the DOE. As a corrective action, the College has enhanced its processes to recalculate the Florida Academic Scholarship awards the day after the semester's drop/add period, and to verify amounts against the State's edit reports.

Thank you for the opportunity to comment on the preliminary and tentative findings. Please contact me if you have any questions.

Sincerely,



Gwendolyn W. Stephenson, Ph.D.  
President





*From the Office of the President*

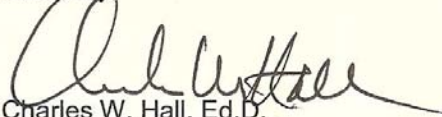
July 18, 2007

William O. Monroe  
Auditor General  
111 West Madison Street  
Tallahassee, Florida 32399

Dear Mr. Monroe:

Please find attached the response from our institution for the Florida Bright Futures Scholarship Program for the fiscal year ended June 30, 2006. If you have any questions, please let me know.

Sincerely,



Charles W. Hall, Ed.D.  
President

149 S.E. College Place  
Lake City, FL 32025-2007

386-754-4200  
386-754-4593 FAX  
[www.lakecitycc.edu](http://www.lakecitycc.edu)

## Audit Response for Florida Bright Futures Scholarship Program for the Fiscal Year Ended June 30, 2006

### Finding No. 2: Overawards

#### Response

The refund requirement for Florida Bright Futures as stated in Florida Statutes, Section 1009.53(5) (a), states that the institution must make a refund to DOE if a student who receives an award disbursement terminates enrollment for any reason during an academic term. In our finding, the student was dropped from the class after financial aid was credited to the student accounts. The Financial Aid Office was not notified and this caused the overaward situation. Subsequently, the institution has implemented the FOCDROPPED Report which is received weekly. This report list the student's campus-wide ID#, their name, course (s) ID, audit OPID, transaction date and primary reason for the transaction.

**PALM BEACH COMMUNITY COLLEGE****OFFICE OF THE  
PRESIDENT**

4200 CONGRESS AVENUE  
LAKE WORTH, FL 33461-4796

561-868-3500 tel  
561-868-3504 fax

July 12, 2007

Mr. William O. Monroe  
Auditor General  
State of Florida  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

Dear Mr. Monroe:

We have received a list of preliminary and tentative findings resulting from your operational audit of the Florida Bright Futures Scholarship Program for the fiscal year ended June 30, 2006. Thank you for your suggestions and recommendations to improve the College's operation.

Our response to the findings is attached. Please contact Mr. Richard A. Becker, vice president of administration and business services, at (561) 868-3137, if additional information is needed.

Sincerely,

A handwritten signature in black ink that reads 'Dennis P. Gallon'.

Dennis P. Gallon, Ph.D.  
President

Enclosure

cc: District Board of Trustees  
Dr. Quincy L. Moore  
Mr. Richard A. Becker

**PALM BEACH COMMUNITY COLLEGE  
RESPONSE TO AUDIT FINDINGS  
FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM  
For the Fiscal Year Ended June 30, 2006**

**Finding No. 5: Return of Undisbursed Advances**

The College will enhance internal controls to ensure timely refunds to the Department of Education in the Florida Bright Futures Scholarship Program.



Office of the President

999 Avenue H, Northeast • Winter Haven, Florida 33881-4299

Phone: 863.297.1098 • Suncom: 580.1098  
Fax: 863.297.1053

July 18, 2007

Mr. William O. Monroe, C.P.A.  
Auditor General  
State of Florida  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

Dear Mr. Monroe:

Below please find our response to the preliminary and tentative findings which may be included in a report to be prepared on your audit of the:

Florida Bright Futures Scholarship Program  
For the Fiscal Year Ended June 30, 2007

mailed to us from your office on June 18, 2007. Please feel free to contact us if we can provide further information.

Yours truly,

A handwritten signature in blue ink that reads "Eileen Holden". The signature is fluid and cursive.

Eileen Holden, Ed.D.  
President

**Recommendation: The College should ensure that all students classified as "All Florida" residents provide evidence that they (or their mother, father, or legal guardian, if applicable) have been issued two of the three specified documents required to evidence Florida residency, and ensure that such students classified as independent persons are at least 24 years old.**

We have reviewed the records of the 8 students identified in this finding and have made appropriate corrections to their records. We have also updated our procedures to ensure that we collect and document the appropriate credentials to support the student's affidavit of residency and updated our procedures and trained our staff to properly classify "All Florida" student's dependency status.

Lakeland • Winter Haven  
Equal Access / Equal Opportunity Institution • [www.polk.edu](http://www.polk.edu)



E. Ann McGee, President

100 Weldon Boulevard | Sanford, FL 32773-6199 | 407.708.2010 | www.scc-fl.edu

July 2, 2007

Mr. William O. Monroe  
Auditor General, State of Florida  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

**RE: Florida Bright Futures Scholarship Program Audit  
For the fiscal year ended June 30, 2006**

Dear Mr. Monroe:

We have reviewed the referenced document and recognize that Seminole Community College was noted in Finding no. 2: Overawards. The recommendation states, "...the institutions... should ensure that required refunds are made to DOE on a timely basis." The institutional response is as follows:

The students cited in the sample were all students on consortium agreements, with Seminole Community College being the home institution. Seminole Community College has conferred with the Office for Student Financial Assistance for guidance on correct calculation of Bright Futures awards for students who are co-enrolled at two institutions. The directions received have been included in the College's institutional process and procedure to assure correct calculation. All students noted in the sample were corrected and funds returned to the state.

Please contact Mr. Joseph A. Sarnovsky, Vice President for Administrative & Business Services at (407) 328-2001, if additional information is needed. Thank you.

Sincerely,

A handwritten signature in black ink that reads "E. Ann McGee".

E. Ann McGee  
President

ldc

cc: Joe Sarnovsky  
Dr. James Henningsen

**District Board of Trustees**

Verdell Pugh Horne, Chairman | Richard H. Lee, Vice Chairman | Christopher Dorworth | Dr. Charles W. English | Dede Schaffner | E. Ann McGee, President

**Oviedo | Sanford/Lake Mary | Hunt Club**

A Diverse Learning Community...An Equal Access/Equal Opportunity College



DR. R.L. McLENDON, JR.  
PRESIDENT

REPLY TO:  
PALATKA CAMPUS  
5001 ST. JOHNS AVENUE  
PALATKA, FLORIDA  
32177-3897  
PHONE: (386) 312-4113  
SUNCOM: 890-4113  
FAX: (386) 312-4229  
E-MAIL:  
drobert@mcclendonjr@sjcc.edu

ORANGE PARK CAMPUS  
283 COLLEGE DRIVE  
ORANGE PARK, FLORIDA  
32065-7650  
PHONE: (904) 276-6800

ST. AUGUSTINE CAMPUS  
2990 COLLEGE DRIVE  
ST. AUGUSTINE, FLORIDA  
32084-1197  
PHONE: (904) 808-7400

WEBSITE:  
www.sjcc.edu

**ST. JOHNS RIVER COMMUNITY COLLEGE**  
**FLORIDA SCHOOL OF THE ARTS**  
CLAY, PUTNAM AND ST. JOHNS COUNTIES COOPERATING

July 18, 2007

Mr. William Monroe  
Auditor General  
State of Florida  
674 Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

Dear Mr. Monroe:

On behalf of St. Johns River Community College I submit the following response for Finding No. 2 on the Florida Bright Futures Scholarship Program audit for the year ended June 30, 2006.

As noted in the finding, St. Johns River Community College remitted the amount of the overaward to the Department of Education. Additionally, procedures have been implemented to insure future awards are calculated correctly.

Please let me know if you need additional information.

Most sincerely,

R. L. McLendon, Jr., Ph.D.  
President

An Equal Opportunity College

# St. Petersburg College

Office of the President  
(727) 341-3241  
Fax: (727) 341-3318

July 17, 2007

William O. Monroe, CPA  
Auditor General, State of Florida  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

Dear Mr. Monroe:

In response to the preliminary and tentative findings related to the audit of the Florida Bright Futures Scholarship Program for the Fiscal Year Ended June 30, 2006, we submit the following response to your recommendation.


**Your report states in Finding No. 1:** Residency Requirements

**Recommendation:** The institution should ensure that all students classified as "All Florida" residents provide evidence that they (or their mother, father, or legal guardian, if applicable) have been issued two of the three specified documents required to evidence Florida residency, and ensure that such students classified as independent persons are at least 24 years old.

**College Response:** At the time these students applied for admission to St. Petersburg College, the Central Records department was not collecting the admissions application for Dual Credit and Collegiate high school students. Five of the six students in this finding were Dual Credit students and the remaining student was a Collegiate high school student. In May of 2005, the College Registrar changed the college operational procedures by notifying the administrators of these programs that Central Records needed the admission application and residency affidavit for the students in these programs. Since that time, the Central Records office has been receiving this documentation. At the time, these six students were brought to our attention, a letter was sent to them indicating that the College needed the residency affidavit to be completed and returned to the College. Two students responded to this request and returned the residency affidavit. The residency status for the remaining four students was changed to non-resident.

St. Petersburg College wishes to express its appreciation to the representatives of the Office of the auditor General for their courtesies and assistance while conducting the audit.

Sincerely,

  
Carl M. Kuttler, Jr.  
President

**Mailing Address:**  
Post Office Box 13489  
St. Petersburg, FL 33733-3489

An Equal Access/Equal Opportunity institution





444 Appleyard Drive  
Tallahassee Florida 32304-2895  
850.201.6200 | [www.tcc.fl.edu](http://www.tcc.fl.edu)

---

July 16, 2007

William O. Monroe, CPA  
Auditor General  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Re: Audit of Florida Bright Futures Scholarship Program

Dear Mr. Monroe:

In response to the preliminary and tentative audit findings related to your audit of the Florida Bright Futures Scholarship Program for the fiscal year ended June 30, 2006, we submit the attached statements of explanation and corrective action.

We wish to express our appreciation to your staff for the professional and helpful manner in which they conducted the audit.

If I can be of further assistance, please do not hesitate to call me.

Sincerely,

A handwritten signature in black ink that reads "William D. Law, Jr." The signature is written in a cursive style with a large, looping "L" at the end.

William D. Law, Jr.  
President

**Tallahassee Community College  
Bright Futures Audit Response**

**Finding No. 1      Residency Requirements**

TCC concurs with the finding on residency. Our computer system did not properly flag student who transitioned from dual enrollment to degree seeking. This problem has now been corrected

**Finding No. 2:      Over-awards**

TCC agrees the two students cited were over-awarded. The errors occurred when the awards were recalculated manually. TCC has developed an automated process to eliminate manual calculations, which should eliminate future errors. The funds cited have been returned to the State of Florida and all other students who had manual calculations have been reviewed for accuracy.

**Finding No. 3:      Credit Hours Enrolled and Earned Reporting**

TCC agrees that the student cited had the wrong hours reported. Because this is a program managed by our software provider, we have reported the error and expect to have the problem resolved by the next reporting cycle. In the interim we have reviewed all students for accuracy and made changes where appropriate. The Financial Aid Office will ensure the needed changes are made to the computer program so the correct hours are reported in the future.



July 17, 2007

William O. Monroe, CPA  
Auditor General  
State of Florida  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Dear Mr. Monroe,

Please see below the University of South Florida's response to the one Audit Finding related to the University that is included in the 2005-2006 audit of the Florida Bright Futures Scholarship Program.

- The University of South Florida has adopted procedures to ensure that undisbursed program funds are returned to DOE within the time frame provided by law.
- Implementation Date: April 15, 2007

If you have any questions or require additional information, please contact me at 813-974-6061.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick J. Trivunovich", is written over a circular stamp or seal. The signature is fluid and cursive.

Nick J. Trivunovich  
University Controller

cc: Dr. Judy Genshaft  
Dr. Carl P. Carlucci  
Trudie Frecker  
Debra Gula  
Dr. Leellen Brigman  
Maureen Johnston

NJT:lw

UNIVERSITY CONTROLLER'S OFFICE  
University of South Florida • 4202 East Fowler Avenue, ADM 147 • Tampa, Florida 33620-5800  
(813) 974-2711 • FAX (813) 974-4485



