



Item: AF: I-2b

AUDIT AND FINANCE COMMITTEE
Thursday, April 19, 2012

**SUBJECT: REVIEW OF AUDITS: REPORT NO. 2012-090, FLORIDA BRIGHT
FUTURES SCHOLARSHIP PROGRAM OPERATIONAL.**

PROPOSED COMMITTEE ACTION

None: for information only. The complete audit can be accessed on the Auditor General's website located at: http://www.myflorida.com/audgen/pages/pdf_files/2012-090.pdf

BACKGROUND INFORMATION

The objective of this audit was to determine the extent to which Florida's public universities and colleges implemented procedures to administer the Florida Bright Futures Scholarship Program for the fiscal year ended June 30, 2011.

There were no audit findings for Florida Atlantic University.

IMPLEMENTATION PLAN/DATE

Not Applicable.

FISCAL IMPLICATIONS

Not Applicable.

Supporting Documentation: Report No. 2012-090.

Presented by: Mr. Dennis Crudele, Senior Vice President-Financial Affairs **Phone:** 561-297-3266

FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM

Operational Audit



The audit was coordinated by Lise A. Ryder, CPA. Please address inquiries regarding this report to James R. Stultz, CPA, Audit Manager, by e-mail at jimstultz@aud.state.fl.us or by telephone at (850) 922-2263.

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 487-9175; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM

EXECUTIVE SUMMARY

Our audit to determine the extent to which Florida's public universities and colleges (institutions) administered the Florida Bright Futures Scholarship Program (Program) funds in accordance with applicable laws, rules, and program guidelines for the fiscal year ended June 30, 2011, disclosed the following:

RETURN OF PROGRAM FUNDS

Finding No. 1: Institutions generally returned Program funds related to student drops and withdrawals to the Florida Department of Education (FDOE) in a timely manner. However, 11 institutions did not have effective procedures in place to ensure that such refunds were always timely returned to FDOE.

Finding No. 2: Institutions generally returned undisbursed Program funds to FDOE in a timely manner. However, eight institutions did not have effective procedures in place to ensure that undisbursed Program funds were always timely returned to FDOE.

REPORTING

Finding No. 3: Institutions generally submitted Disbursement Enrollment Reports timely. However, one institution did not always timely submit the required reports.

BACKGROUND

The Florida Legislature established the Florida Bright Futures Scholarship Program (Program) to provide lottery-funded scholarships to any Florida high school graduate who merits recognition of high academic achievement, and who enrolls in a degree, certificate, or applied technology program at an eligible Florida public or private postsecondary educational institution within three years of high school graduation. The 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.

During the 2010-11 fiscal year, Program disbursements to students enrolled in Florida's public universities and colleges were \$319,129,757 and \$70,793,665, respectively, for a total of \$389,923,422. Exhibit A provides a summary of advances and disbursements by university and college (institution).

The Florida Department of Education (FDOE) determines initial student eligibility for awards. Students must meet general criteria to qualify for any of the types of Program scholarship awards. In addition to the general criteria, each of the Program's three types of scholarships has specific criteria that students must meet. After students initially qualify for an award, they must continue to meet eligibility criteria for renewal awards. Eligibility criteria that students must meet include achieving and maintaining specified grade point averages and completing at least 24 semester credit hours in the last academic year in which the student earned a scholarship.

FDOE is responsible for administering the Program disbursement and reconciliation process. Each term, FDOE 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 FDOE within 60 days after the end of the regular registration period. Also, unless FDOE grants a student an exception, institutions must return Program funds resulting from student drops or withdrawals to FDOE within 30 days after the end of a semester. The institutions are also required to report disbursements, enrolled hours, earned hours, and grade point averages to FDOE.

FINDINGS AND RECOMMENDATIONS

Return of Program Funds

Section 1009.53(5), Florida Statutes, provides that FDOE issue Program awards annually, and transmit payment for awards to each institution before the registration period each semester. Section 1009.53(5), Florida Statutes, also provides conditions in which Program funds must be returned to FDOE.

Finding No. 1: Return of Funds for Student Drops and Withdrawals

Section 1009.53(5)(a), Florida Statutes, provides that an institution must make a refund to FDOE within 30 days after the end of a semester of any funds received for courses dropped by a student or courses from which the student has withdrawn after the end of the drop and add period, unless FDOE has granted the student an exception.

Our review disclosed that most institutions timely returned funds to FDOE for students that had dropped or withdrawn from courses during the semester; however, we noted 11 institutions that did not have effective procedures to ensure that these Program funds would be refunded to FDOE within 30 days after the end of the respective semester. The 11 institutions had not timely returned Program funds to FDOE in the amounts shown below:

Untimely Return of Refunds Resulting From Student Drops and Withdrawals				
Institution	Fall 2010		Spring 2011	
	Amount	Number of Days Late	Amount	Number of Days Late
Universities:				
Florida Agricultural and Mechanical University	\$ 54,327	106	\$	
Florida Gulf Coast University	7,050	239-241		
Colleges:				
Daytona State College	58,057	80-354		
Edison State College	11,169	145-166		
Hillsborough Community College	101,946	46		
Miami Dade College	87,077	122-165		
Palm Beach State College	87,773	74	32,701	14
Polk State College			18,252	21
St. Johns River State College	29,320	29	38,848	14
Santa Fe College	28,001	115-145	15,180	5
State College of Florida, Manatee-Sarasota	17,425	198	63,596	58

In response to our inquiries, institution personnel indicated that some institutions experienced delays due to vacant positions and some other institutions experienced procedural difficulties that resulted in financial aid personnel not meeting the due dates for returning the refunds.

Recommendation: The above-noted institutions should enhance or implement procedures to ensure that refunds due as a result of student drops and withdrawals are returned to FDOE within the time frames provided by law.

Finding No. 2: Return of Undisbursed Advances

Section 1009.53(5)(b), Florida Statutes, provides that an institution receiving Program funds return any undisbursed advances to FDOE within 60 days after the end of regular registration for the respective semester. Additionally, FDOE’s State Program Refund Policy requires that refunds to the Program be made within 60 days of the date of discovery of an overpayment or determination of ineligibility.

Our review disclosed that most institutions timely returned undisbursed Program funds to FDOE for the Fall 2010 and Spring 2011 terms; however, we noted eight institutions that did not have effective procedures to ensure that undisbursed Program funds were returned timely. The eight institutions had not timely returned amounts of undisbursed Program funds to FDOE as shown below:

Untimely Return of Undisbursed Program Advances to DOE				
Institution	Fall 2010		Spring 2011	
	Amount	Number of Days Late	Amount	Number of Days Late
University:				
University of Florida	\$ 726,830	6	\$	
Colleges:				
College of Central Florida	54,873	31		
Hillsborough Community College	280,011	122		
Miami Dade College	80,512	92-111		
Palm Beach State College	70,984	157		
Polk State College			1,099	75
St. Petersburg College	261,804	93		
State College of Florida, Manatee-Sarasota	52,217	278		

In response to our inquiries, institution personnel indicated that some institutions experienced delays due to vacant positions and some other institutions experienced procedural difficulties that resulted in financial aid personnel not meeting the due dates for returning undisbursed Program funds.

Recommendation: The above-noted institutions should enhance or implement procedures to ensure that undisbursed Program funds are returned to FDOE within the time frames provided by law.

Reporting

Finding No. 3: Disbursement Eligibility Report

Section 1009.53(5)(a), Florida Statutes, provides that within 30 days after the end of regular registration each semester, the institution must certify to FDOE the eligibility status of each student who receives an award. The number of hours enrolled is reported on the Disbursement Eligibility Report (DER) for each scholarship program. Our tests disclosed that most institutions timely submitted the DER; however we noted one institution, State College of Florida, Manatee-Sarasota, did not timely submit the Spring 2011 DERs to FDOE. The Spring 2011 DERs for the Academic Scholarship and Medallion Scholarship programs were submitted 73 days after the due date and the DER for the Gold Seal Vocational Scholarship program was submitted 133 days after the due date.

In response to our inquiries, institution personnel indicated that delays in submitting the DERs by the due dates were caused by staffing vacant positions in the financial aid office

Recommendation: The above-noted institution should ensure the Disbursement Eligibility Report is timely filed with FDOE.

PRIOR AUDIT FOLLOW-UP

Except with respect to return of funds for student drops and withdrawals as discussed in Finding No. 1, institutions had taken corrective actions for findings included in our report No. 2011-180.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from April 2011 to January 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit focused on the administration of the Program by the State's 11 universities and 28 colleges for the fiscal year ended June 30, 2011. The objectives of this audit were to: (1) determine the extent to which the institutions administered Program moneys in accordance with applicable laws, rules, and other guidelines relating to the Program; properly accounted for moneys received and distributed through the Program; maintained and prepared reliable financial records and reports; and safeguarded Program assets; and (2) determine whether the institutions, as applicable, had taken corrective actions for findings included in our report No. 2011-180. Also, pursuant to Section 11.45(7)(h), Florida Statutes, our audit may identify statutory and fiscal changes to be recommended to the Legislature.

Our audit included examinations of various records and transactions (as well as events and conditions) related to the Program that occurred during the 2010-11 fiscal year. Our audit methodology included obtaining an understanding of internal controls by interviewing the institutions' personnel and testing relevant internal controls through an examination of supporting documentation and records. We applied additional audit procedures to determine the extent to which the institutions complied with significant Program requirements, as follows:

- For a sample of 25 students selected for each institution, we examined supporting documentation:
 - To determine whether the students were properly classified as to residency; earned high school diplomas; and were enrolled in a minimum of 6 credit hours and no more than 45 credit hours.
 - To determine whether the students were awarded the proper amount based on the award earned.
 - To verify the accuracy of credit hours earned and the cumulative grade point averages shown on the grade and hour reports submitted to FDOE, and to determine whether each institution timely filed its grade and hour reports with FDOE.
- We examined supporting documentation to determine whether each institution filed its Disbursement Eligibility Report with FDOE within 30 days of the last day of the drop and add period.

- We examined supporting documentation to determine whether the institutions refunded to FDOE, within 30 days after the end of the semester, funds received for courses from which a student had dropped or withdrawn.
- We examined supporting documentation to determine whether each institution returned unused Program funds to FDOE within 60 days of the last day of the drop and add period.

AUTHORITY

Pursuant to Section 1009.53(5)(c), Florida Statutes, the Auditor General conducts an audit of each public university and college with respect to the Florida Bright Futures Scholarship Program. 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.



David W. Martin, CPA
Auditor General

MANAGEMENT RESPONSES

The institutions' management responses are included as Exhibit B.

EXHIBIT A
FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM
STATE UNIVERSITIES AND COLLEGES
SUMMARY OF ADVANCES AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Institution	Advances (1)		Disbursements (1)		Disbursements (Over) Under Advances
	From Department	Scholarship Awards to Students	Refunds to Department	Total Disbursements	
Florida Agricultural and Mechanical University	\$ 4,402,250	\$ 4,264,956	\$ 137,294	\$ 4,402,250	\$
Florida Atlantic University	16,001,639	15,748,791	252,848	16,001,639	
Florida Gulf Coast University	10,889,193	10,565,793	323,400	10,889,193	
Florida International University	23,200,873	23,162,751	38,122	23,200,873	
Florida State University	54,703,031	54,583,121	119,910	54,703,031	
New College of Florida	2,457,230	2,261,202	198,648	2,459,850	(2,620) (2)
University of Central Florida	63,702,565	61,596,764	2,105,801	63,702,565	
University of Florida	78,770,236	75,470,485	3,234,884	78,705,369	64,867 (3)
University of North Florida	14,721,313	13,861,042	860,271	14,721,313	
University of South Florida	42,070,033	42,026,416	43,617	42,070,033	
University of West Florida	8,276,013	8,141,805	131,836	8,273,641	2,372 (4)
Total Public State Universities	319,194,376	311,683,126	7,446,631	319,129,757	64,619
Brevard Community College	3,443,135	3,143,892	299,243	3,443,135	
Broward College	3,908,149	3,562,976	345,173	3,908,149	
Chipola College	874,061	823,745	50,316	874,061	
College of Central Florida	1,933,277	1,831,902	101,375	1,933,277	
Daytona State College	2,665,000	2,459,069	204,160	2,663,229	1,771 (4)
Edison State College	2,356,802	2,134,520	222,282	2,356,802	
Florida Gateway College	667,241	577,917	89,324	667,241	
Florida Keys Community College	133,578	111,878	21,853	133,731	(153) (5)
Florida State College at Jacksonville	3,340,109	3,175,248	164,861	3,340,109	
Gulf Coast State College	1,428,813	1,227,914	200,899	1,428,813	
Hillsborough Community College	4,005,983	3,617,823	388,160	4,005,983	
Indian River State College	2,502,701	2,410,328	92,373	2,502,701	
Lake-Sumter Community College	1,322,350	1,257,907	64,443	1,322,350	
Miami Dade College	5,406,422	5,228,371	178,051	5,406,422	
North Florida Community College	311,097	283,702	27,395	311,097	
Northwest Florida State College	1,561,391	1,363,584	197,807	1,561,391	
Palm Beach State College	3,060,000	2,866,538	193,462	3,060,000	
Pasco-Hernando Community College	1,836,930	1,753,083	83,847	1,836,930	
Pensacola State College	2,238,080	1,934,946	303,134	2,238,080	
Polk State College	1,816,972	1,645,553	171,419	1,816,972	
St. Johns River State College	1,193,433	1,103,003	90,430	1,193,433	
St. Petersburg College	4,153,412	3,725,739	428,597	4,154,336	(924) (5)
Santa Fe College	4,759,376	4,244,891	514,485	4,759,376	
Seminole State College of Florida	2,780,183	2,678,099	102,084	2,780,183	
South Florida Community College	525,000	478,439	46,561	525,000	
State College of Florida, Manatee-Sarasota	2,335,000	2,161,870	173,130	2,335,000	
Tallahassee Community College	3,002,260	2,669,280	330,136	2,999,416	2,844 (6)
Valencia Community College	7,236,448	6,422,642	813,806	7,236,448	
Total Public State Colleges	70,797,203	64,894,859	5,898,806	70,793,665	3,538
Total	\$ 389,991,579	\$ 376,577,985	\$ 13,345,437	\$ 389,923,422	\$ 68,157

Notes: (1) Amounts reported by the institution as of December 31, 2011.

(2) Represents amounts FDOE owes to the institution at December 31, 2011. However, the amount is in dispute and receipt of funds is unknown.

(3) Amount represents approved petitions to withdraw after end of term. The 30-day deadline stipulated in Section 1009.53(5)(a), Florida Statutes, does not apply to these withdrawals.

(4) The institutions subsequently returned these amounts to FDOE.

(5) Represents amounts FDOE owes to the institutions at December 31, 2011. This generally occurs when students re-enroll after withdrawing or dropping courses and successfully appeal the return of Program funds after the close of the State's award year.

(6) Amount represents funds received in the 2010-11 fiscal relating to the 2009-10 fiscal year activity.

EXHIBIT B
MANAGEMENT RESPONSES



Florida Agricultural and Mechanical University

TALLAHASSEE, FLORIDA 32307-3100

JAMES H. AMMONS, Ph.D., PRESIDENT

February 13, 2012

OFFICE OF THE PRESIDENT

TELEPHONE: (850) 599-3225
FAX: (850) 561-2152
TDD: (850) 561-2784

Mr. David W. Martin
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:


This letter is in response to your correspondence dated January 24, 2012, concerning the audit of the Florida Bright Futures Scholarship Program for the fiscal year ended June 30, 2011. Pursuant to your request, the corrective action plan for addressing the audit finding is presented below.

Finding: Section 1009.53 (5)(a), Florida Statutes, Return of Funds for Student Drops and Withdrawals

Florida Statutes, provides that an institution must make a refund to FDOE within 30 days after the end of a semester of any funds received for courses dropped by a student or courses from which the student has withdrawn after the end of the drop and add period, unless FDOE has granted the student an exception.

Recommendation: FAMU should enhance or implement procedures to ensure that refunds due as a result of student drops and withdrawals are returned to FDOE within the time frames provided by law.

Response: The University concurs with the finding. The Office of Financial Aid has made the necessary adjustments to the procedures to ensure that all refunds due as a result of student drops and withdrawals are remitted to the Florida Office of Student Financial Assistance in a timely manner. More specifically, the Office of Student Financial Aid will request payment processing from the institution within 30 days after the end of each semester for student drops and withdrawals. The Director of Financial Aid will serve as the administrative officer responsible for directing this activity.

Sincerely,

James H. Ammons
President

Enclosure

- c: Dr. William Hudson, Jr., Vice President, Student Affairs
- Ms. Teresa Hardee, Vice President, Administrative and Financial Services
- Mr. Richard Givens, Interim Vice President, Audit and Compliance
- Ms. Michelle Williams, Interim Director, Office of Financial Aid

FAMU IS AN EQUAL OPPORTUNITY/EQUAL ACCESS UNIVERSITY

**EXHIBIT B (CONTINUED)
MANAGEMENT RESPONSES**



Office of the President

February 1, 2012

Mr. David W. Martin, CPA
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Martin:

The following is our response to the one (1) preliminary and tentative finding on the Florida Bright Futures Scholarship Program Audit for the fiscal year ended June 30, 2011.

Finding for Return of Undisbursed Funds: The above-noted institutions (sic) should enhance or implement procedures to ensure that refunds due as a result of student drops and withdrawals are returned to FDOE within the time frames provided by law.

The University agrees with the exception and has identified this as an isolated issue due to the increased number of dropped/withdrawn courses during a particular week of the fall semester. Additional checks-and-balances and thorough reports have been established between the appropriate offices to ensure accuracy and timeliness when handling dropped courses for Bright Futures students.

Sincerely,

Wilson G. Bradshaw, Ph.D.
President

WGB:vaf

c: Steve Magiera, Vice President, Administrative Services and Finance
Carol Slade, Director, Internal Audit ✓



EXHIBIT B (CONTINUED)
MANAGEMENT RESPONSES



**Office of the Vice President
and Chief Financial Officer**

**1 Tigert Hall
P O Box 113240
Gainesville, FL 32611-3240
352-392-2402 Telephone
352-846-3546 Fax**

January 30, 2012

Mr. David W. Martin, CPA
Auditor General
Office of the Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Martin:

Attached is the response to the University of Florida's preliminary and tentative findings for the Bright Futures Scholarship Program for the fiscal year ended June 30, 2011.

Your staff's assistance is greatly appreciated and their evaluation will serve to strengthen UF's operations.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew Fajack".

**Matthew Fajack
Vice President and Chief Financial Officer**

Enclosures

Mr. Michael V. McKee, Asst. Vice President and University Controller
Mr. Kim Simpson, Sr. Associate Controller
Mr. Brian Mikell, Chief Audit Executive

The Foundation for The Gator Nation
An Equal Opportunity Institution

EXHIBIT B (CONTINUED)
MANAGEMENT RESPONSES

University of Florida
Responses to Preliminary & Tentative Audit Findings
Bright Futures Scholarship Program
For the Fiscal Year Ended June 30, 2011

Return of Undisbursed Advances

Recommendation 2: The above-noted institutions should enhance or implement procedures to ensure that undisbursed Program funds are returned to FDOE within the time frames provided by law.

University's Response: *The UF Office for Student Financial Affairs (SFA) has implemented a pre-notification procedure to alert staff 10 business days prior to 60 days after the end of regular registration. This will allow adequate time for SFA to request the check and return any undisbursed advances prior to the deadline.*

Responsible Auditee: Richard Wilder, Interim Director
Student Financial Affairs

EXHIBIT B (CONTINUED)
MANAGEMENT RESPONSES



College of Central Florida
Office of the President

January 26, 2012

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

Dear Mr. Martin:

The College of Central Florida is in receipt of the preliminary and tentative finding regarding the Bright Future Scholarship Program audit:

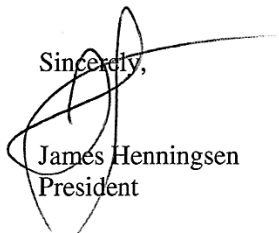
College of Central Florida for the Fiscal year Ended June 30, 2011

In response to Funding No. 2: Return of Undisbursed Advances, please accept the following:

- The College has taken corrective action and improved it's procedures to ensure that undisbursed program funds are returned to FDOE within the time frame provided by law.

Please let me know if you should have any questions.

Sincerely,



James Henningsen
President

JDH/td

c: Dr. James D. Harvey
Mr. Steve Ash
Mr. Philip B. Ciano
Dr. Timothy Wise

EXHIBIT B (CONTINUED)
MANAGEMENT RESPONSES



1200 West International Speedway Boulevard
Daytona Beach, Florida 32114
(386) 506-3222

February 1, 2012

David W. Martin, CPA
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

Finding No. 1: Institutions generally returned Program funds related to student drops and withdrawals to the Florida Department of Education (FDOE) in a timely manner. However, 11 institutions did not have effective procedures in place to ensure that such refunds were always timely returned to FDOE.

College Response: The College concurs with the finding. The College has added the required dates for the return of funds for Bright Futures student drops and withdrawals to the Institutional Research calendar. This will provide an outside mechanism to notice and remind the financial aid office of the due dates to avoid future late submissions.

Sincerely,

Thomas LoBasso, Ed.D.
Senior Vice President
Student Development and Institutional Effectiveness

EXHIBIT B (CONTINUED)
MANAGEMENT RESPONSES



February 10, 2012

Mr. David W. Martin
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Martin,

Edison State College is in receipt of the preliminary and tentative findings pertaining to Florida Bright Futures Scholarship Program for the Fiscal Year Ended June 30, 2011. Pursuant to Section 11.45(4)(d), Florida Statutes, please accept this written response to the Bright Futures Scholarship Program audit findings.

The initial process to identify Bright Futures withdrawals for 2010-2011, Term 1, was completed on November 8, 2011 which was within the time frame required. On May 23, 2012, it was identified that a software problem caused some students from Term 1 to be excluded from the original report. The problem was identified and corrected and a report was generated on May 23, 2012 to identify "all students receiving Bright Futures funds with dropped/withdrawn hours". This report identified students that were excluded from the original report, which resulted in the late return of funds in the amount of \$11,169.

To enhance the procedure of identifying withdrawals, the report is now generated and processed on a monthly basis. Additionally, funds will be returned for withdrawals that are approved after the official last date to withdraw from individual courses. Supporting documentation will be provided for future approvals of late withdrawals by obtaining a copy of the "Late Withdrawal Form" as approved by the Edison State College Registrar.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Dudley Goodlette", is written over a horizontal line.

J. Dudley Goodlette, J.D.
Interim President

8099 College Parkway
Fort Myers, Florida 33919
(239) 489-9211 • Fax (239) 489-9341

www.edison.edu

Edison State College is an equal access, equal opportunity organization.

EXHIBIT B (CONTINUED)
MANAGEMENT RESPONSES



Hillsborough Community College

Office of the President
Dr. Ken Atwater

www.hccfl.edu

39 Columbia Drive
Tampa, FL 33606
813.253.7050
Fax 813.253.7183

February 16, 2012

David W. Martin, CPA
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

Attached please find Hillsborough Community College's responses to the preliminary and tentative findings for Hillsborough Community College, relative to the Bright Futures Scholarship Program, fiscal year ended, June 30, 2011.

Please feel free to contact Barbara Larson, Vice President for Administration and CFO with any questions at 813-253-7015, or at blarson2@hccfl.edu.

Thank you for the opportunity provided by your office to continue our review and improvement of College operations.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ken Atwater'.

Dr. Ken Atwater
College President

Cc: District Board of Trustees
Ms. Barbara Larson
Dr. Kenneth Ray

Attachment

EXHIBIT B (CONTINUED)
MANAGEMENT RESPONSES

February 16, 2012

Hillsborough Community College

**Responses to Preliminary and Tentative Findings on Bright Futures Scholarship Program Audit
For the Fiscal Year Ended June 30, 2011**

Finding No. 1: Institutions generally returned Program funds related to student drops and withdrawals to the Florida Department of Education (FDOE) in a timely manner. However, 11 institutions did not have effective procedures in place to ensure that such refunds were always timely returned to FDOE.

College Response: Hillsborough Community College experienced delays in refunds for Bright Futures resulting from student drops and withdrawals due to the transition of staffing after the position vacancy of the Bright Futures Manager. This occurred on July 2010. This position was filled on January 2011. Procedures were amended and revised to include better adherence to the deadlines for returning money to the Florida Department of Education in an accurate and timely manner.

Finding No. 2: Institutions generally returned undisbursed Program funds to FDOE in a timely manner. However, eight institutions did not have effective procedures in place to ensure that undisbursed Program funds were always timely returned to FDOE.

College Response: Hillsborough Community College experienced delays in the Return of undisbursed Program advances to FDOE due to the vacancy the Bright Futures Manager. This occurred on July 2010. This position was filled on January 2011. Amended and revised procedures were established to include the deadlines for return of money to the State in an accurate and timely manner. This has improved the accurate and timely return of undisbursed program advances to DOE, as evidenced by Spring 2011 data.

**EXHIBIT B (CONTINUED)
MANAGEMENT RESPONSES**

Office of the College President
300 N.E. Second Avenue
Miami, Florida 33132-2297



Eduardo J. Padrón
College President
(305) 237-3404 / FAX: (305) 237-3109
email: eduardo.padron@mdc.edu

February 16, 2012

Mr. David M. Martin, CPA
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

Pursuant to Section 11.45(4)(d), Florida Statutes, Miami Dade College is responding to the preliminary and tentative audit findings of the Florida Bright Futures Scholarship Program for the fiscal year ended June 30, 2011.

Finding No. 1: Return of Funds for Student Drops and Withdrawals

Institutions generally timely returned funds to FDOE for students that had dropped or withdrawn from courses; however, some institutions did not have effective procedures to ensure refunds to FDOE within 30 days after the end of the respective semester in accordance with Section 1009.53(5)(a), Florida Statutes.

Recommendation: Institutions should enhance or implement procedures to ensure that refunds due as a result of student drops or withdrawals are returned to FDOE with the time frames provided by law.

Finding No. 2: Return of Undisbursed Advances

Institutions generally returned undisbursed Program funds to FDOE in a timely manner; however, some institutions did not have effective procedures in place to ensure that undisbursed Program funds were always timely returned to FDOE in accordance with Section 1009.53(5)(b), Florida Statutes.

Recommendation: Institutions should enhance or implement procedures to ensure that undisbursed Program funds are returned to FDOE within the time frames provided by law.

MDC Response and Corrective Actions to Findings: Effective Spring term 2012, Miami Dade College has enhanced its procedures and modified our software as necessary to ensure timely completed monthly reconciliations and that the return of refunds to FDOE is made within 30 days after the end of the respective semester for students who drop or withdraw from courses. These enhanced procedures also ensure that any undisbursed advances to FDOE are returned within 60 days after the end of the regular registration for the respective semester. We believe to be fully in compliance with Sections 1009.53(5), Florida Statutes, and guidelines developed by the Office of Student Financial Assistance and the Florida Department of Education.

Should you have any questions regarding this response, please do not hesitate to contact Mr. Greg Knott, AVP – Student and Accounting Services at (305) 237-0399.

Sincerely,

Dr. Eduardo J. Padrón

EXHIBIT B (CONTINUED)
MANAGEMENT RESPONSES

PALM BEACH STATE
COLLEGE

OFFICE OF
THE PRESIDENT

4200 Congress Avenue
Lake Worth, FL 33461-4796

561-868-3501 TEL
561-868-3504 FAX

February 21, 2012

Mr. David W. Martin, CPA
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Martin:

On January 24, 2012, we received the preliminary and tentative audit findings and recommendations for Palm Beach State College Florida Bright Futures Scholarship Program Operational Audit administered by the State of Florida for the fiscal year ended June 30, 2011. The recommendations identified in the audit will be used to improve the operations of the College in the future.

Our response to the findings is as follows:

Finding No. 1: Institutions generally returned Program funds related to student drops and withdrawals to the Florida Department of Education (FDOE) in a timely manner.

Finding No. 2: Institutions generally returned undisbursed Program funds to FDOE in a timely manner.

During the fall term of the audit period our financial aid director was diagnosed and treated for a life threatening illness. After his treatment he worked from home part-time as his health would allow for the balance of the fall term and into January of the spring term. At the end of January he resigned and the current financial aid director began working at Palm Beach State College. This serious illness and ultimate transition from one director to another were certainly factors that contributed to our failure to timely submit the refunds of the Bright Future funds to the FDOE.



EXHIBIT B (CONTINUED)
MANAGEMENT RESPONSES

Mr. David W. Martin, CPA
February 21, 2012
Page 2

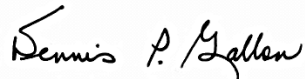
New procedures have been implemented that will help insure refunds are made on a timely basis for all program money. These new procedures require that at the beginning of each semester, the financial aid advisor for state grants will develop a calendar of refund/return dates for all state programs.

During the second week of classes, the financial aid director will meet with the associate director of financial aid, the financial aid advisor for state grants and information technology to review the due dates for the term and select specific dates for reconciliation and return of funds which will take place approximately two weeks prior to the due date.

Once the reconciliation has been confirmed by information technology, the financial aid advisor for state grants will request return of funds, if any.

Please contact Mr. Richard A. Becker, Vice President of Administration and Business Services, at (561) 868-3137, if additional information is needed.

Sincerely,



Dennis P. Gallon, Ph.D.
President

cc: District Board of Trustees
Mr. Richard A. Becker

EXHIBIT B (CONTINUED)
MANAGEMENT RESPONSES



February 22, 2012

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

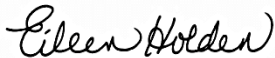
Dear Mr. Martin:

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, 2011

that was electronically received from your office on January 24, 2012. Please feel free to contact me if we can provide further information.

Sincerely,



Eileen Holden, Ed.D.
President
Polk State College

EXHIBIT B (CONTINUED)
MANAGEMENT RESPONSES

Recommendation: The above-noted institution should enhance or implement procedures to ensure that refunds due as a result of student drops and withdrawals are returned to FDOE within the time frames provided by law.

Response: We acknowledge your recommendation and have updated our processes and procedures to ensure that refunds due to FDOE are returned in accordance with appropriate time frames.

Recommendation: The above-noted institution should enhance or implement procedures to ensure that undisbursed Program funds are returned to the FDOE within the time frames provided by law.

Response: We acknowledge your recommendation and have updated our processes and procedures to ensure that we return unspent funds, if any, to the FDOE in accordance with appropriate time frames.

EXHIBIT B (CONTINUED)
MANAGEMENT RESPONSES



5001 St. Johns Avenue Palatka, FL 32177 (386)-312-4200

February 10, 2012

David W. Martin, CPA
Auditor General
3974 Woodcock Dr., Suite 101A
Jacksonville, Florida 32207-2732

Dear Mr. Martin:

Below is St. Johns River State College's response to the Bright Futures 2010-2011 Audit. Our institution was cited in finding number 1.

SJR State response:

Procedures for returning Bright Futures Program funds related to student drops and withdrawals have been reviewed and revised to update the timeline for initiating the return of the funds. This is to ensure return of the funds to the State prior to the established deadline each semester.

Please let me know if you need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe H. Pickens", is written over the word "Sincerely,".

Joe H. Pickens, J.D.
President

EXHIBIT B (CONTINUED)
MANAGEMENT RESPONSES

St. Petersburg College



Office of the President
727-341-3241

Board of Trustees

Terrence E. Brett
Chairman

Deveron M. Gibbons
Vice Chairman

Kenneth P. Burke
Trustee

Robert J. Fine, Jr.
Trustee

Timothy O. North
Trustee

William D. Law, Jr.
President

February 3, 2012

David W. Martin, CPA
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

RE: Bright Futures Scholarship Audit

Dear Mr. Martin:

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, 2011, we submit the following response to your recommendation.

Your report states in Return of Undisbursed Advances Finding No. 2: Institutions generally returned undisbursed Program funds to the Florida Department of Education (FDOE) for the Fall 2010 and Spring 2011 terms in a timely manner. However, we noted 8 institutions that did not have effective procedures in place to ensure that undisbursed Program funds were always timely returned to FDOE.

Recommendation: The above-noted institutions should enhance or implement procedures to ensure that undisbursed Program funds are returned to FDOE within the time frames provided by law.

College Response: At St. Petersburg College, we experienced delays in implementing new 2010 program criteria to an existing computer software program in a compressed time frame. Early in the spring of 2011, the College also implemented a comprehensive FDOE fiscal deadline tool that tracks the FDOE deadlines and the actual dates of the actual submission of refunds to the FDOE. This tool, along with processing the return of aid weekly to the State is the effective procedure to ensure that refunds are returned timely; as evidenced by no untimely returns in the spring of 2011.

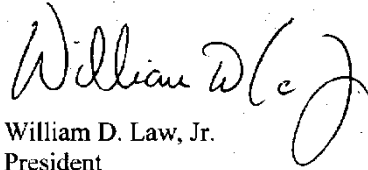
Mailing Address: Post Office Box 13489, St. Petersburg, FL 33733-3489 • An Equal Access/Equal Opportunity institution.

EXHIBIT B (CONTINUED)
MANAGEMENT RESPONSES

David W. Martin, CPA
Page 2
February 3, 2012

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

Sincerely,

A handwritten signature in cursive script that reads "William D. Law, Jr." The signature is written in black ink and is positioned above the printed name and title.

William D. Law, Jr.
President

EXHIBIT B (CONTINUED)
MANAGEMENT RESPONSES



February 6, 2012

David W. Martin
Auditor General of the State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

In response to the preliminary and tentative findings and recommendations from your audit of the District Board of Trustees of Santa Fe College Bright Futures Scholarship Program for the Fiscal Year Ended June 30, 2011, we submit the following comment's including corrective action taken or to be taken.

Finding No. 1 Return of Funds for Student Drops and Withdrawals

Recommendation: The institution should enhance or implement procedures to ensure that refunds due as a result of student drops and withdrawals are returned to FDOE within the time frames provided by law.

Response: The College has created an official departmental policy in which staff is aware and informed of the procedures for maintaining and returning funds for the Bright Futures Scholarship. In addition, the Financial Aid Office has added a Financial Aid Accountant position whose responsibility includes monitoring funds and awards to ensure compliance in all areas of financial aid. A responsibility of this position includes maintaining documentation to support the information on the OSFA Payment Summary and the Department Ledger(s). Thirty days after the regular registration period the accounts and awards are reconciled. They are monitored and reconciled again approximately 45 days after the regular registration period to ensure any undisbursed advances are returned within the 60 days requirement. We believe we are now fully compliant with Section 1009.53(5) Florida Statutes.

Should you have any questions regarding the College's responses, please contact, Ms. Ginger Gibson, Vice President for Administrative Affairs/CFO at (352)395-5208 or ginger.gibson@sfccollege.edu.

Sincerely,

A handwritten signature in blue ink that reads "Jackson N. Sasser".

Jackson N. Sasser
President

c: Ginger Gibson
Maureen McFarlane

EXHIBIT B (CONTINUED)
MANAGEMENT RESPONSES



February 17, 2012

David W. Martin
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Martin:

Enclosed is our response to the Preliminary and Tentative Findings and Recommendations on our Bright Futures Scholarship Program audit for State College of Florida, Manatee-Sarasota for the Fiscal Year Ended June 30, 2011.

**PRELIMINARY AND TENTATIVE FINDINGS
AND RECOMMENDATIONS
Return of Program Funds**

FINDING NO. 1: Return of Funds for Student Drops and Withdrawals

Recommendation: The above-noted institutions should enhance or implement procedures to ensure that refunds due as a result of student drops and withdrawals are returned to DOE within the time frames provided by law.

Response: State College of Florida, Manatee-Sarasota has implemented electronically supported processes within the student data management system to identify state financial aid recipients who withdraw from classes. As a result, the Financial Aid and Business Office have been able to use these processes to determine in a timely manner funds that need to be returned for students who withdraw from individual courses or terminate enrollment.

FINDING NO. 2: Return of Undisbursed Advances

Recommendation: The above-noted institutions should enhance or implement procedures to

Mailing Address • P.O. Box 1849, Bradenton, FL 34206 • scf.edu

SCF BRADENTON
5840 26th Street West • 941-752-5000

SCF LAKEWOOD RANCH
7131 Professional Parkway East • 941-363-7000

SCF VENICE
8000 South Tamiami Trail • 941-408-1300

EXHIBIT B (CONTINUED)
MANAGEMENT RESPONSES

ensure that undisbursed Program funds are returned to FDOE within the time frames provided by law.

Response: State College of Florida, Manatee-Sarasota has established electronically supported processes with the student data management system to reconcile state financial aid accounts and return funds due the FLDOE within the statutory timelines.

FINDING NO. 3: Disbursement Eligibility Report

Recommendation: The above-noted institution should ensure the Disbursement Eligibility Report is timely filed with FDOE.

Response: State College of Florida, Manatee-Sarasota has established electronically supported processes within the student data management system to complete the Disbursement Eligibility Report in a timely manner.

Sincerely,



Dr. Carol Probstfeld
Vice President
Business and Administrative Services