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GRAMBLING STATE UNIVERSITY

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Release Date DEC 18 1996

FEDERAL GRANTS

FINANCIAL AND COMPLIANCE AUDIT TOGETHER WITH INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED JUNE 30, 1996

Bruno CERTIFIED PUBLIC ACCOUNTANTS
& Tervallon

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MICHAEL B. BRUNO, CPA
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**INDEPENDENT AUDITORS' REPORT ON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

Dr. Raymond Hicks, President
Grambling State University
Grambling, Louisiana 71245

We have audited the accompanying Schedule of Federal Financial Assistance of Grambling State University for the year ended June 30, 1996. The Schedule of Federal Financial Assistance is the responsibility of the management of Grambling State University. Our responsibility is to express an opinion on the Schedule of Federal Financial Assistance based on our audit. The accompanying Schedule of Federal Financial Assistance is not a part of the University's component unit financial statements for the year ended June 30, 1996. The component unit financial statements were audited by other independent auditors whose report has not been issued as of our report date.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards - Standards for Audits of Governmental Organizations, Programs, Activities and Functions, issued by the U.S. General Accounting Office and the provisions of OMB Circular A-128. Those standards and the provisions of OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Federal Financial Assistance is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Federal Financial Assistance. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Federal Financial Assistance. We believe that our audit provides a reasonable basis for our opinion.

**INDEPENDENT AUDITORS' REPORT ON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
(CONTINUED)**

Dr. Raymond Hicks, President
Grambling State University
Grambling, Louisiana 71245
Page 2

In our opinion, the accompanying Schedule of Federal Financial Assistance of Grambling State University presents fairly, in all material respects, the federal financial assistance expenditures for the year ended June 30, 1996, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated October 31, 1996 on our consideration of Grambling State University's internal control structure and a report dated October 31, 1996 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the Schedule of Federal Financial Assistance, taken as a whole. The supplementary data included in this report is presented for the purposes of additional analyses and is not a required part of the Schedule of Federal Financial Assistance. Such information has been subjected to the auditing procedures applied in the audit of the Schedule of Federal Financial Assistance and, in our opinion is fairly stated in all material respects in relation to the Schedule of Federal Financial Assistance taken as a whole.

Bruno & Tervalon

**BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS**

October 31, 1996

Bruno CERTIFIED PUBLIC ACCOUNTANTS
& Tervalon

GRAMBLING STATE UNIVERSITY
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 1996

| PROGRAM NAME | CFDA NUMBER | AWARD PERIOD | EXPENDITURES |
|---|----------------|-------------------|--------------|
| UNITED STATES DEPARTMENT OF EDUCATION: | | | |
| Federal Supplemental Educational Opportunity Grant | 84.007 | 07/01/95-06/30/96 | \$ 674,059 |
| Federal PELL Grant Program | 84.063 | 07/01/95-06/30/96 | 9,498,404 |
| Federal Work-Study Program | 84.033 | 07/01/95-06/30/96 | 887,312 |
| Special Services/Project Rescue | 84.042A | 09/01/95-09/30/96 | 115,023 |
| Upward Bound | 84.047A | 06/01/95-05/31/96 | 461,908 |
| Minority Science Improvement Program | 84.120A | 07/01/95-06/30/96 | 82,580 |
| THE NEW TITLE III AWARDS: | | | |
| Title III Project Administration | 84.031B | 10/01/95-09/30/96 | 110,269 |
| Activity I: Enhancing Academic & Administration Multi-Media Delivery System | 84.031B | 10/01/95-09/30/96 | 209,891 |
| Activity II: Strengthening Mass Communication | 84.031B | 10/01/95-09/30/96 | 145,926 |
| Activity III: Strengthening and Expanding Academic Programs in the School of Social Work | 84.031B | 10/01/95-09/30/96 | 20,377 |
| Activity IV: Strengthening the College of Business Program | 84.031B | 10/01/95-09/30/96 | 61,789 |
| Activity V: Strengthening the College of Liberal Arts Program | 84.031B | 10/01/95-09/30/96 | 253,972 |
| Activity VI: Developing A Campus-Wide Comprehensive Counseling Center | 84.031B | 10/01/95-09/30/96 | 150,799 |
| Activity VII: Establishing a Center for Distance Learning | 84.031B | 10/01/95-09/30/96 | 138,936 |
| Activity VIII: Strengthening Administrative Management | 84.031B | 10/01/95-09/30/96 | 131,624 |
| Activity IX: Strengthening Undergraduate Education | 84.031B | 10/01/95-09/30/96 | 56,522 |
| Activity X: Developing and Strengthening the Technology Programs to Meet the "Criteria for Accrediting Programs in Engineering Technology | 84.031B | 10/01/95-09/30/96 | 95,275 |
| Activity XI: Developing the Hotel/Restaurant Management Program | 84.031B | 10/01/95-09/30/96 | 81,821 |
| Activity XII: Developing an Honor's College | 84.031B | 10/01/95-09/30/96 | 49,972 |

The accompanying notes are an integral part of this schedule.

GRAMBLING STATE UNIVERSITY
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 1996

| PROGRAM NAME | CFDA NUMBER | AWARD PERIOD | EXPENDITURES |
|--|----------------|-------------------|-------------------|
| UNITED STATES DEPARTMENT OF EDUCATION, CONTINUED: | | | |
| Activity XIII: Enhancing the Interdisciplinary Outdoor Aquaculture Education Program | 84.031B | 10/01/95-09/30/96 | 106,031 |
| Activity XIV: Strengthening Student Achievement through Parent Involvement | 84.031B | 10/01/95-09/30/96 | 2,537 |
| Activity XV: Strengthening the Development Office at Grambling State University | 84.031B | 10/01/95-09/30/96 | 10,013 |
| Minds On - Hands On Science & Math | 84.168R | 09/30/95-06/30/96 | 3,836 |
| Academic Instruction in Disciplines in Which Black Americans are Under-represented | 84.031B | 10/01/95-09/30/96 | 17,585 |
| TOTAL DEPARTMENT OF EDUCATION | | | 13,366,461 |
| UNITED STATES DEPARTMENT OF HEALTH & HUMAN SERVICES: | | | |
| Child Welfare Training Grant | 93.608 | 09/30/92-09/29/96 | 26,150 |
| ADAMHA-MARC | 93.884 | 09/28/91-06/30/96 | 165,695 |
| MBRS Program at Grambling State University | NF | 09/30/91-08/31/96 | 185,661 |
| Multi-Disciplinary, Multi Institution Gerontology Program | 93.048 | 01/01/94-06/30/96 | 71,168 |
| ADAMHA-MIRDP | NF | 04/01/92-03/31/96 | 52,300 |
| TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | 500,974 |
| UNITED STATES DEPARTMENT OF INTERIOR: | | | |
| Grambling Cooperative Wildlife Project - Animal Damage Control | 15.608 | 10/01/91-09/30/96 | 8,816 |
| TOTAL DEPARTMENT OF INTERIOR | | | 8,816 |

The accompanying notes are an integral part of this schedule.

GRAMBLING STATE UNIVERSITY
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 1996

| PROGRAM NAME | CFDA NUMBER | AWARD PERIOD | EXPENDITURES |
|---|----------------|-------------------|----------------|
| UNITED STATES DEPARTMENT OF THE NAVY: | | | |
| Institute of Science for Pursuit of Graduate Studies | N/A | 09/30/91-09/29/96 | <u>243,092</u> |
| TOTAL DEPARTMENT OF THE NAVY | | | <u>243,092</u> |
| UNITED STATES DEPARTMENT OF ENERGY: | | | |
| Rheological Properties Essential for the Atomization of Coal-Water Slurries | N/A | 09/30/90-08/31/96 | 1,172 |
| Coal Beneficiation Process on Rheology/Atomization of Coal-Water Slurries | N/A | 10/01/92-09/30/96 | 49,799 |
| Investigation of Syngas Interactions in Alcohol Catalysts | N/A | 07/01/95-06/30/96 | <u>13,792</u> |
| TOTAL DEPARTMENT OF ENERGY | | | <u>64,763</u> |
| NATIONAL SCIENCE FOUNDATION: | | | |
| Research Careers for Minority Scholars in Chemical Physics | N/A | 09/01/91-03/31/96 | <u>91,894</u> |
| TOTAL NATIONAL SCIENCE FOUNDATION | | | <u>91,894</u> |

The accompanying notes are an integral part of this schedule.

GRAMBLING STATE UNIVERSITY
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 1996

| PROGRAM NAME | CFDA NUMBER | AWARD PERIOD | EXPENDITURES |
|--|----------------|--|-------------------------|
| <u>UNITED STATES INFORMATION AGENCY:</u> | | | |
| University Affiliation with Malaysia | 82.002 | 09/01/91-08/31/96 | <u>15,867</u> |
| <u>TOTAL UNITED STATES INFORMATION AGENCY</u> | | | <u>15,867</u> |
| <u>UNITED STATES ARMY:</u> | | | |
| United States Army ROTC Cadet Command Parallel and Distributed Evaluation, Visualization, and AI Reasoning to Advanced Distributed Interactive Simulation Technology | N/A N/A | 09/18/95-08/31/96 09/29/95-09/28/96 | 7,351 <u>909,150</u> |
| <u>TOTAL UNITED STATES ARMY</u> | | | <u>916,501</u> |
| <u>UNITED STATES DEPARTMENT OF TRANSPORTATION:</u> | | | |
| Student Training and Education Program | NF | 10-01-93-09/30/95 | <u>(7,046)</u> |
| <u>TOTAL UNITED STATES DEPARTMENT OF TRANSPORTATION</u> | | | <u>(7,046)</u> |
| <u>TOTAL FEDERAL EXPENDITURES</u> | | | <u>15,201,322</u> |

The accompanying notes are an integral part of this schedule.

GRAMBLING STATE UNIVERSITY
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 1996

| PROGRAM NAME | CFDA NUMBER | AWARD PERIOD | EXPENDITURES |
|---|----------------|-------------------|------------------|
| OTHER EXPENDITURES: | | | |
| National Youth Sports Program - Math and Science - NCAA | N/A | 06/08/96-07/31/96 | 11,595 |
| National Youth Sports Program - Summer Program - NCAA | N/A | 07/01/95-07/31/96 | 63,309 |
| Academic Enhancement - NCAA | N/A | 07/01/95-06/30/96 | 35,095 |
| President's Scholarship Program | N/A | 07/01/95-06/30/96 | 107,944 |
| Academic Enhancement Program | N/A | 07/01/95-06/30/96 | 397,455 |
| Capitation Grant - Nursing Education | N/A | 09/29/95-06/30/96 | 200,414 |
| LEQSF - Graduate Recruitment | N/A | 08/01/95-06/30/96 | 25,667 |
| Special Education | N/A | 07/01/95-06/30/96 | 86 |
| The Bible as Literary Tradition - Louisiana Endowment for Humanities | N/A | 12/08/95-08/30/96 | 14,275 |
| LEQSF-Identifying Fine Objects - University of Southwestern Louisiana | N/A | 05/01/95-04/30/96 | 13,130 |
| Act 971- Facilities | N/A | 07/01/95-06/30/96 | 1,065,859 |
| LEQSF - Graduate Fellowships | N/A | 07/01/95-06/30/96 | (4,916) |
| Restricted Agency Accounts | N/A | 07/01/95-06/30/96 | 994,312 |
| Desegregation - Consent Decree | N/A | 07/01/95-06/30/96 | 413,222 |
| Other Private Grants, Scholarships, etc. | N/A | 07/01/95-06/30/96 | 67,128 |
| TOTAL NON-FEDERAL EXPENDITURES | | | <u>3,404,575</u> |

TOTAL EXPENDITURES

\$ 18,605,897

The accompanying notes are an integral part of this schedule.

GRAMBLING STATE UNIVERSITY
NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

NOTE 1 - General:

Grambling State University (GSU) located in Grambling, Louisiana is an institution of higher education founded in 1901.

The University is a multi-purpose state supported co-education institution with degree-granting academic units which include the following:

- College of Business;
- College of Education;
- School of Social Work;
- School of Nursing;
- Division of Graduate Studies;
- Division of Academic Support Services;
- College of Science Technology; and
- College of Liberal Arts.

As defined by Government Accounting Standards Board Statement Number 14, the University is a component unit of the State of Louisiana (the Financial Reporting Entity) within the executive branch of government and is governed by the Board of Trustees for State Colleges and Universities.

The University has an enrollment of approximately 7,057 students and is accredited by the Southern Association of Colleges and Schools and the National Council for Accreditation of Teachers Education.

The accompanying schedule of federal financial assistance presents the activity of all federal financial assistance programs administered by the Grambling State University. All federal financial assistance received directly from federal agencies are included on the schedule. Because the schedule presents only a selected portion of the activities of the University, it is not intended to and does not present either the financial position, changes in fund balances or the current funds revenues, expenditures, and other changes of the University.

Annually, the State of Louisiana issues a Schedule of Federal Financial Assistance which includes the activity contained in the accompanying schedule of federal financial assistance.

GRAMBLING STATE UNIVERSITY

NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED

NOTE 1 - General, Continued:

Grambling State University is the recipient of various Federal grants, subgrants and awards from the U.S. Department of Education, the Department of Health and Human Services, the State of Louisiana and other agencies to assist in achieving a higher level of learning for its student body. Total direct federal and indirect expenditures amounted to more than \$15,201,322 and \$223,912, respectively for the fiscal year July 1, 1995 through June 30, 1996. Included in this amount is funding for the Student Financial Aid Program which amounts to \$11,059,775. During the fiscal year July 1, 1995 through June 30, 1996, students that attended Grambling State University received \$34,691,659 in loans under the Federal Family Education Loan Program.

Student Financial Aid

Grambling State University was approved during January, 1959 by the then Office of Education for participation in the Student Financial Aid Programs. These programs include the National Direct Student Loan Program or Perkins Program (NDSL), Federal Work Study Program (FWS), Federal Supplemental Education Opportunity Grant Program (FSEOG), Federal PELL Grant (formerly Basic Educational Opportunity Grant Program) and the Federal Family Education Student Loan Program (FFEL). Listed below is a brief description of the Student Aid Programs administered by the University.

o Perkins Loan Program (formerly NDSL)

The University entered into an agreement to establish a NDSL program under the National Defense Education Act of 1958, which was transferred in 1972 to Title IV Part 674 of the Higher Education Act of 1965. Beginning with the 1987-88 award year, the NDSL Program was renamed the Perkins Loan Program in honor of the late Carl D. Perkins, former chairman of the House Education and Labor Committee. The records of the institution indicate that loans aggregating \$7,378,976 have been made to 8,447 students since the establishment of the program at the Institution.

GRAMBLING STATE UNIVERSITY

NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED

NOTE 1 - General, Continued:

o Nursing Student Loan Program (NSL)

The University entered into an agreement with the U.S. Department of Health and Human Services to establish a Nursing Student Loan program. The records of the institution indicate that loans aggregating \$367,941 have been made to students. On July 26, 1996, the University received a notice from the Department of Health and Human Services that the University's participation in the Nursing Student Loan program was terminated due to the high default rate.

o Federal Work-Study Program

The University established the FWS Program pursuant to Title IV, Part C of the Higher Education Act of 1965, as amended. During the year ended June 30, 1996, federal expenditures totaled \$887,312, of which \$42,116 was for administrative costs and \$845,196 for wages.

The University elected and received approval from the Department of Education to waive the institutional matching requirement for the Federal Work Study program's approved funding level for the fiscal year ended June 30, 1996. The University was entitled to this waiver because of its participation in the Strengthening Historically Black Colleges Title III Program.

o FSEOG Program

The FSEOG Program was established at the University in 1965 under Title IV, Part A of the Higher Education Act of 1965, as amended. During the year ended June 30, 1996, awards made from Federal funds aggregated \$641,961 and the University recorded indirect costs of \$32,098.

The University received approval from the Department of Education to waive the institutional matching requirement for the FSEOG program.

GRAMBLING STATE UNIVERSITY

NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED

NOTE 1 - General, Continued:

o Federal PELL Grant Program

The Institution entered into an agreement with the Office of Education to participate in the Federal PELL Grant Program. This program provides eligible students with a foundation of financial aid to help defray the costs of post secondary education. During the year \$9,498,404 was expended for Federal PELL Grant awards to full-time and part-time students. The University received an administrative cost reimbursement of \$27,735.

o Federal Family Education Loan Program

The Federal Family Education Loan program enables eligible undergraduate students to borrow directly from a bank or other lending institution. During the current year approximately \$34,691,659 was disbursed to students under the Federal Family Education Loan program. The Federal Family Education Loan Program's Cohort default rate exceeds twenty (20) percent. As such, the University has developed and implemented a Default Management Plan to reduce the default rate among students. In addition, the University will implement the following strategies:

- Coordinate with the Academic area to introduce a mandatory lyceum course to be taken by all student loan borrowers at the end of each semester.
- Personal computers have been ordered for all Default Prevention Specialists to facilitate more aggressive "Skip Tracing" activities and written communication.
- Additional Debt Management videotapes have been ordered to distribute to the library, dormitories, campus television station, and departmental libraries. These areas will be requested to play these videotapes on a regular basis.

GRAMBLING STATE UNIVERSITY

NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED

NOTE 1 - General, Continued:

o Federal Family Education Loan Program, Continued

- Consolidation software diskettes have been secured for current and former student loan borrowers to learn the advantages of loan consolidation in averting loan default.
- Coordinate with the students' advisers to discourage students from withdrawing from school without earning attempted credit hours.

The Student Financial Aid programs are administered by the University's Financial Aid Department. All accounting for the Student Financial Aid programs is performed by the University's Accounting Department. Both accounting and financial aid are under the control of the Vice President for Finance.

NOTE 2 - Basis of Presentation and Accounting:

The accompanying Schedule of Federal Financial Assistance has been prepared in the format as set forth in the audit and accounting guide, Audits of State and Local Governmental Units, issued by the American Institute of Certified Public Accountants and OMB Circular A-128. The purpose of the Schedule of Federal Financial Assistance is to present a summary of those activities of Grambling State University for the year ended June 30, 1996 which have been financed principally by the U. S. Government (federal awards), state grants and private grants. For purposes of the schedule, federal awards include all Federal assistance and procurement relationships entered into directly between the University and the federal government and sub-awards from non-federal organizations made under federally sponsored agreements. Because the Schedule presents only a selected portion of the activities of the University, it is not intended to and does not present either the financial position, changes in fund balances or the current fund's revenues, expenditures, and other changes of the University.

GRAMBLING STATE UNIVERSITY
NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED

NOTE 2 - Basis of Presentation and Accounting, Continued:

The Schedule of Federal Financial Assistance is presented on the modified accrual basis. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 - Program Organization and Financing-(Perkins and Nursing Student Loan Programs) :

The Perkins Loan Program Fund is operated by the Institution under an agreement with the United States Department of Education. The accounts of the Program are included among the Loan Funds of the University.

The University made loans to students of \$217,216 for the year ended June 30, 1996 using reprogrammed funds. The Program is financed by contributions from the Department of Education which are matched, at a ratio of one-to-three, by contributions from the University. However, the University will not receive federal capital contributions since the University's default rate exceeds 20%. Strategies specified in the Default Management Plan will be implemented for the Federal Perkins Loan program in order to lower the default rate. In addition, the University will implement the following strategies:

- Process the monthly Activity Reports in an aggressive manner from the billing agency, EduServ, in identifying borrowers who are more than 30 days delinquent. Borrowers whose accounts are seriously delinquent will be submitted to the State Attorney General's (AG) Office for collection.
- Implement a signed contract with another collection agency to collect on accounts that have been returned from the AG's Office.

GRAMBLING STATE UNIVERSITY
NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED

NOTE 3 - Program Organization and Financing-(Perkins and Nursing Student Loan Programs), Continued :

The contributions made to the Program and loans due to the program are as follows:

Analysis of Contributions

| <u>Funding Source</u> | <u>Period from Inception to June 30, 1996</u> | <u>For the Year Ended June 30, 1996</u> |
|-----------------------|---|---|
| Federal | \$3,737,084 | \$-0- |
| University | <u>415,232</u> | <u>-0-</u> |
| Total | <u>\$4,152,316</u> | <u>\$-0-</u> |

Analysis of Loans Receivable

| | <u>Period from Inception to June 30, 1996</u> | <u>For the Year Ended June 30, 1996</u> |
|--|---|---|
| Balance, beginning of period/year | \$ -0- | \$1,882,987 |
| Funds advanced | <u>7,378,976</u> | <u>217,216</u> |
| Total | <u>7,378,976</u> | <u>2,100,203</u> |
| Less: | | |
| Collections | 2,964,200 | 143,482 |
| Cancellations: | | |
| Teaching service | 682,748 | 3,779 |
| Death | 35,826 | -0- |
| Bankruptcy | 70,196 | 236 |
| Military | 225 | -0- |
| Defaulted loan principal assigned to Federal Government | 1,319,672 | -0- |
| Rejected payments | 7,115 | 629 |
| Other principal adjustments | <u>346,829</u> | <u>(88)</u> |
| Total credits | <u>5,426,811</u> | <u>148,038</u> |
| Balance, June 30, 1996 | <u>\$1,952,165</u> | <u>\$1,952,165</u> |

GRAMBLING STATE UNIVERSITY

NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED

NOTE 3 - Program Organization and Financing-(Perkins and Nursing Student Loan Programs), Continued :

The Nursing Student Loan Program is operated by the Institution under an agreement with the Department of Health and Human Services. The accounts of the program are included among the Loan Funds of the University.

The University made loans to students of \$27,781 for the year ended June 30, 1996 using contributions made by the federal government and the University.

The program is financed by contributions from the U.S. Department of Health and Human Services, which are matched, at a ratio of one-to-nine by contributions from the University. The contributions made to the program and loans receivables are as follows:

Analysis of Contributions

| | Period from Inception to <u>June 30, 1996</u> | For the Year Ended June 30, <u>1996</u> |
|-----------------------|---|---|
| <u>Funding Source</u> | | |
| Federal | \$318,176 | \$17,372 |
| University | <u>35,353</u> | <u>1,930</u> |
| Total | <u>\$353,529</u> | <u>\$19,302</u> |

Analysis of Loans Receivable

| | Period from Inception to <u>June 30, 1996</u> | For the Year Ended June 30, <u>1996</u> |
|--------------------------------------|---|---|
| Balance, beginning of period/year | \$ -0- | \$329,311 |
| Funds advanced | <u>367,941</u> | <u>27,781</u> |
| Total | <u>367,941</u> | <u>357,092</u> |
| Less: collections | <u>(22,064)</u> | <u>(11,215)</u> |
| Balance, June 30, 1996 | <u>\$345,877</u> | <u>\$345,877</u> |

GRAMBLING STATE UNIVERSITY

NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED

NOTE 4 - Department of Education Loan:

The Board of Trustees for State Colleges and Universities has signed a loan agreement, on behalf of the University, with the U.S. Secretary of Education in the amount of \$3,500,000. These funds are to be used for financing the construction of four new dormitories pursuant to Title IV of the Housing Act of 1950. The loan shall bear interest at the rate of 3% per annum on the unpaid balance. The principal and interest shall be payable in semi-annual installments of \$88,877 over a term of 30 years. The payments are to commence at the point any of the new dormitories become revenue-producing. As of June 30, 1996, the outstanding loan balance is \$3,312,576. Payments totaling \$76,648 were made during the year. This balance is disclosed in the Schedule of Disclosures for Federally Assisted Loans.

NOTE 5 - Supplementary Financial Information:

The Schedule of Indirect Federal Assistance summarizes expenditures financed by the State of Louisiana with funds received from the federal government.

The Schedule of Disclosures for federally assisted loans summarizes the amount of loans made or disbursed during the year for the Federal Family Education Student loan, College Housing Facilities loans, the Perkins Loan, the NSL Programs and the Department of Education. Additionally, the Schedule summarizes the amount of principal and interest cancelled (military and teacher) for the National Defense/Perkins Loan Program.

The Schedule of Fixed Price Contracts summarizes the total amount of revenues received under fixed-price contracts.

The Schedule of Changes in Fund Balance summarizes the activity relative to the National Direct Student Loan Program for the year ended June 30, 1996.

The Schedule of Changes in Fund Balance summarizes the activity relative to the Nursing Student Loan Program for the year ended June 30, 1996.

GRAMBLING STATE UNIVERSITY

NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED

NOTE 5 - Supplementary Financial Information, Continued:

The Schedule of Expenditures and Disbursements sets forth a summary of the program expenditures and disbursements for each Student Financial Aid program as required by the Student Financial Assistance Audit Guide.

NOTE 6 - Contingencies:

Participation in Grant Programs

The University administers and participates in certain federal and state programs as disclosed in the Schedule of Federal Financial Assistance. In connection with the administration and operations of these grants, the University is to expend grant funds and allocations in accordance with program guidelines and regulations. However, should the University have operated/administered the programs and/or grants in a manner which would be in non-compliance with the guidelines and regulations, the University may be required by the funding sources to repay some portion or all of the grant award.

Our audit disclosed certain items or transactions as findings. The accompanying Schedule of Federal Financial Assistance has not been adjusted for questioned costs that could result from those items. The ultimate resolution or determination as to whether the costs will be allowable or unallowable under the affected grants will be made by the various funding sources.

NOTE 7 - Major Federal Financial Assistance Programs:

Grambling State University major federal financial assistance programs for the year ended June 30, 1996 were determined on a state level based upon program activity. Such programs are the Federal Family Education Loans, the Federal Perkins Loans Program, and the Federal Pell Grant Program.

SCHEDULE 1

GRAMBLING STATE UNIVERSITY
 SCHEDULE OF INDIRECT FEDERAL FINANCIAL ASSISTANCE - STATE OF LOUISIANA
 FOR THE YEAR ENDED JUNE 30, 1996

| PROGRAM NAME | CFDA NUMBER | AWARD PERIOD | EXPENDITURES |
|---|-------------|-------------------|-------------------|
| GSU - LAMP/NSF - Amp Cooperative Agreement | N/A | 09/01/95-12/31/96 | \$ 6,019 |
| Campus AIDS Prevention Program | N/A | 07/01/91-06/30/96 | 18,905 |
| Department of Public Safety & Corrections Resource Training Center | N/A | 10/31/95-09/30/96 | 3,271 |
| Overtime Enforcement Patrol Augmentation | N/A | 03/21/96-03/22/96 | 429 |
| Louisiana Highway Safety Commission at GSU | N/A | 08/01/95-06/30/96 | 32,969 |
| Miniaturization Technology/LEQSF - National Science Foundation Epscor Program | N/A | 09/30/95-12/31/96 | 23,948 |
| High Energy ION Beams | N/A | 06/01/93-08/31/93 | 29,699 |
| Upward Bound USDA | N/A | 06/07/93-07/09/93 | 5,648 |
| NYSP USDA | N/A | 01/12/93-01/11/94 | 13,813 |
| Anti-Terrorism Training | N/A | 09/29/95-06/30/96 | 77,628 |
| Partnership for Minority Access to Baccalaureate Degree | N/A | 08/15/94-07/31/96 | 11,583 |
| Integrating Research Results into Undergraduate Computer Science Curriculum - Louisiana Tech/ National Science Foundation | N/A | | |
| TOTAL STATE OF LOUISIANA | | | \$ 223,912 |

The accompany notes are an integral part of this schedule.

SCHEDULE II

GRAMBLING STATE UNIVERSITY
SCHEDULE OF DISCLOSURES FOR FEDERALLY ASSISTED LOANS
FOR THE YEAR ENDED JUNE 30, 1996

| | <u>CFDA NO.</u> | <u>Loans Made or Disbursed During Year</u> | <u>Outstanding Loan Balance</u> | <u>Principal and Interest Cancelled</u> |
|---|-----------------|--|---|---|
| Federal Family Education Loan Program | 84.032 | <u>\$34,691,659</u> | N/A | N/A |
| Perkins Loan Program | 84.038 | <u>\$217,216</u> | <u>\$1,952,165</u> | N/A |
| Nursing Student Loan Program | 93.364 | <u>\$ 27,781</u> | <u>\$ 345,877</u> | N/A |
| College Housing and other Facilities Loans | 84.142 | N/A | <u>\$3,275,000</u> | N/A |
| National Defense/ Perkins Loans Military and Teacher Cancellations for Loans Made: Prior to July 1, 1972 | 84.037 | N/a | N/A | \$-0- |
| After July 1, 1972 | 84.037 | N/A | N/a | <u>\$3,779</u> |
| Department of Education - Housing Act of 1950 | NF | N/A | <u>\$3,312,576</u> | N/A |

The accompanying notes are an integral part of this Schedule.

SCHEDULE III

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR FIXED PRICE CONTRACTS
FOR THE YEAR ENDED JUNE 30, 1996

| <u>Program Name</u> | <u>CFDA No.</u> | <u>Grantor</u> | <u>Period</u> | <u>Revenues</u> |
|---------------------|-----------------|----------------|---------------|-----------------|
| (1) | (1) | (1) | (1) | (1) |

(1) Grambling State University did not receive any revenues under the terms of fixed-price contracts during the year ended June 30, 1996.

The accompanying notes are an integral part of this Schedule.

SCHEDULE IV

GRAMBLING STATE UNIVERSITY
PERKINS LOAN PROGRAM
SCHEDULE OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1996

| | |
|--|--------------------|
| Additions: | |
| Accrued interest and interest collected on loans | \$ 52,977 |
| Interest on defaulted loans and loans cancelled | 681 |
| Interest earned on investments | -0- |
| Interest adjustment | -0- |
| Reimbursement of amounts cancelled | -0- |
| Adjustment to provision for doubtful accounts | -0- |
| Other income | <u>6,979</u> |
| Total additions | <u>60,637</u> |
| | |
| Deductions: | |
| Loans principal and interest cancelled: | |
| Death | -0- |
| Teacher service | 4,431 |
| Bankruptcy | 4,695 |
| Administrative | 10,408 |
| Other collection costs | -0- |
| Other costs and loans | <u>1,036</u> |
| Total deductions | <u>20,570</u> |
| Net increase for year | 40,067 |
| Fund balance, beginning of year | <u>1,035,257</u> |
| Fund balance, end of year | <u>\$1,075,324</u> |

The accompanying notes are an integral part of this Schedule.

SCHEDULE V

GRAMBLING STATE UNIVERSITY
NURSING STUDENT LOAN PROGRAM
SCHEDULE OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1996

| | |
|------------------------------------|------------------|
| Additions: | |
| Interest collected on loans | \$ 4,795 |
| Other income | 253 |
| Federal capital contribution | 17,372 |
| Institutional capital contribution | <u>1,930</u> |
| Total additions | <u>24,350</u> |
| Deductions: | |
| Other costs and losses | <u>73</u> |
| Total adjustments | <u>73</u> |
| Net increase for year | 24,277 |
| Fund balance, beginning of year | <u>339,965</u> |
| Fund balance, end of year | <u>\$364,242</u> |

The accompanying notes are an integral part of this Schedule.

SCHEDULE VI

GRAMBLING STATE UNIVERSITY
SCHEDULE OF EXPENDITURES AND DISBURSEMENTS-
STUDENT FINANCIAL ASSISTANCE PROGRAMS
FOR THE YEAR ENDED JUNE 30, 1996

Expenditures:

| | |
|---|---------------------|
| Federal Work-Study Program | \$ 887,312(1) |
| Federal Supplemental Education Opportunity Grant Program | 674,059(2) |
| Federal PELL Grant Program | <u>9,498,404(3)</u> |
| Sub-total | <u>11,059,775</u> |

Disbursements:

| | |
|---|---------------------|
| National Direct Student Loan Program | 217,216 |
| Federal Family Education Loan Program | 34,691,659 |
| Nursing Student Loan Program | <u>27,781</u> |
| Sub-total | <u>34,936,656</u> |
| Total Federal Student Financial Aid | <u>\$45,996,431</u> |

- 1) The FISAP Report for the year ended June 30, 1996 disclosed that Federal Work-Study program expenditures totaled \$836,857. The difference of \$50,455 represents adjustments to reflect 1995-1996 expenditures for work-study.
- 2) The FISAP report for the year ended June 30, 1996 disclosed that Federal Supplemental Education Opportunity Grant program expenditures totaled \$612,907. The difference of \$61,122 represents adjustments to reflect 1995-1996 expenditures for SMOG.
- 3) The FISAP report for the year ended June 30, 1996 disclosed that Federal Pell Grant program expenditures totaled \$9,470,346. The difference of \$28,058 represents financial aid adjustments for eligible Pell recipients.

The accompanying notes are an integral part of this Schedule.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF THE SCHEDULE OF
FEDERAL FINANCIAL ASSISTANCE PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Dr. Raymond Hicks, President
Grambling State University
Grambling, Louisiana 71245

We have audited the Schedule of Federal Financial Assistance of Grambling State University (the University), as of and for the year ended June 30, 1996, and have issued our report thereon dated October 31, 1996. The component unit financial statements were audited by other independent auditors whose report has not been issued as of our report date.

We conducted our audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Federal Financial Assistance is free of material misstatement.

The management of the University is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the Schedule of Federal Financial Assistance in accordance with

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF THE SCHEDULE OF
FEDERAL FINANCIAL ASSISTANCE PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the Schedule of Federal Financial Assistance of the University for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, except for the functions performed at the University's contracted outside service center in connection with processing transactions for the NDSL/Perkins Program, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the Schedule of Federal Financial Assistance and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

For the internal control structure categories at the contracted outside service center, another auditor obtained an understanding of the design of relevant policies and procedures, determined whether they have been placed in operation, and assessed control risk. The other auditors' report has been furnished to us as of our report issuance date. However, the scope of our work did not extend to these internal control structure policies and procedures established and maintained at the outside service center.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the Schedule of Federal Financial Assistance. See the Schedule of Reportable Conditions.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF THE SCHEDULE OF
FEDERAL FINANCIAL ASSISTANCE PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relative low level the risk that errors or irregularities in amounts that would be material in relation to the schedule of federal financial assistance being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Also, we noted that other auditors for the outside service center indicated that they noted no matters involving the internal control structure and its operations that they consider to be material weaknesses.

During our exit conference with management of the University, we discussed certain policy and procedural matters relating to federal financial assistance programs that we do not consider to be material weaknesses.

This report is intended solely for the use of the President, management, and the Department of Education and other federal sponsoring agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the University is a matter of public record.

Bruno & Tervalon

BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

October 31, 1996

**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Dr. Raymond Hicks, President
Grambling State University
Grambling, Louisiana 71245

We have audited the Schedule of Federal Financial Assistance of Grambling State University, for the year ended June 30, 1996, and have issued our report thereon dated October 31, 1996. We have also audited Grambling State University's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated October 31, 1996. The component unit financial statements were audited by other independent auditors whose report has not been issued as of our report date.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-128 Audits of State and Local Governments. Those standards and the provisions of OMB Circular A-128, require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Federal Financial Assistance is free of material misstatement and about whether Grambling State University (the University) complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1996, we considered the University's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the University's Schedule of Federal Financial Assistance and on its compliance with requirements applicable to major federal financial assistance programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the schedule of federal financial assistance in a separate report dated October 31, 1996.

**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS
CONTINUED**

The management of Grambling State University is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization, and recorded properly to permit the preparation of the Schedule of Federal Financial Assistance in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations.

Because of inherent limitations in any internal control structure errors, irregularities or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs into the following categories:

Internal Control Structure Categories

- | | |
|------------------------------|-------------------------------|
| o Cash Receipts | o Davis-Bacon Act |
| o Cash Disbursements | o Civil Rights |
| o Payroll | o Cash Management |
| o Revenue | o Federal Financial Reporting |
| o Cost Allocation | o Types of Services |
| o Political Activity | o Eligibility |
| o Drug-Free Workplace | o Matching Level of Effort |
| o Special Requirements | o Refund Calculations and |
| o Eligibility/Participation | Overpayment Procedures |
| o Fixed and Movable Property | o Administrative Requirements |

**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS
CONTINUED**

For all of the internal control structure categories listed above, except for the functions performed at the University's contracted outside service center in connection with processing transactions for the NDSL/Perkins program, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

The internal control structure policies and procedures relating to the following categories are performed at the outside service center:

Outside Service Center's Internal Control Structure Categories

- o Student Loan Masterfile: Controls over changes to the data masterfile including the conversion of student loan detail from new clients, additional loans to current loan recipients (advancements), deferments and changes to basic source data (name, address, etc.)
- o Billing and cash receipts: Controls over the proper billing of student loans upon separation and the application of cash receipts to the proper account(s).
- o Maintenance: Controls to ensure due care and diligence in the managing of accounts.
- o Monitoring: Controls for the proper notification of clients of all masterfile transactions and the status of all past due accounts.

For the noted control structure categories, another auditor obtained an understanding of the design of relevant policies and procedures, determined whether they have been placed in operation, and assessed control risk. The other auditor's report has been furnished to us as of our report issuance date. However, the scope of our work did not extend to those internal control structure policies and procedures established and maintained at the outside service center.

**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS
CONTINUED**

During the year ended June 30, 1996, the University, expended 72% percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the University's major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the University's ability to administer federal financial assistance programs in accordance with applicable laws and regulations. See the Schedule of Reportable Conditions.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

During our exit conference with management of the University, we discussed certain policy and procedural matters relating to federal financial assistance programs that we do not consider to be material weaknesses.

Bruno

CERTIFIED PUBLIC ACCOUNTANTS

& Tervalon

INDEPENDENT AUDITORS' REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS
CONTINUED

We noted that other auditors for the outside service center indicated that they noted no matters involving the internal control structure and its operations that they consider to be material weaknesses.

This report is intended solely for the use of the President, management and the Department of Education and other Federal sponsoring agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by Grambling State University is a matter of public record.

Bruno & Tervallon

BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

October 31, 1996

GRAMBLING STATE UNIVERSITY
SCHEDULE OF REPORTABLE CONDITIONS

**1. INTERNAL CONTROL STRUCTURE - NURSING STUDENT
LOAN PROGRAM (NSL)**

We noted during our audit that the present internal control structure for the Nursing Student Loan Program should be strengthened as follows:

- o The responsibility for receiving and depositing checks from students should be performed by a person independent of the billing and posting of NSL activities; and
- o The monthly financial reports that reflect the student's aged account balance payment history and status (current, default) should be periodically reviewed by the Department's Supervisor.

We recommend that the University take immediate steps to develop policies and procedures for the noted matters.

& Tervalon

MICHAEL D. BRUNO, CPA
ALCIDE J. TERVALON, JR., CPA
WALDO J. MORET, JR., CPA

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Dr. Raymond Hicks, President
Grambling State University
Grambling, Louisiana 71245

We have audited the Schedule of Federal Financial Assistance of Grambling State University, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 31, 1996. The component unit financial statements were audited by other independent auditors whose report has not been issued as of our report date.

We have applied procedures to test Grambling State University's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996:

General Requirements

- | | |
|---------------------------------------|----------------------------------|
| o Allowable Costs/ Cost Principles | o Davis-Bacon Act |
| o Political Activity | o Cash Management |
| o Civil Rights | o Federal Financial Reports |
| o Drug-Free Workplace | o Administrative Requirements |

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Grambling State University's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS
(CONTINUED)**

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Grambling State University had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed an immaterial instance of non-compliance with those requirements which is described in the accompanying Schedule of Findings - General Requirements.

This report is intended for the information of the President, management, and the Department of Education and other Federal sponsoring agencies. This restriction is not intended to limit the distribution of this report, which, upon acceptance by Grambling State University is a matter of public record.

Bruno & Tervallon

**BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS**

October 31, 1996

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS - GENERAL REQUIREMENTS

**1. TIMELY SUBMISSION OF NURSING STUDENT LOAN
FINANCIAL STATUS REPORT**

We noted during our audit that the University had not completed and issued the June 30, 1996 Annual Operating Report for the Nursing Student Loan Program by the required due date.

We recommend that the University take immediate steps to prepare and issue the report. We also recommend that the University adhere to established procedures in the preparation and issuance of federal financial reports.

GRAMBLING STATE UNIVERSITY
REGULATORY COMPLIANCE TEST RESULTS
OUTSIDE SERVICE CENTER

The audit report for the outside service center contained several immaterial instances of non-compliance with regard to deficiencies in certain controls noted at the outside service center, which are not specifically applicable to the University. The control objectives tested which resulted in the instances of non-compliance are:

Control Objectives

- o EduServ completely and accurately performs customer requested accounting functions.
- o Deferrals, postponements and cancellations received by EduServ are accurately processed and applicable to the borrowers' accounts.
- o Appropriate disaster recovery procedures exist.
- o Controls exist to detect and prevent unauthorized users from gaining access to the organization's resources, including data files, data elements, program libraries, transactions, menus, job control procedures, terminals, computer centers, and other critical operational areas.
- o Due diligence activity is performed in compliance with the applicable regulations regarding past due notices, due diligence collection calls, and acceleration services. Accounts are reported to credit bureau organizations in accordance with requirements.
- o Borrower is billed in accordance with regulations.
- o Loan information is properly added to the customer records.
- o Controls exist to ensure that the conversions of new customer loan portfolio data onto System JII are performed completely and accurately.
- o Controls exist to ensure that authorized programmed procedures are consistently applied, correct data files are used, reliable communication procedures exist with EduServ's customers, and processing can be properly resumed in the event of failures.
- o Controls exist to ensure modifications are properly requested, designated, tested, approved, and documented prior to implementation.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF THE
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Dr. Raymond Hicks, President
Grambling State University
Grambling, Louisiana 71245

We have audited the Schedule of Federal Financial Assistance of Grambling State University (the University) as of and for the year ended June 30, 1996, and have issued our report thereon dated October 31, 1996. The component unit financial statements were audited by other independent auditors whose report has not been issued as of our report date.

We conducted our audit in accordance with generally accepted auditing standards, and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Federal Financial Assistance is free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the University is the responsibility of the University's management. As part of obtaining reasonable assurance about whether the Schedule of Federal Financial Assistance is free of material misstatement, we performed tests of the University's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the Schedule of Federal Financial Assistance was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF THE
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

(CONTINUED)

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, the results of our procedures disclosed immaterial instances of noncompliance, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the President, management, the Department of Education and other federal sponsoring agencies. This restriction is not intended to limit the distribution of this report.

Bruno & Tervalon

**BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS**

October 31, 1996

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH THE SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Dr. Raymond Hicks, President
Grambling State University
Grambling, Louisiana 71245

We have audited the Schedule of Federal Financial Assistance of Grambling State University, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 31, 1996. The component unit financial statements were audited by other independent auditors whose report has not been issued as of our report date.

We have also audited Grambling State University's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort; or earmarking; reporting; special tests and provisions; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The management of Grambling State University is responsible for the University's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of OMB Circular A-128, and the Student Financial Assistance Audit Guide. Those standards, the provisions of OMB Circular A-128 and the Student Financial Assistance Audit Guide require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH THE SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS
(CONTINUED)**

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings and Questioned Costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Grambling State University complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort; or earmarking; reporting; special tests and provisions; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

We did not audit the University's compliance with the regulations governing the administration of the NDSL/Perkins and Student Loan programs as set forth in the Code of Federal Regulations CFR 34, Part 674 and CFR 42, Part 57. Those administrative requirements govern functions performed by the outside service center. Since we did not apply auditing procedures to satisfy ourselves regarding compliance with those requirements, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on compliance with those requirements.

The outside service center's compliance with the requirements governing the functions it performs for the University is audited by another auditor, whose report was furnished to us as of our report issuance date. Based on our review of the other auditor's report, we have determined that all of the compliance requirements included in the Student Financial Assistance Audit Guide that are applicable to the programs in which the University participates are addressed in either our report or the report of the other auditor. The audit report on the outside service center includes immaterial instances of non-compliance pertaining to services carried out for the University. The scope of our work was not sufficient to express, and we do not express, an opinion on the completeness of the findings. Information on the effect of the reported finding on the University's SFA programs is included in the accompanying schedule of noncompliance - outside service center.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH THE SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**
(CONTINUED)

This report is intended for the information of the President, management, and the Department of Education and other sponsoring agencies. This restriction is not intended to limit the distribution of this report which upon acceptance by Grambling State University is a matter of public record.

Bruno & Tervalon

**BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS**

October 31, 1996

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

1. COLLEGE WORK-STUDY CONFLICTS

QUESTIONED COSTS

\$27

Condition

We noted during our audit that two (2) students out of fourteen (14) students tested appeared to have worked instead of attending classes. Additionally, we noted that one (1) student out of fourteen (14) students tested appeared to have worked in excess of twenty (20) hours per week.

Cause

The University did not properly document the reasons for class schedule conflicts and did not properly monitor a student's work schedule.

Effect

Students appeared to have participated in the College Work-Study program instead of attending classes and worked in excess of the weekly allowance. As such, we have questioned costs in the amount of \$27.

Criteria

OMB Circular A-110, Subpart C, Section 21(b)(1) stipulates that recipients' financial management systems shall provide for accurate, current and complete disclosure of the financial results of each federally-sponsored project or program.

Recommendation

We recommend that management adhere to established procedures and document the reasons for any class schedule conflicts and ensure that students do not work in excess of prescribed hours.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED

2. FEDERAL FAMILY EDUCATION LOAN
APPLICATIONS

QUESTIONED COSTS

\$-0-

Condition

We noted during our audit that the expected family contribution reported on the Federal Family Education loan application was incorrect for one (1) student out of sixty-seven (67) sampled.

Cause

The University inadvertently utilized an incorrect amount from the Student Aid Report in determining the expected family contribution.

Effect

The University reported the incorrect expected family contribution on the student's loan application. However, the incorrect reporting of the expected family contribution did not result in an over-award.

Criteria

34 CFR 682.603 requires an institution to provide complete and accurate information in connection with a loan application.

Recommendation

We recommend that the University adhere to established procedures in the processing of Federal Family Education loan applications.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED

**3. NOTIFICATION TO LENDERS BETWEEN
SUBMISSION OF STUDENT CONFIRMATION
REPORTS**

QUESTIONED COSTS

\$-0-

Condition

During our audit we noted that the University failed to notify lenders of changes in students' enrollment status which occurred between the dates of submission of the Student Confirmation Report (SCR) for five (5) students out of twenty-six (26) students tested.

Cause

The University did not adhere to established policies in notifying lenders of changes in a student's enrollment status which occurred between submission of SCRs.

Effect

The lender is not being informed on a timely basis of the enrollment status of certain students.

Criteria

Per 34 CFR Subpart F Section 682.610(c)(2), the institution should promptly notify the lender when the institution discovers that a student who has received a Federal Family Education Loan has ceased to be enrolled on at least a half-time basis and it does not expect to submit, within the next sixty (60) days, its student confirmation report to the guarantee agency.

Recommendation

We recommend that the University adhere to established procedures for ensuring that proper notification is provided to lenders between submission of SCRs.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED

4. **FEDERAL FAMILY EDUCATION LOAN (FFEL) AND
PERKINS LOAN PROGRAMS EXIT CONFERENCE QUESTIONED COSTS**

\$-0-

Condition

During our audit we noted that there was no documentation on file indicating that FFEL and Perkins exit interviews were held for eleven (11) students out of thirty-one (31) students tested prior to the time the students withdrew, graduated or ceased to re-enroll.

Cause

It appears that the University has not adhere to established procedures for ensuring that exit counseling material is provided to or mailed to students who have graduated, withdrew or ceased to re-enroll and have previously received a Federal Family Education loan or Perkins loan.

Effect

Students may not understand the terms of the loan, their obligation to repay, rights and responsibilities and the amount of the outstanding loan balance.

Criteria

34 CFR 682.604(g) and 34 CFR Subpart C, 674.42(a), states that an institution must conduct an exit interview with each borrower shortly before the borrower cease at least half-time study at the institution. If the borrower withdraws from school without the school's prior knowledge, or fails to attend an exit counseling session as scheduled, the school shall mail written counseling material to the borrower at the borrower's last known address within 30 days after learning that the borrower has withdrawn from school or failed to attend the scheduled session.

Recommendation

We recommend that the University adhere to established policies and procedures for providing exit conference material to borrowers who graduate, withdraw or cease to re-enroll.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED

5. **FEDERAL FAMILY EDUCATION (FFEL)
CONFIRMATION REPORTS** **QUESTIONED COSTS**

\$-0-

Condition

During our audit of the Federal Family Education Student Loan Confirmation Reports, (SCRs), we noted that a SCR was not returned to one (1) guarantee agency in a timely manner.

Cause

The University has not adhered to established policies and procedures to ensure that SCRs are being returned to the guarantee agency on a timely basis.

Effect

The lender is not being informed on a timely and accurate basis of the enrollment status of certain students.

Criteria

The Title IV FFEL regulations 34 CFR Subpart F Section 682.610(c)(1) state that upon receipt of a student confirmation report from any guarantee agency, a school shall complete, and return within 30 days of receipt, that report to the guarantee agency.

Recommendation

We recommend that the University adhere to established policies and procedures and ensure that SCRs are returned to the guarantee agency on a timely basis.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED

6. MONITORING STUDENTS' ENROLLMENT
STATUS - PERKINS LOANS

QUESTIONED COSTS

\$-0-

Condition

We noted during our audit that the University did not properly monitor the enrollment status of six (6) students out of twenty-six (26) students tested who had previously received Perkins Loans. The students noted had either graduated or had withdrawn from school but were still being reported as being in-school.

Cause

The University has not properly monitored the enrollment status of certain students who had received a Perkins Loan.

Effect

Certain students were required to either be in a grace period, repayment status or have a deferment.

Criteria

34 CFR 674.41(b)(1)(2)(3) stipulates that an institution shall ensure that available information about the enrollment status, graduation date, and the date the borrower withdraws or is expelled is provided on a timely basis to the office responsible for billing and collecting.

Recommendation

We recommend that the University take immediate steps to determine the students' correct status and as a result ensure appropriate Perkins documentation is processed for the students.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED

7. **DRUG-FREE SCHOOLS AND COMMUNITIES
ACT AMENDMENTS OF 1989 (THE ACT)** **QUESTIONED COSTS**

\$-0-

Condition

We noted during our audit for the year ended June 30, 1996 that the University's drug-free program did not include an annual distribution of information concerning alcohol and drug abuse to all students and employees.

Cause

The University inadvertently failed to comply with the Act.

Effect

The University is not in compliance with the annual distribution requirement of the Act.

Criteria

The Act stipulates that written information concerning alcohol and drug abuse must be distributed annually to each employee and student.

Recommendations

We recommend that the University take immediate steps to develop appropriate procedures to ensure compliance with the Act.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED

8. NURSING STUDENT LOAN PROGRAM

QUESTIONED COSTS

\$-0-

Condition

We noted during our audit that the Department of Health and Human Services (the DHHS) had terminated the University's participation in the Nursing student loan (NSL) program due to the high default rate.

Cause

The University's procedures for ensuring that repayments on loans were properly made by students was inadequate.

Effect

The University will be unable to provide Nursing Student Loans to eligible students until the NSL program is returned to an active status.

Criteria

The Department of Health and Human Services will terminate a institution's participation in the NSL program because of a high default rate.

Recommendation

We recommend that the University contact appropriate representatives from the DHHS to obtain technical assistance in an attempt to return the NSL program to an active status.

& Tervalon

MICHAEL B. BRUNO, CPA
ALCIDÉ J. TERVALON, JR., CPA
WALDO J. MORET, JR., CPA

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS**

Dr. Raymond Hicks, President
Grambling State University
Grambling, Louisiana 71245

We have audited the Schedule of Federal Financial Assistance of Grambling State University, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 31, 1996. The component unit financial statements were audited by other independent auditors whose report has not been issued as of our report date.

In connection with our audit of the Schedule of Federal Financial Assistance for the year ended June 30, 1996 and with our consideration of Grambling State University's internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the University's compliance with these requirements. Accordingly, we do not express such an opinion.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS
(CONTINUED)**

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Grambling State University had not complied, in all material respects, with those requirements.

This report is intended for the information of the President, management and the Department of Education and other Federal sponsoring agencies. This restriction is not intended to limit the distribution of this report, which, upon acceptance by Grambling State University is a matter of public record.

Bruno & Tervalon

**BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS**

October 31, 1996

GRAMBLING STATE UNIVERSITY
STATUS OF PRIOR AUDIT FINDINGS

The June 30, 1995 audit report contained the following findings and comments. Appropriate action has been taken by the University to resolve all prior audit findings and comments noted except those in the following listing which have been noted as unresolved:

RESOLVED UNRESOLVED

1. ADMINISTRATIVE CAPABILITY

We noted during our audit that the University did not have a permanent Financial Aid Director during the period October, 1994 through June 30, 1995. However, we did note that an acting Financial Aid Director was appointed during the period.

X

CURRENT STATUS

The University hired a permanent financial aid director subsequent to June 30, 1995. As such, this condition is considered to be resolved.

2. SATISFACTORY ACADEMIC PROGRESS POLICY (SAP)

We noted during our audit the University continued to utilized a satisfactory academic progress policy during the Fall, 1992 semester that was not in compliance with Title IV regulations.

X

GRAMBLING STATE UNIVERSITY
STATUS OF PRIOR AUDIT FINDINGS, CONTINUED

RESOLVED UNRESOLVED

2. **SATISFACTORY ACADEMIC PROGRESS
POLICY (SAP), CONTINUED**

CURRENT STATUS

During the Spring 1995 semester the University implemented a satisfactory academic progress that complied with Title IV regulations. As such, this condition is considered to be resolved.

3. **COLLEGE WORK-STUDY CONFLICTS**

We noted during our audit that six (6) students out of fifteen (15) students tested appeared to have worked instead of attending classes. This condition resulted in questioned costs of \$360.

X

CURRENT STATUS

The University has not submitted appropriate documentation to resolve this condition.

GRAMBLING STATE UNIVERSITY
STATUS OF PRIOR AUDIT FINDINGS, CONTINUED

RESOLVED UNRESOLVED

4. STUDENT CONFIRMATION REPORTS
(SCRS)

During our testing of Family Federal Education Student Loan Confirmation Reports (SCRS), we noted seven (7) instances out of eleven (11) tested whereby the student's status were incorrectly reported on the SCR. The students' status was being reported as less than half time when they had actually withdrawn from school.

X

CURRENT STATUS

We did not note a similar condition during the June 30, 1996 audit. As such, this condition is considered to be resolved.

5. REFUNDS AND REPAYMENTS TO THE
TITLE IV PROGRAMS

During our audit of refunds, we noted the following instances of non-compliance:

- o Five (5) refunds and/or repayments out of fifty (50) tested were not refunded to the appropriate Title IV program or GSL lender on a timely basis.

- o One (1) refund and repayment out of fifty (50) tested was not calculated for a student who had withdrawn from the University, resulting in questioned costs of \$321.

X

X

GRAMBLING STATE UNIVERSITY
STATUS OF PRIOR AUDIT FINDINGS, CONTINUED

RESOLVED UNRESOLVED

5. REFUNDS AND REPAYMENTS TO THE
 TITLE IV PROGRAMS, CONTINUED

CURRENT STATUS

We did note any refunds that were not processed on a timely basis during the June 30, 1996 audit.

The University has not submitted appropriate documentation to resolve the finding which resulted in questioned costs of \$321.

6. STUDENT FINANCIAL AID OVER-AWARDS

During our audit of the student financial aid program, we noted that one (1) student out of seventy-five (75) students tested, was awarded financial aid in excess of documented need. It appears that the University failed to consider the student's other resources when awarding Title IV funds. As such, this condition resulted in questioned costs of \$862.

X

CURRENT STATUS

The University has not submitted appropriate documentation to resolve the noted condition.

GRAMBLING STATE UNIVERSITY
STATUS OF PRIOR AUDIT FINDINGS, CONTINUED

RESOLVED UNRESOLVED

7. FEDERAL FAMILY EDUCATION LOAN APPLICATIONS

We noted during our audit that the cost of attendance reported on the Federal Family Loan application was incorrect for six (6) students out of seventy-five (75) sampled.

X

CURRENT STATUS

We noted similar conditions during the June 30, 1996 audit. As such, this condition remains unresolved.

8. STUDENT AID REPORTS

We noted during our audit that for one (1) student out of seventy-five (75) sampled the University did not obtain the student's signature on the Student Aid Report (the SAR).

X

CURRENT STATUS

The University obtained the student's signature on the SAR. As such, this condition is considered to be resolved.

GRAMBLING STATE UNIVERSITY

EXIT CONFERENCE

The audit report was discussed at an exit conference held on November 5, 1996 with representatives of the University. Those individuals participating were as follows:

GRAMBLING STATE UNIVERSITY

| | | |
|----------------------|----|---|
| Dr. Raymond Hicks | -- | President |
| Mrs. Cynthia Lemelle | -- | Vice President-Finance |
| Mr. Charles Hill | -- | Internal Auditor |
| Ms. Dyann Moses | -- | Financial Aid Director |
| Mr. James Ard | -- | Senior Business Manager |
| Dr. Neari Warner | -- | Acting Interim Vice President- Student Affairs |
| Mr. Larry English | -- | Acting Director of Compliance |

BRUNO & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS

| | | |
|-----------------------------|----|----------------------|
| Mr. Michael B. Bruno | -- | Managing Partner |
| Mr. Edward J. Phillips, Jr. | -- | Supervisor |
| Mr. Sean Bruno | -- | Senior |
| Ms. Katrina Jackson | -- | In-Charge Accountant |

The University's responses to the audit report are provided under a separate transmittal.

Bruno & Tervalon

BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

October 31, 1996

GRAMBLING STATE UNIVERSITY
AUDIT INFORMATION SCHEDULE

Lead Auditor: BRUNO & TERVALON, Certified Public Accountants
Michael B. Bruno, Managing Partner
Edward Phillips, Audit Supervisor

License Number: L 1218

Telephone Number: (504) 482-8733

The audit field work was performed between May 27, 1996 and October 31, 1996 at the institution's facilities as follows:

| <u>LOCATION</u> | <u>DESCRIPTION OF FACILITY (ADMIN. OR SFA OFFICES, MAIN CAMPUSES, ETC)</u> |
|---|--|
| Grambling State University (main campus) | Office of Student Financial Aid and Federal Grant office (main campus) |

Institution's Accrediting Organization: Southern Association of Colleges and Schools, and the National Council for Accreditation of Teacher Education.

The institution utilizes a SFA Servicer.

Edu Serve Technologies, Inc.
Post Office Box 2901
Winston-Salem, North Carolina

The following functions are provided by this SFA Servicer:

1. Billing Students - Perkins Loans
2. Collection of Loan principal and interest - Perkins Loans
3. Processing of cancellations and deferments - Perkins Loans

A review of the Servicer's internal control structure was performed by the service bureau's independent public accountant.

Records for the accounting and administration of the SFA programs are located at:

Grambling State University
Grambling, Louisiana 71245
Office of Student Financial Aid