

Mott Community College

**Federal Awards
Supplemental Information
June 30, 2010**

Mott Community College

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Independent Auditor's Report

To the Board of Trustees
Mott Community College

We have audited the basic financial statements of Mott Community College as of and for the year ended June 30, 2010 and have issued our report thereon dated October 29, 2010. Those basic financial statements are the responsibility of the management of Mott Community College. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Mott Community College taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Plante & Moran, PLLC

October 29, 2010

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees
Mott Community College

We have audited the financial statements of Mott Community College as of and for the year ended June 30, 2010 and have issued our report thereon dated October 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Mott Community College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the Board of Trustees
Mott Community College

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the board of trustees, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

October 29, 2010

Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

To the Board of Trustees
Mott Community College

Compliance

We have audited the compliance of Mott Community College with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2010. The major federal programs of Mott Community College are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Mott Community College's management. Our responsibility is to express an opinion on Mott Community College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mott Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Mott Community College's compliance with those requirements.

In our opinion, Mott Community College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as Finding 2010-1.

To the Board of Trustees
Mott Community College

Internal Control Over Compliance

The management of Mott Community College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Mott Community College's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as Finding 2010-1. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Mott Community College's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Mott Community College's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the board of trustees, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

October 29, 2010

Mott Community College

Schedule of Expenditures of Federal Awards Year Ended June 30, 2010

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Award Amount	Federal Expenditures
Student Financial Aid Cluster - U.S. Department of Education -			
Direct Federal Programs:			
Supplemental Educational Opportunity Grant	84.007	\$ 351,266	\$ 249,447
Pell Grant	84.063	28,599,401	28,599,401
Federal Family Educational Loan Program	84.032	N/A	23,506,293
ARRA Federal Work Study	84.033	63,588	63,588
Federal Work Study	84.033	300,513	300,513
Academic Competitiveness Grant	84.375	<u>43,201</u>	<u>42,551</u>
Total Student Financial Aid Cluster		29,357,969	52,761,793
TRIO Cluster - U.S. Department of Education -			
Direct Federal Programs:			
Student Support Services 08-09	84.042	372,601	30,743
Student Support Services 09-10	84.042	393,251	330,967
Upward Bound - Beecher/Westwood Heights 08-09	84.047	250,000	51,876
Upward Bound - Beecher/Westwood Heights 09-10	84.047	250,000	150,049
Upward Bound Flint 09-10	84.047	349,849	283,728
Upward Bound Flint 10-11	84.047	<u>349,849</u>	<u>15,819</u>
Total TRIO Cluster		1,965,550	863,182
WIA Cluster - U.S. Department of Labor -			
Passed through Career Alliance:			
Adult - Genesee	17.258	1,773,313	1,473,848
Adult - Shiawassee	17.258	111,359	107,307
Youth	17.259	441,626	441,626
Dislocated - Genesee	17.260	1,630,412	1,630,389
Dislocated - Shiawassee	17.260	277,579	268,481
Incumbent Worker	17.260	70,000	70,000
Career Advancement Acct	17.260	151,060	(1,000)
National Emergency Grants	17.260	174,202	174,202
ARRA Adult - Genesee	17.258	153,527	86,709
ARRA Adult - Shiawassee	17.258	59,174	56,939
ARRA Dislocated - Genesee	17.260	327,337	82,769
ARRA Dislocated - Shiawassee	17.260	158,445	109,498
ARRA MEC Adult	17.258	960,340	960,340
ARRA MEC Dislocated - Genesee	17.260	226,915	226,915
ARRA MEC Youth	17.259	213,043	213,043
ARRA Summer Youth - Genesee	17.259	933,635	933,635
ARRA Summer Youth - Shiawassee	17.259	89,491	77,381
National Career Readiness Certificate	17.260	51,200	39,331
Energy Conservation Readiness Apprenticeship	17.260	<u>154,015</u>	<u>103,151</u>
Total passed through Career Alliance		7,956,673	7,054,564

See Notes to Schedule of Expenditures
of Federal Awards.

Mott Community College

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Award Amount	Federal Expenditures
WIA Cluster - U.S. Department of Labor (Continued) -			
Passed through State of Michigan:			
Innovation in Training Delivery	17.260	\$ 40,975	\$ 462
Adult Learning Demonstration	17.260	<u>150,000</u>	<u>80,207</u>
Total WIA Cluster		8,147,648	7,135,233
Employment Services Cluster - U.S. Department of Labor -			
Passed through Career Alliance:			
Employment Services	17.207	292,131	292,131
ARRA National Career Readiness Certificate	17.207	88,000	65,981
National Career Readiness Certificate - Wagner Peysler	17.207	<u>20,800</u>	<u>15,596</u>
Total Employment Services Cluster		400,931	373,708
Highway Planning & Construction Cluster - U.S. Department of Transportation - Passed through Career Alliance:			
Road Construction Apprenticeship Readiness 08-09	20.205	272,727	18,148
Road Construction Apprenticeship Readiness 09-10	20.205	<u>162,634</u>	<u>76,913</u>
Total Highway Planning & Construction Cluster		435,361	95,061
Supplemental Nutrition Assistance Program Cluster - U.S. Department of Agriculture - Passed through Career Alliance			
	10.561	209,798	124,770
Research & Development Cluster:			
National Science Foundation - Direct Federal Programs - Passed through Purdue University - National Science Foundation			
	47.076	100,085	55,987
U.S. Department of Defense - Passed through the United States Army Medical Research Acquisition Activity - IOFIS			
	12.420	<u>1,682,000</u>	<u>488,719</u>
Total Research & Development Cluster		1,782,085	544,706
Temporary Assistance for Needy Families Cluster - U.S. Department of Health and Human Services - Passed through Career Alliance - Jet Plus			
	93.558	2,029,931	460,948
Community Development Block Grant Cluster - U.S. Department of Housing and Urban Development - Passed through the City of Flint - CDBG			
	14.218	60,588	60,588

Mott Community College

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Award Amount	Federal Expenditures
U.S. Department of Education:			
Direct Federal Programs - Technical Preparation:			
Demonstration	84.353	\$ 851,758	\$ 171,261
Center for Advanced Manufacturing	84.116	406,767	234,981
Center for Advanced Manufacturing FIPSE #2	84.116	<u>190,000</u>	<u>39,226</u>
Total Technical Preparation		1,448,525	445,468
Passed through Michigan Department of Education -			
Perkins Vocational Education Act:			
Regional Allocation 09-10	84.048	1,028,147	1,028,147
Fast Track 09-10	84.048	2,940	2,570
Local Leadership 09-10	84.048	18,400	18,062
Program of Study	84.048	<u>7,500</u>	<u>7,140</u>
Total Vocational Education Act		1,056,987	1,055,919
Passed through Genesee Intermediate School District -			
Technical Preparation Education 09-10	84.243	<u>52,387</u>	<u>52,387</u>
Total U.S. Department of Education		2,557,899	1,553,774
U.S. Department of Labor:			
Direct Federal Programs:			
Trade Adjustment Assistance	17.245	80,342	80,342
ARRA Pathways out of Poverty	17.275	<u>3,662,403</u>	<u>109,421</u>
Total Direct Federal Programs		3,742,745	189,763
Passed through Michigan State University:			
Workforce Innovations in Regional Economic Development (WIRED)	17.261	126,747	66,573
Workforce Innovations in Regional Economic Development (WIRED)	17.261	<u>1,240,168</u>	<u>387,620</u>
Total WIRED		1,366,915	454,193
Passed through St Clair Community College -			
Community Based Job Training	17.269	47,998	47,998
Passed through Washtenaw Community College -			
Community Based Job Training	17.269	120,000	18,422
Passed through Metro Housing Partnership - Youth Build			
	17.274	<u>135,750</u>	<u>51,935</u>
Total U.S. Department of Labor		5,413,408	762,311

See Notes to Schedule of Expenditures of
Federal Awards.

Mott Community College

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2010

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Award Amount	Federal Expenditures
U.S. Department of Health and Human Services:			
Direct Federal Programs - Scholarships for Disadvantaged Students	93.925	\$ 55,406	\$ 3,550
U.S. Department of Justice -			
Direct Federal Programs:			
ARRA COPS - Hiring Recovery	16.710	166,401	25,685
Bulletproof Vest Partnership Program	16.607	<u>5,603</u>	<u>4,180</u>
Total U.S. Department of Justice		172,004	29,865
U.S. Department of Housing and Urban Development -			
Direct Federal Programs - Workforce Development Institute for Simulation Technology	14.246	268,245	20,280
Army Research Office - Passed through Academy of Applied Science - Research and Engineering - Apprenticeship 08-09			
	12.431	7,800	4,802
U.S. Department of Forestry - Direct Federal Programs - Cooperative Forestry Assistance			
	10.664	2,200	(600)
U.S. Department of Defense - Passed through United States Army TACOM:			
TACOM, IAMMS #1	12.431	1,968,000	65,221
TACOM, IAMMS #2	12.431	1,079,923	101
TACOM, RPDDP	12.431	<u>2,050,000</u>	<u>617,081</u>
Total U.S. Department of Defense		<u>5,097,923</u>	<u>682,403</u>
Total Federal Awards		<u>\$ 57,964,746</u>	<u>\$ 65,476,374</u>

Mott Community College

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2010

Note 1 - Basis of Presentation and Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Mott Community College (the "College") under programs of the federal government for the year ended June 30, 2010. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-133, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the Mott Community College financial statements.

Because the schedule presents only a selected portion of the operations of Mott Community College, it is not intended to and does not present the financial position, changes in net assets or cash flows, if applicable, of the College.

Note 2 - Reconciliation of Basic Financial Statements Federal Revenue to Schedule of Expenditures of Federal Awards

Federal expenditures per the schedule of expenditures	
federal awards	\$ 65,476,374
Less Federal Family Educational Loan Program	<u>23,506,293</u>
Federal grant revenue per the basic financial statements	<u>\$ 41,970,081</u>

Note 3 - Adjustments and Transfers

As allowable and in accordance with federal regulations issued by the U.S. Department of Education, in the year ended June 30, 2009, the College transferred \$10,293 of the 2008-2009 Federal Supplemental Educational Opportunity Grant (84.007) to the 2008-2009 Federal Work Study Program (84.033) award, which it spent in the 2008-2009 award year. In addition, in the year ended June 30, 2010, the College transferred \$87,817 of the 2009-2010 Federal Supplemental Educational Opportunity Grant (84.007) to the 2009-2010 Federal Work Study Program (84.033) award, which it spent in the 2009-2010 award year.

Mott Community College

Schedule of Findings and Questioned Costs Year Ended June 30, 2010

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major program(s):

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major program(s): Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Mott Community College

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2010

Section I - Summary of Auditor's Results (Continued)

Identification of major program(s):

CFDA Numbers	Name of Federal Program or Cluster
84.007, 84.032, 84.033, 84.063, 84.375	Student Financial Aid Cluster
17.258, 17.259, 17.260	WIA Cluster
17.207	Employment Services Cluster
84.048	Vocational Education
17.261	Workforce Innovations in Regional Economic Development
93.558	Jet Plus - Temporary Assistance for Needy Families
12.431	TACOM

Dollar threshold used to distinguish between type A and type B programs: \$381,437

Auditee qualified as low-risk auditee? X Yes No

Mott Community College

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2010

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

Reference Number	Findings
2010-1	<p>Program Name - Student Financial Aid Cluster - 84.007</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Noncompliance condition and significant deficiency</p> <p>Criteria - The earliest an institution may disburse Student Financial Aid funds (other than FWS), either by paying the student directly or crediting the student's account, is 10 days before the first day of classes of the payment period for which the disbursement is intended (34 CFR Section 668.164(f)).</p> <p>Condition - Supplemental Educational Opportunity Grant (SEOG) funds were disbursed to student accounts earlier than 10 days prior to the start of the semester.</p> <p>Questioned Costs - None</p> <p>Context - Of the 25 students selected for eligibility testing, the College disbursed funds to 10 student accounts earlier than 10 days prior to the first day of classes.</p> <p>Cause and Effect - The College's Datatel system was coded to automatically credit student accounts with SEOG awards as soon as the awards were received by the College. This technology-related deficiency in the process of disbursing student aid to ensure compliance with the 10-day disbursement rule caused the funds to be disbursed too soon. In the current year, this allowed 10 student disbursements to occur earlier than 10 days prior to the start of classes.</p> <p>Recommendation - The College should have a system in place to ensure that student financial aid disbursements are made no earlier than 10 days prior to the start of any given semester.</p>

Mott Community College

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2010

Section III - Federal Program Audit Findings (Continued)

Reference Number	Findings
2010-1 (Continued)	<p>Views of Responsible Officials and Planned Corrective Actions - The College acknowledges disbursing student financial aid earlier than 10 days prior to the start of classes for the 10 files identified in the sample. In reviewing the underlying cause(s), it was determined to be process and not personnel related. The College has addressed this issue and made the necessary process changes, as well as additional documentation and review. As an enhancement of the review process, additional checks and balances are being put in place to ensure that student financial aid funds are disbursed within the federal requirement of no earlier than 10 days prior to the start of classes.</p>

Mott Community College

Summary Schedule of Prior Audit Findings Year Ended June 30, 2010

Reference Number	Findings
2009-1	<p>Program Name - Student Financial Aid Cluster - 84.032 and 84.063</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Noncompliance condition and significant deficiency</p> <p>Criteria - The College has 45 days from the date the College determines the student's withdrawal date to calculate a return to Title IV refund. Withdrawal dates are defined as the time when the student officially withdraws or expresses notification to withdraw or, if the student does not officially withdraw, the date that the College determines the student is no longer in attendance (34 CFR Section 668.73(b)).</p> <p>Condition - Of the 27 students selected for return to Title IV testing, the College did not return the funds of two students within 45 days of becoming aware that the student had withdrawn from classes.</p> <p>Status - The finding in the prior year was a result of personnel in the College's Student Financial Aid Department. The College has made appropriate personnel changes and currently has a system in place to ensure that return to Title IV refunds are performed timely according to federal requirements.</p>

Mott Community College

Summary Schedule of Prior Audit Findings (Continued) Year Ended June 30, 2010

Reference Number	Findings
2009-2	<p>Program Name - Student Financial Aid Cluster - 84.007, 84.032, 84.033, 84.063, and 84.375</p> <p>Pass-through Entity - N/A</p> <p>Finding Type - Noncompliance condition and significant deficiency</p> <p>Criteria - The Department of Education selects certain applicants for verification. The verification process includes confirming information submitted during the application process that affects the calculation of expected family contributions (EFC). The College is then required to verify information on the financial aid application. If any discrepancies are identified, the application and Institutional Student Information Record (ISIR) must be changed to reflect the correct information (34 CFR Sections 668.51 through 668.61).</p> <p>Condition - Of the 27 students selected for verification testing, there were two students whose verification was properly performed; however, the correct information was not updated on the ISIR in the College's Datatel system. In both instances, the error did not affect the sampled students' EFC, and accordingly did not result in an over- or under-award.</p> <p>Status - The finding in the prior year was a result of an isolated error in the College's processing of verification. The College currently has a system in place to ensure that verification procedures are performed according to federal requirements.</p>

Mott Community College

Summary Schedule of Prior Audit Findings (Continued) Year Ended June 30, 2010

Reference Number	Findings
2009-3	<p data-bbox="423 499 1305 531">Program Name - Student Financial Aid Cluster - 84.032 and 84.063</p> <p data-bbox="423 583 786 615">Pass-through Entity - N/A</p> <p data-bbox="423 657 1287 688">Finding Type - Noncompliance condition and significant deficiency</p> <p data-bbox="423 730 1438 1056">Criteria - The College must notify a student of the amount of loan funds that the student or his or her parent can expect to receive, which funds are from subsidized loans and which are from unsubsidized loans, and how and when those funds will be disbursed. This notification should occur no earlier than 30 days before and no later than 30 days after crediting the student's account if using an affirmative confirmation process. Institutions not using an affirmative confirmation process must notify the student no earlier than 30 days before, and no later than seven days after, and must give the students 30 days to cancel all or part of the loan (34 CFR Section 68.165).</p> <p data-bbox="423 1115 1438 1220">Condition - Of the 19 students selected for testing, there were four instances in which the College notified the students of their loans earlier than 30 days prior to crediting the students' account.</p> <p data-bbox="423 1278 1438 1419">Status - The finding in the prior year was a result of an isolated error in the College's processing of loan notifications. The College currently has a system in place to ensure that loan notifications are performed according to federal requirements.</p>