AUDITOR GENERAL
WILLIAM O. MONROE, CPA

FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM
Operational Audit

SUMMARY

The objective of our audit was to determine the extent to which Florida's public universities and community colleges (institutions) implemented procedures to administer the Florida Bright Futures Scholarship Program (Program) for the fiscal year ended June 30, 2003.

Finding No. 1: Three institutions did not timely return the undisbursed Program funds to the Department of Education. Amounts of undisbursed Program funds not timely returned ranged from $324 to $332,357, and were from 31 to 208 days late.

Finding No. 2: We noted 352 over and under awards totaling $7,506 at six institutions.

Finding No. 3: Eight institutions did not timely submit disbursement eligibility reports. Twelve reports were filed from 6 to 62 days late.

Finding No. 4: Two institutions did not timely reconcile scholarship award disbursements to students shown on their records with the disbursements reported to the Department of Education. Unidentified differences ranged from $1,557 to $5,155.

Finding No. 5: Three institutions did not accurately calculate and report to the Department of Education the grade point average or credit hours earned for four students.

Finding No. 6: We noted four instances in which two institutions reported the incorrect number of credit hours enrolled to the Department of Education.

Prior Audit Findings: As part of our current audit, we determined that the universities and community colleges had substantially corrected the deficiencies noted in audit report No. 03-148, except as noted in findings Nos. 1, 2, and 3 of this report.

BACKGROUND

The Florida Bright Futures Scholarship Program was established by the Florida Legislature to provide lottery-funded scholarships to reward Florida high school graduates who merit recognition of their academic achievement, and enroll in an eligible Florida public or private postsecondary educational institution within three years of high school graduation. The Florida Bright Futures Scholarship Program (Program) is the umbrella program for State-funded scholarships based on academic achievement of high school students. The Program consists of three types of awards, the Florida Academic Scholarship, the Florida Medallion Scholarship (formerly, Florida Merit Scholarship), and the Florida Gold Seal Vocational Scholarship. The Top Scholars Award is also funded from Program moneys, and is an additional annual award for college-related expenses that is given to the student with the highest academic ranking in each school district. During the 2002-03 fiscal year, disbursements of awards from the Program to students enrolled in Florida’s public universities and community colleges were $156,894,415 and $18,528,687, respectively, for a total
of $175,423,102. A summary of advances and disbursements by university and college (institution) is presented as Exhibit A.

The Florida Department of Education (DOE) determines student eligibility for awards. Students must meet general criteria to qualify for any of the types of scholarship awards from the Program. In addition to the general criteria, each of the three scholarship awards within the Program has specific criteria that must be met. After initial qualification for an award, students must continue to meet the eligibility criteria to receive additional awards.

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

**FINDINGS AND RECOMMENDATIONS**

**Finding No. 1: Return of Undisbursed Program Funds**

Section 1009.53(5), Florida Statutes, provides that the Department of Education (DOE) shall issue awards from the Florida Bright Futures Scholarship Program (Program) annually, and shall transmit payment for awards to each institution before the registration period each semester. Section 1009.53(5)(b), Florida Statutes, provides that an institution receiving funds from the Program shall certify to DOE the amount of funds disbursed to each student, and shall return to DOE any undisbursed Program funds within 60 days after the end of regular registration.

As similarly noted in audit report No. 03-148, our review disclosed that three institutions did not timely return the undisbursed Program funds to DOE for the Fall 2002 Term. The following chart summarizes the results of our review:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Amount</th>
<th>Number of Days Late</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of North Florida</td>
<td>$332,357</td>
<td>31</td>
</tr>
<tr>
<td>Lake-Sumter Community College (1)</td>
<td>324</td>
<td>208</td>
</tr>
<tr>
<td>Valencia Community College (1)</td>
<td>85,000</td>
<td>45</td>
</tr>
<tr>
<td>Total</td>
<td>$417,681</td>
<td></td>
</tr>
</tbody>
</table>

Note: (1) Similar deficiencies were noted in audit report Nos. 03-148 and 02-180.

**Recommendation:** We recommend that the institutions continue improving their procedures to ensure that undisbursed Program funds are returned to DOE within the time frames provided in law.

**Finding No. 2: Over and Under Awards**

Sections 1009.534(2), 1009.535(2), and 1009.536(2), Florida Statutes, for the Florida Academic Scholars Award, Florida Medallion Scholars Award, and Florida Gold Seal Vocational Scholars Award, respectively, provide that qualifying students receive 100 percent of tuition and fees plus an annual allowance of $600 for college related expenses for the Academic Scholars Award, or receive 75 percent of tuition and fees for the Florida Medallion Scholars or the Florida Gold Seal Vocational Scholars Award. The institutions are required to verify that the student has enrolled in the required number of hours to receive the scholarship, calculate the amount of the disbursement based on the type of scholarship for which the student was eligible, and disburse the money to the student.
Our tests disclosed 352 over and under awards totaling $7,506 at six institutions. The following chart summarizes the results of our tests:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Number of Instances</th>
<th>Total Amount of Over (Under) Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florida Agricultural and Mechanical University</td>
<td>2</td>
<td>$209</td>
</tr>
<tr>
<td>Florida Community College at Jacksonville</td>
<td>2</td>
<td>$343</td>
</tr>
<tr>
<td>Lake City Community College</td>
<td>1</td>
<td>$22</td>
</tr>
<tr>
<td>Lake-Sumter Community College</td>
<td>1</td>
<td>$158</td>
</tr>
<tr>
<td>St. Petersburg College</td>
<td>1</td>
<td>$180</td>
</tr>
<tr>
<td>Valencia Community College (1)</td>
<td>345</td>
<td>$6,638</td>
</tr>
</tbody>
</table>

Total 352 $7,506

Notes: (1) Similar deficiencies were noted in audit report Nos. 03-148 and 02-180.
(2) A computer programming error resulted in a lab fee being paid in error.

In audit report No. 03-148, we noted that the Florida Agricultural and Mechanical University (FAMU) over awarded a student by $503. Collection efforts by FAMU included recording an accounts receivable for the over award and placing a hold on the student’s records. However, as of January 7, 2004, the student is no longer enrolled at FAMU, the amount remains uncollected, and FAMU has not refunded DOE for the over award.

Recommendation: We recommend that the institutions ensure that scholarship award disbursements to students are accurately calculated. We also recommend that FAMU refund the prior year over award of $503 to DOE.

Finding No. 3: Untimely Filing of Reports

Section 1009.53(5)(a), Florida Statutes, provides that within 30 days after the end of regular registration for each semester, the institution shall certify to DOE the eligibility status of each student who receives an award. The institutions report to DOE the number of hours enrolled and scholarship awards disbursed, for each student, on the Disbursement Eligibility Report.

As similarly noted in audit report No. 03-148, several institutions did not timely remit the required reports to DOE, as shown in the following chart:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Number of Instances</th>
<th>Number of Days Late</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Central Florida</td>
<td>2</td>
<td>62 and 10</td>
</tr>
<tr>
<td>Edison Community College</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Florida Keys Community College (1)</td>
<td>1</td>
<td>12</td>
</tr>
<tr>
<td>Manatee Community College (1)</td>
<td>2</td>
<td>60 and 8</td>
</tr>
<tr>
<td>North Florida Community College</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>South Florida Community College</td>
<td>2</td>
<td>6 and 6</td>
</tr>
<tr>
<td>St. Johns River Community College</td>
<td>1</td>
<td>59</td>
</tr>
<tr>
<td>Valencia Community College</td>
<td>2</td>
<td>26 and 18</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
<td></td>
</tr>
</tbody>
</table>

Note: (1) Similar deficiencies were noted in audit report Nos. 03-148 and 02-180.

Recommendation: We recommend that the institutions ensure that the Disbursement Eligibility Reports are filed with DOE on a timely basis.

Finding No. 4: Reconciliation of Program Funds

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

DOE’s recommended reconciliation procedures encourage the institutions to reconcile their scholarship awards disbursement records each term, as opposed to waiting until the end of the academic year (June 30). Our review disclosed that as of January 23, 2004, two institutions had not reconciled their scholarship awards disbursement records with the disbursements reported to DOE for either the Fall 2002 or Spring 2003 Terms. These institutions and the unreconciled differences are shown in the following chart:
Although these institutions are currently attempting to reconcile the differences, the preparation of timely reconciliations provides assurance that errors or discrepancies that may occur are detected by employees in the normal course of performing their assigned duties, allowing for timely correction. For example, Florida Agricultural and Mechanical University (FAMU) did not detect a scholarship award disbursement to a student of $921 for which it had not received Program funds from DOE. When the reconciliation was performed, FAMU requested reimbursement from DOE; however, the deadline established by DOE for requesting reimbursement for the 2002-03 award year had passed.

**Recommendation:** We recommend that the institutions improve their efforts to account for Program funds by timely reconciling their scholarship awards disbursement records with disbursements reported to DOE and with DOE’s Bright Futures Reconciliation Report of Awarded Students.

**Finding No. 5: Grade Point Average and Credit Hours Earned Reporting**

Our review disclosed that three institutions did not accurately calculate and report to DOE either the grade point average or credit hours earned. The reporting errors resulted in the institutions incorrectly reporting the eligibility for future funding for four students. These instances are shown in the following chart:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Reported to DOE</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florida Agricultural and Mechanical University</td>
<td>$2,690,339</td>
<td>$2,695,494</td>
</tr>
<tr>
<td>Manatee Community College</td>
<td>679,396</td>
<td>677,839</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,369,735</strong></td>
<td><strong>$3,373,333</strong></td>
</tr>
</tbody>
</table>

The errors have subsequently been reported to the institutions for corrective action.

**Recommendation:** We recommend that the institutions ensure that the correct grade point average and credit hours earned are reported to DOE.

**Finding No. 6: Disbursement Eligibility Reports**

Section 1009.532(2), Florida Statutes, provides that a student who is enrolled in an associate degree or a baccalaureate degree may receive a scholarship award for a maximum of 110 percent of the number of credit hours required to complete the program. A student who is enrolled in a program that results in a technical certificate may receive an award for a maximum of 110 percent of the credit hours required to complete the program up to 90 credit hours. Section 1009.53(5)(a), Florida Statutes, provides that within 30 days after the end of regular registration each semester, the institution shall certify to DOE the eligibility status of each student who receives a scholarship award. The number of hours enrolled is reported on the Disbursement Eligibility Report, and is used by DOE to accumulate the total credit hours for each student funded by the Program. We noted the following institutions did not report the correct number of enrolled hours to DOE:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Number of Instances</th>
<th>Errors in Reporting Enrolled Credit Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florida Agricultural and Mechanical University</td>
<td>2</td>
<td>3 and 13</td>
</tr>
<tr>
<td>Florida Keys Community College</td>
<td>2</td>
<td>13 and 13</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4</strong></td>
<td><strong>3</strong></td>
</tr>
</tbody>
</table>
Recommendation: We recommend that the institutions ensure that the correct number of enrolled hours is reported to DOE.

SCOPE, OBJECTIVES, AND METHODOLOGY

The audit was conducted pursuant to Section 1009.53(5)(e), Florida Statutes. This operational audit focused on the administration of the Florida Bright Futures Scholarship Program (Program) by Florida’s 11 public universities and 28 community colleges for the fiscal year ended June 30, 2003. The objectives of this audit were to determine that the universities and community colleges administered Program moneys in accordance with the governing provisions of laws, administrative rules, and other guidelines, and properly accounted for the moneys received and distributed through the Program. In conducting our audit, we reviewed governing laws, rules, and other guidelines. We also reviewed and observed management controls at the universities and community colleges for the purpose of determining the extent to which management controls promoted and encouraged achievement of management’s objective in the categories of compliance with applicable laws, administrative rules, and other guidelines relating to the Program; the reliability of financial records and reports; and the safeguarding of assets relating to the Program.

PRIOR AUDIT FINDINGS

Our previous audits have addressed the administration of the Florida Bright Futures Scholarship Program by Florida’s public universities and community colleges. As part of our current audit, we determined that the universities and community colleges had substantially corrected the deficiencies noted in audit report No. 03-148, except as noted in findings Nos. 1, 2, and 3 of this report.

AUTHORITY

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

William O. Monroe, CPA
Auditor General

AUDITEE RESPONSE

The institutions’ responses are included as Exhibit B. The responses, as originally submitted to this office, may be viewed in their entirety on the Auditor General’s Web site.
### Summary of Advances and Disbursements

**For the Fiscal Year Ended June 30, 2003**

<table>
<thead>
<tr>
<th>Institution</th>
<th>Advances From Department</th>
<th>Scholarship Awards to Students</th>
<th>Refunds to Department</th>
<th>Total Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florida Agricultural and Mechanical University</td>
<td>$2,695,494</td>
<td>$2,695,494</td>
<td>$5,443</td>
<td>$2,695,494</td>
</tr>
<tr>
<td>Florida Atlantic University</td>
<td>$5,832,495</td>
<td>$5,827,052</td>
<td>115,829</td>
<td>$5,832,495</td>
</tr>
<tr>
<td>Florida Gulf Coast University</td>
<td>$2,293,737</td>
<td>$2,177,908</td>
<td>115,829</td>
<td>$2,293,737</td>
</tr>
<tr>
<td>Florida International University</td>
<td>$9,276,884</td>
<td>$9,275,675</td>
<td>1,209</td>
<td>$9,276,884</td>
</tr>
<tr>
<td>Florida State University</td>
<td>$27,260,801</td>
<td>$27,260,801</td>
<td></td>
<td>$27,260,801</td>
</tr>
<tr>
<td>University of Florida</td>
<td>$51,684,886</td>
<td>$51,422,019</td>
<td>262,867</td>
<td>$51,684,886</td>
</tr>
<tr>
<td>University of Central Florida</td>
<td>$28,347,876</td>
<td>$28,345,815</td>
<td>2,061</td>
<td>$28,347,876</td>
</tr>
<tr>
<td>University of North Florida</td>
<td>$7,460,249</td>
<td>$7,127,892</td>
<td>332,357</td>
<td>$7,460,249</td>
</tr>
<tr>
<td>University of South Florida</td>
<td>$17,966,890</td>
<td>$17,966,570</td>
<td>320</td>
<td>$17,966,890</td>
</tr>
<tr>
<td>New College</td>
<td>$1,251,201</td>
<td>$1,166,575</td>
<td>84,626</td>
<td>$1,251,201</td>
</tr>
<tr>
<td>University of West Florida</td>
<td>$3,634,244</td>
<td>$3,628,614</td>
<td>5,630</td>
<td>$3,634,244</td>
</tr>
<tr>
<td><strong>Total Public State Universities</strong></td>
<td><strong>157,704,757</strong></td>
<td><strong>156,894,415</strong></td>
<td><strong>810,342</strong></td>
<td><strong>157,704,757</strong></td>
</tr>
<tr>
<td>Broward Community College</td>
<td>$1,069,473</td>
<td>$1,063,535</td>
<td>5,938</td>
<td>$1,069,473</td>
</tr>
<tr>
<td>Central Florida Community College</td>
<td>$845,243</td>
<td>$840,278</td>
<td>4,965</td>
<td>$845,243</td>
</tr>
<tr>
<td>Chipola Junior College</td>
<td>$543,577</td>
<td>$540,699</td>
<td>2,878</td>
<td>$543,577</td>
</tr>
<tr>
<td>Edison Community College</td>
<td>$413,757</td>
<td>$407,702</td>
<td>6,055</td>
<td>$413,757</td>
</tr>
<tr>
<td>Florida Community College at Jacksonville</td>
<td>$126,031</td>
<td>$126,182</td>
<td>1,051</td>
<td>$126,031</td>
</tr>
<tr>
<td>Gulf Coast Community College</td>
<td>$558,634</td>
<td>$558,105</td>
<td>529</td>
<td>$558,634</td>
</tr>
<tr>
<td>Hillsborough Community College</td>
<td>$717,080</td>
<td>$704,701</td>
<td>12,379</td>
<td>$717,080</td>
</tr>
<tr>
<td>Indian River Community College</td>
<td>$605,652</td>
<td>$605,652</td>
<td></td>
<td>$605,652</td>
</tr>
<tr>
<td>Lake City Community College</td>
<td>$293,702</td>
<td>$284,566</td>
<td>9,136</td>
<td>$293,702</td>
</tr>
<tr>
<td>Lake-Sumter Community College</td>
<td>$343,155</td>
<td>$335,106</td>
<td>8,049</td>
<td>$343,155</td>
</tr>
<tr>
<td>Manatee Community College</td>
<td>$677,839</td>
<td>$677,839</td>
<td></td>
<td>$677,839</td>
</tr>
<tr>
<td>Miami-Dade Community College</td>
<td>$654,921</td>
<td>$654,921</td>
<td></td>
<td>$654,921</td>
</tr>
<tr>
<td>North Florida Community College</td>
<td>$166,228</td>
<td>$165,646</td>
<td>582</td>
<td>$166,228</td>
</tr>
<tr>
<td>Okaloosa Walton Community College</td>
<td>$561,609</td>
<td>$548,090</td>
<td>13,519</td>
<td>$561,609</td>
</tr>
<tr>
<td>Pensacola Junior College</td>
<td>$499,497</td>
<td>$499,497</td>
<td></td>
<td>$499,497</td>
</tr>
<tr>
<td>Polk Community College</td>
<td>$561,609</td>
<td>$548,090</td>
<td>13,519</td>
<td>$561,609</td>
</tr>
<tr>
<td>Saint Johns River Community College</td>
<td>$1,374,022</td>
<td>$1,373,861</td>
<td>161</td>
<td>$1,374,022</td>
</tr>
<tr>
<td>St. Petersburg Community College</td>
<td>$1,136,077</td>
<td>$1,135,682</td>
<td>395</td>
<td>$1,136,077</td>
</tr>
<tr>
<td>Santa Fe Community College</td>
<td>$2,293,737</td>
<td>$2,177,908</td>
<td>115,829</td>
<td>$2,293,737</td>
</tr>
<tr>
<td>Seminole Community College</td>
<td>$687,364</td>
<td>$686,962</td>
<td>402</td>
<td>$687,364</td>
</tr>
<tr>
<td>South Florida Community College</td>
<td>$202,573</td>
<td>$196,656</td>
<td>5,917</td>
<td>$202,573</td>
</tr>
<tr>
<td>Tallahassee Community College</td>
<td>$631,522</td>
<td>$625,985</td>
<td>5,537</td>
<td>$631,522</td>
</tr>
<tr>
<td>Valencia Community College</td>
<td>$1,890,958</td>
<td>$1,771,073</td>
<td>119,885</td>
<td>$1,890,958</td>
</tr>
<tr>
<td><strong>Total Public Community Colleges</strong></td>
<td><strong>18,814,116</strong></td>
<td><strong>18,528,687</strong></td>
<td><strong>285,429</strong></td>
<td><strong>18,814,116</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$176,518,873</strong></td>
<td><strong>$175,423,102</strong></td>
<td><strong>$1,095,771</strong></td>
<td><strong>$176,518,873</strong></td>
</tr>
</tbody>
</table>

Note: (1) Amounts reported by the institution as of December 31, 2003.
Finding No. 1: Return of Undisbursed Program Funds

University of North Florida: The University now has a full-time Scholarship Coordinator who, in conjunction with the Database Coordinator, has designed a reporting process to streamline management’s oversight of the Bright Futures program administration. These changes, coupled with DOE’s Office of Student Financial Aid’s email campaign to notify schools of approaching deadlines and the schools’ ability to apply for an extension if they encounter reporting issues, should assure that undisbursed advances are returned timely to the Department of Education in accordance with Section 1009.53(5)(b), F.S.

Lake-Sumter Community College: When student initially enrolled at Lake-Sumter Community College, he did not inform the Financial Aid office of his dual enrollment at UCF. The Financial Aid office became aware of his enrollment after the fact; thus, disbursing funds to him. Once we received information from the student in May 2003 of not being able to receive his funds from UCF, financial aid reversed the funds and submitted a refund check to the Department of Education, Bright Futures Program. Consequently, repayment was not made in a timely manner.

In an effort to improve the accuracy and timeliness of reporting undisbursed funds, we will develop a plan to cross check all consortium agreements when students enroll at our institution under the Florida Bright Futures program.

Valencia Community College: Valencia Community College implemented a new student learning system during the fall semester 2002, but the programming necessary to reconcile our records, determine the amount of undisbursed funds, and return undisbursed program funds in a timely manner was not completed in time to comply within the time frame required by law. The College has since completed the necessary programming to ensure future compliance.

Finding No. 2: Over and Under Awards

Florida Agricultural and Mechanical University: We concur with the auditor’s comments and the following action will be taken to improve the accuracy of calculating awards in the Bright Futures program:

During school year 2002-2003, the University used a manual process for calculating Bright Future awards. This manual process was susceptible to calculation errors. Staff shortages due to vacancies and increase demands for prompt service created a lack of adequate quality control and accuracy reviews.
In February 2004, we began integrating automation into our basic business processes to improve quality control and mitigate calculation errors. When the school year 2004-2005 began, fully automated business processes will be the basic backbone of the Student Financial Aid system. Access to the functionality of the Bright Futures website coupled with our automation capabilities and training implementation will provide assurances of the calculation accuracy and quality control.

The student’s account was adjusted to reflect an accounts receivable for the $503 over award amount, as identified in the Auditor General’s report. The University returned the $503 to the Florida Department of Education on February 16, 2004.

**Florida Community College at Jacksonville:** FCCJ does not accept the audit finding No. 2 as valid. The Department of Education has advised us that after reviewing this issue with the legal counsel, FCCJ is not in an over-award status for these students.

The audit identified two students as over-awarded in the amount of $171.50 each ($343.00 total). These students were registered for classes in multiple sessions within a semester, but dropped classes in the late sessions after the Bright Futures 30 day deadline. FCCJ fully complied with certifying enrollment within the 30 day period as prescribed by statute. FCCJ executed its institutional refund policy as permitted by statute and refunded the two students per that policy.

Neither the statute nor Department of Education procedures address multiple sessions within a semester. We have received guidance from the Department of Education (DOE) to clarify the definition of termination of enrollment. According to DOE, these students did not terminate enrollment, therefore, a refund was not mandated to the Department of Education. Accordingly, FCCJ did not over-award these two students per DOE guidance.

The Department of Education is reviewing their disbursement policies as they apply to multiple sessions within a term.

**Lake City Community College:** The College will implement a procedure that will check updated enrollment hours prior to the DER submission to Bright Futures to insure that correct amounts are reported.

**Lake-Sumter Community College:** In determining eligibility for the Florida Bright Futures student award, the student’s award was erroneously calculated for a three hour preparatory class. Upon notification from the auditor, the error was immediately corrected and notification was sent to Bright Futures reflecting adjustment to the student’s record.
In an effort to improve the accuracy of calculating Florida Bright Futures awards, we will have an additional staff member re-verify the accuracy of manual calculations of Bright Futures awards. In addition, that staff member will sign-off on the verification of the calculations.

St. Petersburg College: St. Petersburg College relies on a combination of manual oversight and business rules built into software systems to ensure that award disbursements are accurately calculated. In our legacy REGIS registration system, which was retired from service in June 2003, a software issue existed that required a manual identification and system program adjustment to be run by staff. In this particular case, the adjustment was not made on a timely basis, but has now been made and the funds returned to the State of Florida. The College has implemented a new student administration system that has resolved the accuracy calculation when a student drops from classes.

Valencia Community College: Valencia Community College implemented a new student learning system during fall semester 2002. A programming error during implementation of the new student learning system resulted in a miscalculation of the awards for the Bright Futures scholars enrolled in college-preparatory courses during that fall semester. This problem was identified and corrected.

Finding No. 3: Untimely Filing of Reports

University of Central Florida: Disbursement Eligibility Report: Due to the implementation of PeopleSoft, we had difficulties getting the report transmitted. The required programming is now in place and we were able to submit the 2004 report timely.

Edison Community College: Subsequent to the Auditor General’s delivery of the preliminary finding, the Department of Education confirmed that the college was granted an extension for filing the Bright Futures Disbursement Eligibility Report (DER) in October 2003. The extension was initially granted for the FSAG program and later clarified by DOE to include all program DERs. This information was provided to the Auditor General staff in February 2004. Thus, Edison Community College did file its Bright Futures DER Report timely.

Florida Keys Community College: According to the audit findings, Florida Keys Community College was late in submitting its Disbursement Eligibility Report (DER). We were, during that period, undergoing a transition of staff with a newly hired Director of Financial Aid and did not realize we had passed the due date for the report. In addition, we were experiencing problems with our computer software in properly uploading the DER to OSFA. Report time lines are now reviewed monthly by the Director of Financial Aid and monitored for prompt adherence to the required schedule.
Manatee Community College: During the Fall Term 2002, the Financial Aid office completed the Disbursement Eligibility Report (DER) manually and submitted it on September 30th to the Office of Student Financial Aid (OSFA) electronically at the end of the thirty-day submission window post the faculty adjustment period ending August 30th. When the file is electronically submitted, as part of the submission process, an indication of the lines of information received flashes on the computer screen. When submitting the report, the Financial Aid office staff received the indication that information had been received, however, there is no automatic notification that a DER has been received and processed subsequent to the submission process. OSFA contacted the Manatee Community College Financial Aid office on November 22nd inquiring as to when the Fall DER was to be submitted and was informed that the report was submitted electronically on September 30th. This was the first indication that the Manatee Community College Financial Aid office had that the file had not been received and would have to be resubmitted. The report had to be recreated and was resubmitted on November 27th and emailed directly to Patrena Perry at OSFA to ensure receipt. The report was processed by OSFA on November 28th.

The second untimely filing concerned the Spring 2003 Term. The DER for Spring Term 2003 was submitted at the end of the thirty-day window post the faculty adjustment period ending January 21st. The auditor told the Manatee Community College Financial Aid staff that the regular add/drop cut-off date had to be used as the start date for the thirty-day reporting window rather than the date representing the end of the faculty adjustment period.

The Financial Aid office has been accepting the lines submitted indication as a sign of a successful transfer but now understands that this is not a reliable indicator that the DER has been received and processed. The Fall 2003 Bright Futures DER was submitted on September 21st in keeping within the thirty-day window of the regularly published add/drop cut-off date. In addition, Manatee Community College will continue to email a second copy of the electronic submission to OSFA personnel to ensure timely receipt.

North Florida Community College: During academic year 2002-03, Bright Futures Scholarships were awarded at North Florida Community College during the fall and spring semester. The registration period for the fall semester ended on August 28, 2002. College staff filed the Disbursement and Eligibility Report for this term on September 19, 2002, within the 30 day time frame required in Statute.

The registration period for the spring term of academic year 2002-03 ended on January 8, 2003. College records indicate that the Disbursement and Eligibility Report for this term was finalized on February 13, 2003.

At North Florida Community College we realize the value of the Bright Future Scholarship program for our students. Therefore, it is of great importance to us that we comply with all rules and statutes which govern these
programs, including timely submission of reports. During academic year 2003-04 the Disbursement and Eligibility Reports have been filed with DOE within the required 30 day period.

**South Florida Community College:** The College is reviewing and revising its procedures related to the Disbursement Eligibility Report and Grade and Hour Report to insure timely filing.

**St. Johns River Community College:** Procedures have been reviewed and are currently being followed, resulting in the number of days late being reduced to no more than two in the current year. Procedures are in place to eliminate late reporting.

**Valencia Community College:** Valencia Community College implemented a new student learning system during fall 2002. The “Disbursement Eligibility Report” required special programming which was delayed. Due to the size of Valencia’s Bright Futures population, manual production of the DER report was not feasible. The College has since completed the necessary programming to ensure timely filing of reports.

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

**Florida Agricultural and Mechanical University:** We concur with the auditor’s comments and the following action will be taken to improve the timely reconciliation of the Bright Futures program:

Staff vacancies and increased demands during school year 2002-2003, created conditions where reconciliation processes were not completed within the required 60 day time frames after the add drop period. Beginning in February 2004, the University began focusing squarely on resolving staffing issues and automating business processes to ensure timely reconciliation and reporting. To strengthen internal controls and improve quality, a Quality Assurance Unit was created within the Office of Student Financial Aid, Division of Student Affairs. The University expects the reconciliation processes to be automated and completed timely and refunds, when appropriate, returned as required.

Beginning February 2004, to ensure compliance for the school year 2003-04, the Office of Student Financial Aid is working with the University Computer Service Center to develop reports that will automatically verify the accuracy of current Bright Future awards.

**Manatee Community College:** Manatee Community College did reconcile records from the Financial Aid office with the Department of Education (DOE) to within .79 cents. The reconciliation that was not completed was the internal reconciliation between Financial Aid office documents and institutional accounting records.
A detailed report itemizing financial aid awards by student does not currently exist within the Banner software system, however, such a report is currently being created and is scheduled to be completed prior to the next reconciliation period. The new report will facilitate a timely and efficient internal reconciliation process between the records of the Financial Aid office and Accounting similar to the process employed prior to the implementation of the new software system.

Finding No. 5: Grade Point Average and Credit Hours Earned Reporting

Florida Keys Community College: The data was entered manually and an error was made in entering the wrong student. This information has since been corrected with DOE. Reports are now reviewed and double-checked by the Director of Financial Aid for accuracy in information submitted.

Lake City Community College: The College will implement controls to insure correct GPA and credit hours earned are reported.

Seminole Community College: The college’s legacy system produced an inaccurate Grade Point Average (GPA) for one student because of a delay in the compilation of a grade change that took place during this period of audit and high-volume system activity. The incorrect transcript was created for audit review as a result of this high volume of activity. The College verified that the GPA calculations were being made correctly within the system during periods of normal activity. The college is replacing this legacy system in April 2004 to ensure that the correct calculation of grades occurs during high-volume periods of activity.

Finding No. 6: Disbursement Eligibility Reports

Florida Agricultural and Mechanical University: We concur with the auditor’s comments and the following action will be taken to improve our procedures relating to the Bright Futures program:

The University used a manual process to calculate and report the number of enrolled hours for school year 2002-2003. However, this process was prone to errors. In February 2004, the Office of Student Financial Aid began automating its business processes. For school year 2004-2005, the business processes will be fully automated to ensure accurate information is sent to and received from the Bright Futures – Department of Education database.

Florida Keys Community College: The data for the DER was entered manually and an error was made in entering the wrong student. This information has since been corrected with DOE. Reports are now reviewed and double-checked by the Director of Financial Aid for accuracy in information submitted.
February 25, 2004

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

Dear Mr. Monroe:

Pursuant to Section 11.45(4)(d), Florida Statutes, we are required to submit to you within thirty (30) days after receipt of the preliminary and tentative audit findings and recommendations, a written statement of explanation concerning all of the findings for Florida A&M University, including our actual or proposed corrective actions.

Enclosed are the responses to the tentative audit findings and recommendations for the operational audit of the Administration of the Florida Bright Futures Scholarship Program for the fiscal year ended June 30, 2003.

Sincerely,

[Fred Gainous]  
President

Enclosure

cc:  Dr. Patricia Green-Powell, Vice President for Student Affairs  
     Mr. Larry Reese, Vice President for Administrative and Fiscal Affairs
Florida Agricultural and Mechanical University's Response to the Auditor General's Preliminary and Tentative Audit Findings and Recommendations on the Administration of the Florida Bright Futures Scholarship Program for the Fiscal Year Ended June 30, 2003

The Florida A & M University offers responses to Audit Findings Numbers 2, 4 and 6:

Finding No. 2. – Over Awards

Auditor General’s Audit Recommendations:
Require the institution (University) to:
- ensure that scholarships award disbursements to students are accurately calculated, and
- refund the prior year over award of $503 to the Department of Education.

University’s Response:
We concur with the auditor’s comments and the following action will be taken to improve the accuracy of calculating awards in the Bright Futures program:

During school year 2002-2003, the University used a manual process for calculating Bright Future awards. This manual process was susceptible to calculation errors. Staff shortages due to vacancies and increase demands for prompt service created a lack of adequate quality control and accuracy reviews.

In February 2004, we began integrating automation into our basic business processes to improve quality control and mitigate calculation errors. When the school year 2004-2005 began, fully automated business processes will be the basic backbone of the Student Financial Aid system. Access to the functionality of the Bright Futures website coupled with our automation capabilities and training implementation will provide assurances of the calculation accuracy and quality control.

The student’s account was adjusted to reflect an accounts receivable for the $503 over award amount, as identified in the Auditor General’s report. The University returned the $503 to the Florida Department of Education on February 16, 2004.

Finding No. 4. – Reconciliation of Program Funds

Auditor General’s Audit Recommendations:
Require the institution (University) to:
- improve its efforts to account for program funds by timely reconciling their scholarship awards, disbursement records with disbursements reported to the Department of Education (DOE) and with the DOE’s Bright Futures Reconciliation Report of Awarded Students.
Florida Agricultural and Mechanical University's Response to the Auditor General's Preliminary and Tentative Audit Findings and Recommendations on the Administration of the Florida Bright Futures Scholarship Program for the Fiscal Year Ended June 30, 2003

University's Response:
We concur with the auditor's comments and the following action will be taken to improve the timely reconciliation of the Bright Futures program:

Staff vacancies and increased demands during school year 2002-2003, created conditions where reconciliation processes were not completed within the required 60 day time frames after the add drop period. Beginning in February 2004, the University began focusing squarely on resolving staffing issues and automating business processes to ensure timely reconciliation and reporting. To strengthen internal controls and improve quality, a Quality Assurance Unit was created within the Office of Student Financial Aid, Division of Student Affairs. The University expects the reconciliation processes to be automated and completed timely and refunds, when appropriate, returned as required.

Beginning February 2004, to ensure compliance for the school year 2003-04, the Office of Student Financial Aid is working with the University Computer Service Center to develop reports that will automatically verify the accuracy of current Bright Future awards.

Anticipated Completion Date:
The business processes are expected to be fully automated by July 2004.

Finding No. 6 – Disbursement Eligibility Reports

Auditor General’s Audit Recommendations:
Require the institution (University) to:
• ensure that the correct number of enrolled hours is reported to the Department of Education.

University’s Response:
We concur with the auditor's comments and the following action will be taken to improve our procedures relating to the Bright Futures program:

The University used a manual process to calculate and report the number of enrolled hours for school year 2002-2003. However, this process was prone to errors. In February 2004, the Office of Student Financial Aid began automating its business processes. For school year 2004-2005, the business processes will be fully automated to ensure accurate information is sent to and received from the Bright Futures - Department of Education database.

Anticipated Completion Date
The business processes should be fully implemented by July 2004.
February 18, 2004

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

Dear Mr. Monroe:

Enclosed you will find UCF’s response to the Auditor General’s Florida Bright Futures Scholarship Program Audit for the fiscal year ended June 30, 2003.

If you have any questions about the response, please call Barbara Ratti, Inspector General, at 407-823-2889.

Cordially yours,

John C. Hitt
President

JCH/ab
University of Central Florida
Response to Auditor General
Florida Bright Futures Scholarship Program Audit

Untimely Filing of Reports

Recommendation:

We recommend that the institutions ensure that the Disbursement Eligibility Report and the Grade and Hour Report are filed with DOE on a timely basis.

Response:

Disbursement Eligibility Report: Due to the implementation of PeopleSoft, we had difficulties getting the report transmitted. The required programming is now in place and we were able to submit the 2004 report timely.

Implementation Date: December 2003

Responsible Auditee: Ms. Mary McKinney
Director, Student Financial Assistance

Signature: ____________________________ Date: 2-16-04

Response approved by: Dr. Thomas Huddleston, Jr.
Vice President, Student Development and Enrollment Services

Signature: ____________________________ Date: 2-16-04
February 17, 2004

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

Dear Mr. Monroe:

I am enclosing the University of North Florida’s response to the preliminary and tentative audit findings on the Administration of the Florida Bright Futures Scholarship Program for the fiscal year ended June 30, 2003.

The University wishes to express its appreciation to the representatives of the office of the Auditor General for their courtesies and assistance while conducting this audit.

Sincerely,

John Delaney  
President  

JD/pd  

Enclosure  

c: Marty Khan  
Janice Nowak  
Linda Anderson  
Shari Shuman
University of North Florida
Response to Preliminary and Tentative Audit Finding
Florida Bright Futures Scholarship Program
Operational Audit
For the Fiscal Year Ended June 30, 2003

Return of Undisbursed Advances

Recommendation:

We recommend that the institutions continue improving their procedures to ensure that undisbursed Program funds are returned to DOE within the time frames provided in law.

Response:

The University now has a full-time Scholarship Coordinator who, in conjunction with the Database Coordinator, has designed a reporting process to streamline management’s oversight of the Bright Futures program administration. These changes, coupled with DOE’s Office of Student Financial Aid’s email campaign to notify schools of approaching deadlines and the schools’ ability to apply for an extension if they encounter reporting issues, should assure that undisbursed advances are returned timely to the Department of Education in accordance with Section 1009.53(5)(b), F.S.

Responsible Auditee:

Janice Nowak, Director Student Financial Aid

Implementation Date:

Spring term 2003.
February 13, 2004

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

Dear Mr. Monroe:

Following is Edison Community College’s response to the preliminary and tentative findings and recommendations pertaining to the audit of the Administration of the Florida Bright Futures Scholarship Program for the fiscal year ended June 30, 2003.

Finding No. 3: Untimely Filing of Reports - The Disbursement Eligibility Report for the fall 2002 term was submitted eight days past the deadline of 30 days after the end of regular registration.

Subsequent to the Auditor General’s delivery of the preliminary finding, the Department of Education confirmed that the college was granted an extension for filing the Bright Futures Disbursement Eligibility Report (DER) in October 2003. The extension was initially granted for the FSAG program and later clarified by DOE to include all program DERs. This information was provided to the Auditor General staff in February 2004. Thus, Edison Community College did file its Bright Futures DER Report timely.

If the college can be of further assistance in this matter, please do not hesitate to contact me.

Sincerely,

Dr. Kenneth P. Walker
District President
February 24, 2004

William O. Monroe, CPA  
Auditor General  
G-74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

Dear Mr. Monroe:

Enclosed with this letter is the College’s response to the preliminary and tentative audit findings to be included in the Florida Bright Futures Scholarship Program Operational Audit for the fiscal year ended June 30, 2003.

FCCJ does not accept the audit finding No. 2 as valid. The Department of Education has advised us in the attached email, that after reviewing this issue with the legal counsel, FCCJ is not in an over-award status for these students.

We request this finding be stricken from the audit report.

Sincerely,

[Signature]

Steven P. Bowers  
Vice President of Administrative Services

slw  
Attachments

cc: Ms. Yvonne Horner
The audit identified two students as over-awarded in the amount of $171.50 each ($343.00 total). These students were registered for classes in multiple sessions within a semester, but dropped classes in the late sessions after the Bright Futures 30 day deadline. FCCJ fully complied with certifying enrollment within the 30 day period as prescribed by statute. FCCJ executed its institutional refund policy as permitted by statute and refunded the two students per that policy.

Neither the statute nor Department of Education procedures address multiple sessions within a semester. We have received guidance from the Department of Education (DOE) to clarify the definition of termination of enrollment. According to DOE, these students did not terminate enrollment, therefore, a refund was not mandated to the Department of Education. Accordingly, FCCJ did not over-award these two students per DOE guidance.

The Department of Education is reviewing their disbursement policies as they apply to multiple sessions within a term.
February 26, 2004

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

Subject: Preliminary Audit Findings

Dear Mr. Monroe:

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

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

Sincerely,

[Signature]

William A. Seeker

WAS/bs

cc: District Board of Trustees

Enclosure
Finding No. 3: Untimely Filing of Reports
According to the audit findings, Florida Keys Community College was late in submitting its Disbursement Eligibility Report (DER). We were, during that period, undergoing a transition of staff with a newly hired Director of Financial Aid and did not realize we had passed the due date for the report. In addition, we were experiencing problems with our computer software in properly uploading the DER to OSFA. Report time lines are now reviewed monthly by the Director of Financial Aid and monitored for prompt adherence to the required schedule.

Finding No. 5: Grade Point Average and Credit Hours Earned Reporting
The data was entered manually and an error was made in entering the wrong student. This information has since been corrected with DOE. Reports are now reviewed and double-checked by the Director of Financial Aid for accuracy in information submitted.

Finding No. 6: Disbursement Eligibility Reports
The data for the DER was entered manually and an error was made in entering the wrong student. This information has since been corrected with DOE. Reports are now reviewed and double-checked by the Director of Financial Aid for accuracy in information submitted.
February 24, 2004

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

Dear Mr. Monroe:

Transmitted herewith is a written statement of explanation concerning the preliminary and tentative findings of the operational audit of the Administration of the Florida Bright Futures Scholarship Program of the District Board of Trustees, Lake City Community College, for the fiscal year ended June 30, 2003.

In most cases corrective action has already occurred. In the other areas, information about proposed corrective action is included.

Should you have any questions about the responses, please feel free to contact our office.

Sincerely,

Charles W. Hall, Ed.D.
President

Enclosure
Finding No. 2:

**Over Awards**

The College will implement a procedure that will check updated enrollment hours prior to the DER submission to Bright Futures to insure that correct amounts are reported.

Finding No. 5:

**Grade Point Average and Credit Hours Earned Reporting**

The College will implement controls to insure correct GPA and credit hours earned are reported.
Audit Responses – Florida Bright Futures Scholarship Program

Audit Finding #1 - Return of Undisbursed Program Funds

When student initially enrolled at Lake-Sumter Community College, he did not inform the Financial Aid office of his dual enrollment at UCF. The Financial Aid office became aware of his enrollment after the fact; thus, disbursing funds to him. Once we received information from the student in May 2003 of not being able to receive his funds from UCF, financial aid reversed the funds and submitted a refund check to the Department of Education, Bright Futures Program. Consequently, repayment was not made in a timely manner.

In an effort to improve the accuracy and timeliness of reporting undisbursed funds, we will develop a plan to cross check all consortium agreements when students enroll at our institution under the Florida Bright Futures program.

Audit Finding #2 – Over Awards

In determining eligibility for the Florida Bright Futures student award, the student’s award was erroneously calculated for a three hour preparatory class. Upon notification from the auditor, the error was immediately corrected and notification was sent to Bright Futures reflecting adjustment to the student’s record.

In an effort to improve the accuracy of calculating Florida Bright Futures awards, we will have an additional staff member re-verify the accuracy of manual calculations of Bright Futures awards. In addition, that staff member will sign-off on the verification of the calculations.

Richard M. Scott
VP for Administrative Services
February 25, 2004

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

Dear Mr. Monroe:

Transmitted herewith are the written statements of explanation concerning all of the findings for our institution, including actual or proposed corrective actions, which may be included in a report to be prepared on the audit of the:

Operational Audit of
Florida Bright Futures Scholarship Program
For Fiscal Year Ended June 30, 2003

If my office can be of any further assistance concerning the resolution of these findings, please do not hesitate to contact my staff or me.

Sincerely,

Sarah H. Pappas
President

SHP:CP/pj

Enclosure: as stated
Finding No. 3: Untimely Filing of Reports

Section 1009.53(5)(a), Florida Statutes, provides that within 30 days after the end of regular registration for each semester, the institution shall certify to DOE the eligibility status of each student who receives an award. The institutions report to DOE the number of hours enrolled and scholarship awards disbursed, for each student, on the Disbursement Eligibility Report.

Sections 1009.534(3), 1009.535(3), and 1009.536(3), Florida Statutes, for the Florida Academic Scholars, Florida Medallion Scholars, and Florida Gold Seal Vocational Scholars awards, respectively, require that, to be eligible for a renewal award in the Program, a student must maintain a specified grade point average for all postsecondary work attempted. In order to determine eligibility for renewal awards, DOE requires each institution to annually submit a Grade and Hour Report, which includes the cumulative grade point average, and annual earned hours for each student who received a Program award. For the 2002-03 award year, DOE required this report to be filed 30 days after the end of the institution’s Spring Term.

As similarly noted in audit report No. 03-148, several institutions did not timely remit the required reports to DOE, as showing in the following chart:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Grade and Hour Report</th>
<th>Disbursement Eligibility Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Instances</td>
<td>Number of Days Late</td>
</tr>
<tr>
<td>Manatee Community College (1)</td>
<td>1</td>
<td>17</td>
</tr>
</tbody>
</table>

Note: (1) Similar deficiencies were noted in audit report Nos. 03-148 and 02-180.
Response to Finding No. 3: Untimely Filing of Reports

During the Fall Term 2002, the Financial Aid office completed the Disbursement Eligibility Report (DER) manually and submitted it on September 30th to the Office of Student Financial Aid (OSFA) electronically at the end of the thirty-day submission window post the faculty adjustment period ending August 30th. When the file is electronically submitted, as part of the submission process, an indication of the lines of information received flashes on the computer screen. When submitting the report, the Financial Aid office staff received the indication that information had been received, however, there is no automatic notification that a DER has been received and processed subsequent to the submission process. OSFA contacted the Manatee Community College Financial Aid office on November 22nd inquiring as to when the Fall DER was to be submitted and was informed that the report was submitted electronically on September 30th. This was the first indication that the Manatee Community College Financial Aid office had that the file had not been received and would have to be resubmitted. The report had to be recreated and was resubmitted on November 27th and emailed directly to Patrena Perry at OSFA to ensure receipt. The report was processed by OSFA on November 28th.

The second untimely filing concerned the Spring 2003 Term. The DER for Spring Term 2003 was submitted at the end of the thirty-day window post the faculty adjustment period ending January 21st. The auditor told the Manatee Community College Financial Aid staff that the regular add/drop cut-off date had to be used as the start date for the thirty-day reporting window rather than the date representing the end of the faculty adjustment period.

The Financial Aid office has been accepting the lines submitted indication as a sign of a successful transfer but now understands that this is not a reliable indicator that the DER has been received and processed. The Fall 2003 Bright Futures DER was submitted on September 21st in keeping within the thirty-day window of the regularly published add/drop cut-off date. In addition, Manatee Community College will continue to email a second copy of the electronic submission to OSFA personnel to ensure timely receipt.

Finding No. 4: Reconciliation of Program Funds

The institutions can access DOE’s database and print a Bright Futures Reconciliation Report of Awarded Students at any date. This report presents total Program funds advanced to the institution, total scholarship awards disbursed to students, and calculates either an amount to be refunded to DOE or an amount owed to the institution for each semester. Total scholarship awards disbursed to students are reported by each institution to DOE on the Disbursement Eligibility Report.
DOE’s recommended reconciliation procedures encourage the institutions to reconcile their scholarship awards disbursement records each term, as opposed to waiting until the end of the academic year (June 30). Our review disclosed that as of January 23, 2004, two institutions had not reconciled their scholarship awards disbursement records with the disbursements reported to DOE for either the Fall 2002 and Spring 2003 Terms. These institutions and the unreconciled differences are shown in the following chart:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Institution Records</th>
<th>Reported to DOE</th>
<th>Differences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manatee Community College</td>
<td>$679,396</td>
<td>$677,839</td>
<td>$1,557</td>
</tr>
</tbody>
</table>

Although these institutions are currently attempting to reconcile the differences, the preparation of timely reconciliations provides assurance that errors or discrepancies that may occur are detected by employees in the normal course of performing their assigned duties, allowing for timely correction. For example, Florida Agricultural and Mechanical University (FAMU) did not detect a scholarship award disbursement to a student of $921 for which it had not received Program funds from DOE. When the reconciliation was performed, FAMU requested reimbursement from DOE; however, the deadline established by DOE for requesting reimbursement for the 2002-03 award year had passed.

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

Manatee Community College did reconcile records from the Financial Aid office with the Department of Education (DOE) to within .79 cents. The reconciliation that was not completed was the internal reconciliation between Financial Aid office documents and institutional accounting records.

A detailed report itemizing financial aid awards by student does not currently exist within the Banner software system, however, such a report is currently being created and is scheduled to be completed prior to the next reconciliation period. The new report will facilitate a timely and efficient internal reconciliation process between the records of the Financial Aid office and Accounting similar to the process employed prior to the implementation of the new software system.
February 13, 2004

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

Dear Mr. Monroe:

This letter is in response to our receipt of the list of preliminary and tentative findings and recommendations made to North Florida Community College regarding Administration of the Florida Bright Futures Scholarship Program for the fiscal year ended June 30, 2003. There were six findings in this report, only Finding No. 3 relates to North Florida Community College.

Finding No. 3

Section 1009.53(5)(a), Florida Statutes, provides that 30 days after the end of regular registration for each semester, the institution shall certify to DOE the eligibility status of each student who receives an award. The institutions report to DOE the number of hours enrolled and scholarship awards disbursed, for each student, on the Disbursement and Eligibility Report. North Florida Community College was cited for one instance of untimely filing of reports in which this Disbursement and Eligibility Report was six days late.

Response

During academic year 2002-03, Bright Futures Scholarships were awarded at North Florida Community College during the fall and spring semester. The registration period for the fall semester ended on August 28, 2002. College staff filed the Disbursement and Eligibility Report for this term on September 19, 2002, within the 30 day time frame required in Statute.

The registration period for the spring term of academic year 2002-03 ended on January 8, 2003. College records indicate that the Disbursement and Eligibility Report for this term was finalized on February 13, 2003.

At North Florida Community College we realize the value of the Bright Future Scholarship program for our students. Therefore, it is of great importance to us that we comply with all rules and statutes which govern these programs, including timely submission of reports. During academic year 2003-04 the
Disbursement and Eligibility Reports have been filed with DOE within the required 30 day period.

As always, we appreciate the professional manner in which the audit was conducted. We look forward to continued growth in accountability based on the recommendations given and will continue to work to ensure compliance with all state statutes and rules.

Sincerely,

Morris G. Steen, Jr.
President

cc: Robert L. Kuitert
February 12, 2004

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

RE: Florida Bright Futures Scholarship Program
Operational Audit - For the Fiscal Year Ended June 30, 2003

Dear Mr. Monroe:

We have reviewed the referenced document and recognize that Seminole Community College was noted in the Finding No. 5: Grade Point Average and Credit Hours Earned Reporting. The recommendation states, “...that the institutions ensure that the correct grade point average and credit hours earned are reported to the DOE.” The institutional response is as follows:

The college's legacy system produced an inaccurate Grade Point Average (GPA) for one student because of a delay in the compilation of a grade change that took place during this period of audit and high-volume system activity. The incorrect transcript was created for audit review as a result of this high volume of activity. The college verified that the GPA calculations were being made correctly within the system during periods of normal activity. The college is replacing this legacy system in April 2004 to ensure that the correct calculation of grades occurs during high-volume periods of activity.

As always, we appreciate this review by the auditors to help us identify ways to improve system reliability and processes so that we can serve students better every day. Please contact Mr. Joseph A. Samovskiy, Vice President for Administrative and Business Services (407-328-2001) if you have any questions.

Sincerely,

E. Ann McGee
President
February 11, 2004

Mr. William O. Monroe
Office of the Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399

Dear Mr. Monroe:

Let me express our sincere appreciation for the professional manner in which your staff conducted the audit. Following is the College’s response to the preliminary and tentative audit finding to be included in the audit report covering Administration of the Florida Bright Futures Scholarship Program for the fiscal year ended June 30, 2003.

Untimely Filing of Reports

Recommendation: We recommend that the institutions insure that the Disbursement Eligibility Report and the Grade and Hour Report are filed with DOE on a timely basis.

Response: The College is reviewing and revising its procedures related to the Disbursement Eligibility Report and Grade and Hour Report to insure timely filing.

Sincerely,

Norman L. Stephens, Jr.
President

NLS/llh
February 23, 2004

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

Dear Mr. Monroe,

Please find attached the Response for the District Board of Trustees of St. Johns River Community College related to the "Administration of the Florida Bright Futures Scholarship Program for the fiscal year ended June 30, 2003."

Should you have any questions, please advise.

Sincerely,

R. L. McLendon, Jr., Ph. D.
President
Please refer to the February 5, 2004, letter from the Auditor General, State of Florida. Following are a cite of the finding from that letter and our response.

**Finding No. 3: Untimely Filing of Reports.** The Auditor noted one instance in which we filed a Grade and Hour Report 59 days late.

Response: Procedures have been reviewed and are currently being followed, resulting in the number of days late being reduced to no more than two in the current year. Procedures are in place to eliminate late reporting.
February 24, 2004

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

Dear Mr. Monroe:

In response to the preliminary and tentative audit findings related to your Operational Audit of the Bright Futures Scholarship Program for the Fiscal year ended June 30, 2003, we submit the following response to your recommendation:

**Your report states in Finding No. 2:** Over Awards

**Recommendation:** We recommend that the institution ensures that scholarship award disbursements to students are accurately calculated.

**College Response:** St. Petersburg College relies on a combination of manual oversight and business rules built into software systems to ensure that award disbursements are accurately calculated. In our legacy REGIS registration system, which was retired from service in June 2003, a software issue existed that required a manual identification and system program adjustment to be run by staff. In this particular case, the adjustment was not made on a timely basis, but has now been made and the funds returned to the State of Florida. The College has implemented a new student administration system that has resolved the accuracy calculation when a student drops from classes.

We at St. Petersburg College thank you for your report findings and recommendations. We will make productive use of them.

Sincerely,

[Signature]

Carl M. Kuttler, Jr.
President
February 24, 2004

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

Dear Mr. Monroe:

I am enclosing Valencia Community College’s response to the preliminary and tentative audit findings on the Administration of the Bright Futures Scholarship Program for the fiscal year ended June 30, 2003.

The College wishes to express its appreciation to the representatives of the Office of the Auditor General for their courtesies and assistance while conducting this audit.

Sincerely,

[Signature]
Samford C. Shugart
President

cc: Ms. Brenda Racis
Ms. Linda Downing
Mr. Keith Houck
Mr. Pedro Rivera
Dr. Joyce Romano
Responses to the Florida Bright Futures Scholarship Program Audit
for the Fiscal Year Ended June 30, 2003

Finding No. 1: Return of Undisbursed Program Funds

Valencia Community College implemented a new student learning system during the fall semester 2002, but the programming necessary to reconcile our records, determine the amount of undisbursed funds, and return undisbursed program funds in a timely manner was not completed in time to comply within the time frame required by law. The College has since completed the necessary programming to ensure future compliance.

Finding No. 2: Over Awards

Valencia Community College implemented a new student learning system during fall semester 2002. A programming error during implementation of the new student learning system resulted in a miscalculation of the awards for the Bright Futures scholars enrolled in college-preparatory Courses during that fall semester. This problem was identified and corrected.

Finding No. 3: Untimely Filing of Reports

Valencia Community College implemented a new student learning system during fall 2002. The “Disbursement Eligibility Report” required special programming which was delayed. Due to the size of Valencia's Bright Futures population, manual production of the DER report was not feasible. The College has since completed the necessary programming to ensure timely filing of reports.