

**SOUTHERN OREGON UNIVERSITY
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2023**



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**SOUTHERN OREGON UNIVERSITY
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**INDEPENDENT AUDITORS' 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**

Members of the Board
Southern Oregon University
Ashland, Oregon

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Southern Oregon University, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Southern Oregon University's basic financial statements, and have issued our report thereon dated March 6, 2024. Our report includes a reference to other auditors who audited the financial statements of the Southern Oregon University Foundation, a discretely presented component unit, and 98%, 91%, and 99%, and 98%, 91%, and 99% for the years ended June 30, 2023 and 2022, respectively, of the assets, fiduciary net position, and revenues of the aggregate remaining fund information as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the discretely presented component unit and the portion of the aggregate remaining fund information audited by other auditors referred to above were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Southern Oregon University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southern Oregon University's internal control. Accordingly, we do not express an opinion on the effectiveness of Southern Oregon University's internal control.

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Southern Oregon University's financial statements are free from 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 financial statements. 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*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Denver, Colorado
March 6, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Members of the Board
Southern Oregon University
Ashland, Oregon

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Southern Oregon University's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Southern Oregon University's major federal program for the year ended June 30, 2023. Southern Oregon University's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Southern Oregon University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Southern Oregon University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Southern Oregon University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Southern Oregon University's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Southern Oregon University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Southern Oregon University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Southern Oregon University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Southern Oregon University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Southern Oregon University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, and 2023-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Southern Oregon University's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Southern Oregon University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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 a 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. *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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, and 2023-003, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Southern Oregon University's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Southern Oregon University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities, the discretely presented component unit, and the remaining fund information of Southern Oregon University as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Southern Oregon University's basic financial statements. We have issued our report thereon, dated March 6, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Denver, Colorado
March 6, 2024

**SOUTHERN OREGON UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/PassThrough Grantor/ Program or Cluster Title	Listing Number	Pass-Through Entity	Pass-Through Identifying Number	Through to Subrecipients	Expenditures
HEALTH CENTER PROGRAMS					
Department of Health and Human Services					
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	La Clinica Del Valle			\$ 70,323
Total Health Center Programs Cluster					<u>70,323</u>
RESEARCH AND DEVELOPMENT					
Department of the Interior					
Tribal Climate Resilience	15.156	Sauk-Suiattle Indian Tribe			17,365
Cultural and Paleontological Resources Management	15.224		L20AC00179		14,917
Cultural and Paleontological Resources Management	15.224		L22AC00339		10,463
Forest and Woodlands Resource Management	15.233		L20AC00326		13,030
Technical Preservation Services	15.915	Ausland Construction	CRLA 198641-140P2021C0062		57,045
Cooperative Research and Training Programs û Resources of the National Park System	15.945		P17AC01447		66,708
Department of the Interior Total					<u>179,528</u>
Department of Transportation					
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106	Environmental Science Associates		D201800205.05	8,827
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106			D201800205.06	7,249
Department of Transportation Total					<u>16,077</u>
Department of Agriculture					
Partnership Agreements	10.699		20-CS-11061000-012		15,402
Partnership Agreements	10.699		23-CS-1101000-017		1,862
Cooperative Extension Service	10.500				10,711
Department of Agriculture Total					<u>27,974</u>
National Aeronautics and Space Administration					
Office of Stem Engagement (OSTEM)	43.008	Oregon State University		NS324	4,835
Science	43.001	Oregon State University		505247-78053	7,136
National Aeronautics and Space Administration Total					<u>11,971</u>
National Science Foundation					
Geosciences	47.050	The American Geophysical Union			7,919
Integrative Activities	47.083		NSF 2215874		272,915
STEM Education (formerly Education and Human Resources)	47.076		1923633		19,498
STEM Education (formerly Education and Human Resources)	47.076		NSF 2219317	\$ 35,890	71,325
STEM Education (formerly Education and Human Resources)	47.076	Willamette University	WU-NSFADVANCE-SOU-2019		4,847
National Science Foundation Total				<u>35,890</u>	<u>376,504</u>
Total Research and Development Cluster				<u>35,890</u>	612,054

See notes to Schedule of Expenditures of Federal Awards.

**SOUTHERN OREGON UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/PassThrough Grantor/ Program or Cluster Title	Listing Number	Pass-Through Entity	Pass-Through Identifying Number	Through to Subrecipients	Expenditures
STUDENT FINANCIAL ASSISTANCE					
Department of Education					
Federal Direct Student Loans	84.268				\$ 16,101,519
Federal Pell Grant Program	84.063				5,322,866
Federal Supplemental Educational Opportunity Grants	84.007				363,865
Federal Work-Study Program	84.033				424,585
Federal Work-Study Program	84.033		P033A213510		(44,146)
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379				7,542
Total Department of Education and Student Financial Assistance Cluster					<u>22,176,231</u>
TRIO					
Department of Education					
TRIO McNair Post-Baccalaureate Achievement	84.217		P217A170059		92,413
TRIO McNair Post-Baccalaureate Achievement	84.217		P217A220204		153,616
TRIO Student Support Services	84.042		P042A211967		312,525
Total Department of Education and TRIO Cluster					<u>558,554</u>
Other Programs					
Migrant Education State Grant Program	84.011	Oregon Department of Education	23911		3,590
Migrant Education State Grant Program	84.011				78,524
Supporting Effective Instruction State Grants (Formerly Improving Teacher Quality State Grants)	84.367	National Writing Project	92-OR02-2022GATES		9,652
Teacher Quality Partnership Grants	84.336	Southern Oregon Educ Svc District			117,524
Department of Education Total					<u>209,290</u>
Small Business Administration					
Small Business Development Centers	59.037	Lane Community College	SBA 2022		35,000
Total Other Programs					<u>244,290</u>
Total Expenditures of Federal Funds				<u>\$ 35,890</u>	<u>\$ 23,661,452</u>

See notes to Schedule of Expenditures of Federal Awards.

**SOUTHERN OREGON UNIVERSITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Southern Oregon University under programs of the federal government of the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Southern Oregon University, it is not intended to and does not present the financial position, changes in net position, or cash flows of Southern Oregon University.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COST RATE

Southern Oregon University has elected to not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**SOUTHERN OREGON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified? yes none reported
3. Noncompliance material to financial statements noted? yes no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified? yes none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of Major Federal Programs

ASSISTANCE LISTING Number(s)	Name of Federal Program or Cluster
84.007, 84.033, 84.063, 84.268, 84.379	Student Financial Assistance Cluster

- Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000
- Auditee qualified as low-risk auditee? yes no

**SOUTHERN OREGON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

2023 – 001

Special Tests – Enrollment Reporting

Federal Agency: Department of Education

Federal Program Title: Student Financial Assistance Cluster

ASSISTANCE LISTING Number:

84.268 – Federal Direct Student Loans

84.063 – Federal Pell Grant Program

Federal Award Identification Number and Year: P063P220362, 2023 AND P268K230362, 2023

Award Period: June 1, 2022 to June 30, 2023

Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matter

Criteria or specific requirement: Institutions are required to report enrollment information under the Pell grant and the Direct loan programs via the National Student Loan Data System (NSLDS) (OMB No. 1845-0035) (Pell, 34 CFR 690.83(b)(2); Direct Loan, 34 CFR 685.309). Institutions must review, update, and verify student enrollment statuses, program information, and effective dates that appear on the Enrollment Reporting Roster file or on the Enrollment Maintenance page of the NSLDS Professional Access (NSLDSFAP) website. There are two categories of enrollment information; “Campus Level” and “Program Level,” both of which need to be reported accurately and have separate record types. The NSLDS Enrollment Reporting Guide provides the requirements and guidance for reporting enrollment details using the NSLDS Enrollment Reporting Process. Institutions must report enrollment changes within 30 days; however, if a roster file is expected within 60 days, you may provide the updated data on that roster file. The University must also have an adequate process to internally review submissions to either the third-party servicer or directly to NSLDS. Additionally, Institutions are required to ensure adequate internal controls over compliance are established and maintained in accordance with 2 CFR 200.303.

**SOUTHERN OREGON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2023 – 001 (Continued)

Condition: During our testing of the Direct Loan and Pell Grant programs, we selected a sample of 40 student enrollment changes to test for timeliness and accurate reporting of student status changes to the National Student Loan Data System (NSLDS). Our testing resulted in the following items of noncompliance.

1. 1 individual student where a student's campus-level enrollment status was not correctly reported to NSLDS. 34 CFR 685.309 (b)(1) and 34 CFR 690.83(b)(2)
2. 7 individual students where a student's campus-level enrollment effective date was not correctly reported to NSLDS. 34 CFR 685.309 (b)(1) and 34 CFR 690.83(b)(2)
3. 34 instances where a student's enrollment status change was not reported timely to NSLDS. 34 CFR 685.309(b)(1) and 34 CFR 690.83(b)(2)
4. 1 instance where a student's program-level enrollment effective date did not match the institutions records. 34 CFR 685.309(b)(1) and 34 CFR 690.83(b)(2)

Questioned costs: N/A

Context: Out of a sample of 40 enrollment changes selected for testing for the requirement noted above, we noted 40 students with exceptions as described above. 5 students had multiple instances of noncompliance.

Cause: The University was unaware of the errors which were caused by the transmission of data between their student information system and the third-party servicer.

Effect: The NSLDS system could not be updated accurately or timely with student enrollment information.

Repeat finding: No

Recommendation: We recommend that the University enhance its policies and procedures regarding enrollment reporting including additional monitoring over the third-party service provider to ensure that reporting is completed accurately and timely.

View of responsible official: The University agrees with the finding.

**SOUTHERN OREGON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2023 – 002

Special Tests – 240 Day Checks

Federal Agency: Department of Education

Federal Program Title: Student Financial Assistance Cluster

ASSISTANCE LISTING Numbers:

84.268 – Federal Direct Student Loans

84.063 – Federal Pell Grant Program.

Federal Award Identification Number and Year: P063P220362, 2023 AND P268K230362, 2023

Award Period: June 1, 2022 to June 30, 2023

Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matter

Criteria or specific requirement: As outlined under 34 CFR 668.164(l), an institution must have a process that ensures SFA funds are never escheated to a state, revert to the institution, or revert to any other third party. Additionally, if a check sent to a student or parent is not returned to the institution and is not cashed, the institution must return the funds to the Secretary no later than 240 days after the date it issued the check. Additionally, Institutions are required to ensure adequate internal controls over compliance are established and maintained in accordance with 2 CFR 200.303.

Condition: During our testing of outstanding SFA checks, we identified nine checks outstanding that had not been returned to the Department of Education within 240 days.

Questioned costs: Federal Pell Grant - \$2,691; Federal Direct Student Loans - \$3.

Context: Out of our population and sample of nine outstanding SFA checks, we noted all nine had the exception described above.

Cause: The University had been under the impression that Pell checks may go stale dated and escheat to the state as unclaimed until an internal auditor informed the School that all Title IV aid is to be returned to the DOE and not allowed to escheat, including the Federal Pell Grant. After the internal audit, it was identified that two of the checks were Direct Loans and not Pell.

Effect: The University did not return all SFA funds timely.

Repeat finding: No

Recommendation: We recommend that the University enhance its policies and procedures regarding stale-dated check escheatment to ensure that the funds are returned to the appropriate program within 240 days from the date of issue.

View of responsible official: The University agrees with the finding.

**SOUTHERN OREGON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2023 – 003

Special Tests – Using a Servicer or Financial Institution to Deliver Title IV Credit Balances to a Card or Other Access Device

Federal Agency: Department of Education

Federal Program Title: Student Financial Assistance Cluster

ASSISTANCE LISTING Numbers:

84.268 – Federal Direct Student Loans

84.063 – Federal Pell Grant Program

Federal Award Identification Number and Year: P063P220362, 2023 AND P268K230362, 2023

Award Period: June 1, 2022 to June 30, 2023

Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matter

Criteria or specific requirement: An institution must provide to Department of Education an up-to-date URL for the contract for publication in a centralized database accessible to the public. Unless the school has a Tier Two arrangement under the threshold, the URL must also include the contract data described in the paragraph above (34 CFR 668.164(e)(2)(viii); 668.164(f)(4)(iii)(B); 668.164(f)(4)(v)). Additionally, Institutions are required to ensure adequate internal controls over compliance are established and maintained in accordance with 2 CFR 200.303.

Condition: During our testing the University could not provide support that an up-to-date contract establishing their tier two arrangement was provided to the Department of Education.

Questioned costs: N/A

Context: The University did not meet the compliance requirement to report the contract and contract components to the Department of Education.

Cause: The University was not aware of the requirement and previously personal did not retain applicable support, if completed.

Effect: The Department of Education was not provided required information regarding the contract.

Repeat finding: No

Recommendation: We recommend that the University enhance its policies and procedures to ensure required contracts and contract components are provided to the Department of education when required.

View of responsible official: The University agrees with the finding.