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***UNIVERSITY OF CENTRAL MISSOURI***  
*UNIFORM GUIDANCE*  
*SINGLE AUDIT REPORT*  
*JUNE 30, 2017*

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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***

Board of Governors  
University of Central Missouri  
Warrensburg, Missouri

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 University of Central Missouri as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the University of Central Missouri's basic financial statements, and have issued our report thereon dated October 16, 2017. Our report includes a reference to other auditors who audited the financial statements of University of Central Missouri Foundation, a discretely presented component unit of the University of Central Missouri, as described in our report on the University of Central Missouri's financial statements. The financial statements of the University of Central Missouri Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the University of Central Missouri Foundation.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the University of Central Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University of Central Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the University of Central Missouri'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001, that we consider to be a material weakness.

### **Compliance And Other Matters**

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

### **University of Central Missouri's Response to Findings**

The University of Central Missouri's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The University of Central Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 result of that testing, and not to provide an opinion on the effectiveness of the University of Central Missouri'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.

*RubinBrown LLP*

October 16, 2017

**Independent Auditors' Report On Compliance  
For Each Major Federal Program; Report On  
Internal Control Over Compliance; And Report  
On Schedule Of Expenditures Of Federal  
Awards Required By The Uniform Guidance**

Board of Governors  
University of Central Missouri  
Warrensburg, Missouri

**Report On Compliance For Each Major Federal Program**

We have audited the University of Central Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University of Central Missouri's major federal programs for the year ended June 30, 2017. The University of Central Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the University of Central Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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* (the Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University of Central Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the University of Central Missouri's compliance.

### ***Opinion On Each Major Federal Program***

In our opinion, the University of Central Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

### ***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 item 2017-002. Our opinion on each major federal program is not modified with respect to these matters.

The University of Central Missouri's response to the compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and the Corrective Action Plan. The University of Central Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report On Internal Control Over Compliance**

Management of the University of Central Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University of Central Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University of Central Missouri's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2017-002, that we consider to be a significant deficiency.

The University of Central Missouri's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan. The University of Central Missouri's response was not subjected to the 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 University of Central Missouri as of and for the year ended June 30, 2017, and have issued our report thereon dated October 16, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

*RubinBrown LLP*

October 16, 2017

**UNIVERSITY OF CENTRAL MISSOURI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended June 30, 2017**

Federal Grantor/Pass-Through Grantor/ Program Or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass- Through To Sub- recipients
<b>U.S. Department Of Education</b>				
Student Financial Aid Cluster -Direct				
TEACH Grants	84.379		\$ 43,384	\$ —
Federal SEOG	84.007		193,997	—
Federal Work Study	84.033		137,252	—
Federal Pell Grants	84.063		13,506,205	—
Federal Direct Student Loans	84.268		52,922,000	—
Federal Perkins Loan	84.038		7,511,373	—
<i>Total Student Financial Aid Cluster - Direct</i>			<u>74,314,211</u>	<u>—</u>
Midwest Meets Midwest - Direct	84.016A	P016A160063	1,300	—
<b>TRIO Cluster - Direct</b>				
Student Support Services	84.042		292,720	—
McNair Central Achievers Program	84.217		251,338	—
<i>Total TRIO Cluster - Direct</i>			<u>544,058</u>	<u>—</u>
<b>Passed Through Missouri Department Of Elementary And Secondary Education</b>				
Migrant English Language Learning - Indirect	84.011	unknown	108,108	—
<b>Special Education Cluster (IDEA) - Indirect</b>				
Special Education Consultants - RPDC - PLC	84.027	unknown	74,940	—
Special Education Consultants - RPDC - Director Support	84.027	unknown	49,984	—
Special Education Consultants - RPDC - Improvement Consult	84.027	unknown	99,937	—
Special Education Consultants - RPDC - Positive Behavior	84.027	unknown	99,544	—
Special Education Consultants - RPDC - Consolidated Work	84.027	unknown	298,623	—
<i>Total IDEA Cluster - Indirect</i>			<u>623,028</u>	<u>—</u>
SPDG Consolidated Work Professional Development - Indirect	84.323	unknown	14,500	—
			745,636	—
<b>Passed Through The Curators Of The University Of Missouri</b>				
STEM-Based Literacy: A Statewide Initiative -Indirect	84.367	38015431-16C001962	6,508	—
Collaborating With Other Educator Preparation Programs - Indirect	84.325A	3H325A120003	3,011	—
			9,519	—
<b>Passed Through Warrensburg School District</b>				
21st Century Community Learning Center - Indirect	84.287	5459-Cohort 9	38,490	—
<b>Passed Through the National Writing Project</b>				
<b>NWP CRWP-SEED Professional Development in High Need</b>				
Middle School or High School - Indirect	84.367D	92-M002-SEED2017-CRWPPD	127	—
SEED Invitational Leadership Institute - Indirect	84.367D	92-M002-SEED2017-ILI	8,248	—
SEED Summer Camp - Indirect	84.367D	92-MOO2-SEED2017-CAMP	4,415	—
			12,790	—
<b>Total U.S. Department Of Education</b>			<u>75,666,004</u>	<u>—</u>



**UNIVERSITY OF CENTRAL MISSOURI**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
For The Year Ended June 30, 2017**

Federal Grantor/Pass-Through Grantor/ Program Or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass- Through To Sub- recipients
<b>U.S. Department Of Transportation</b>				
<b>Passed Through Missouri Division Of Highway Safety</b>				
Airport Improvement Program - Indirect				
Airport Improvement Program	20.106	#14-019A-1	\$ 8,234	\$ —
Airport Improvement Program	20.106	#17-019A-1	466,184	—
<i>Total Airport Improvement Program</i>			<u>474,418</u>	<u>—</u>
FY16 CMV Survey	20.218	#16-CMV-MC-001	<u>32,016</u>	<u>—</u>
Highway Safety Cluster - Indirect				
Crash Investigation Training	20.600	#16-AI-04-001	12,781	—
FY16 Driver Improvement Program	20.600	#16-PT-02-104	8,478	—
FY17 Statewide Seat Belt Survey	20.600	#17-OP-05-001	131,390	—
FY17 Survey - CPS	20.600	#17-CR-05-004	32,846	—
FY17 Driver Improvement Program	20.600	#17-PT-02-105	31,484	—
FY17 Impaired Driving Countermeasures	20.600	#17-M5OT-03-004	460,033	—
FY17 Crash Investigation Training	20.600	#17-AI-04-001	31,266	—
FY17 Enforcement - Youth Seat Belt	20.600	#17-OP-05-012	46,628	35,425
FY17 Enforcement - Drive Sober Campaign	20.600	#17-M5HVE-03-022	265,600	226,106
FY17 Enforcement - CPS Week	20.600	#17-CR-05-003	7,659	—
FY17 Enforcement - Click it or Ticket (CIOT)	20.600	#17-OP-05-002	96,365	80,549
2017 OP LEL Contract for Services	20.600	#17-PT-02-149	50,952	—
FY16 Enforcement CIOT	20.616	#16-M2OP-05-006	45,794	38,549
FY16 Child Passenger Seat Week	20.616	#16-M2HVE-05-001	54,125	46,493
FY16- Enforcement - Youth Seat Belt	20.616	#16-M2HVE-05-002	2,920	—
FY16 Impaired Driving Countermeasures	20.616	#16-M5OT-03-003	242,055	—
FY16 Survey - Teen (High School) Seat Belt	20.616	#16-M2HVE-05-004	7,280	—
FY16 Survey - Statewide Seat Belt	20.616	#16-M2OP-05-007	17,382	—
<i>Total Highway Safety Cluster</i>			<u>1,545,038</u>	<u>427,122</u>
Alcohol Open Container Requirements Program - Indirect				
2017 Alcohol LEL Contrat for Services	20.607	#17-154-AL-169	48,289	—
FY16 Enforcement - Drive Sober Campaign	20.607	#16-154-AL-141	172,346	155,083
<i>Total Alcohol Open Container Requirements Program</i>			<u>220,635</u>	<u>155,083</u>
<b>Total U.S. Department Of Transportation</b>			<u>2,272,107</u>	<u>582,205</u>
<b>U.S. Department Of Health And Humans Services</b>				
<b>Passed Through Missouri Department Of Health And Senior Services</b>				
Implementation of Violence Prevention Strategy Program - Indirect				
Implementation of Violence Prevention Strategy	93.136	AOC15380142	46,302	—
Implementation of Violence Prevention Strategy	93.136	AOC17380061	11,654	—
<i>Total Implementation of Violence Prevention Strategy Program</i>			<u>57,956</u>	<u>—</u>
<b>Total U.S. Department Of Health And Human Services</b>			<u>57,956</u>	<u>—</u>

# UNIVERSITY OF CENTRAL MISSOURI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)* For The Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/ Program Or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass- Through To Sub- recipients
<b>National Science Foundation</b>				
Passed-Through The University Of Evansville Resequencing Calculus Phase 2	47.076	290206-04	\$ 584	\$ —
Passed-Through Harris-Stowe State University Louis Stokes Alliances for Minority Participation	47.076	1619639	695	—
<b>Total National Science Foundation</b>			<b>1,279</b>	<b>—</b>
<b>U.S. Department Of Agriculture</b>				
<b>Passed-Through The Missouri Department Of Health And Senior Services</b>				
USDA Sustainability Building Grant - Indirect	10.326	#13004-002	2,361	—
Food Security Through Linking Resources - Indirect	10.326	#13173-004	1,527	—
			<b>3,888</b>	<b>—</b>
Rural Business Enterprise Grant (RBEG) - Indirect	10.769	29-051-446000293	4,786	—
Child and Adult Care Food Program - Indirect	10.558	ERS46110155	43,885	—
<b>Total U.S. Department Of Agriculture</b>			<b>52,559</b>	<b>—</b>
<b>U.S. Department Of Housing And Urban Development</b>				
<b>Passed-Through Missouri Department Of Economic Development</b>				
<b>Community Development Block Grant Program</b>				
JCEDC Missouri Innovation Campus- Indirect	14.228	2008-DI-93	69,131	—
<b>U.S. Environmental Protection Agency</b>				
<b>Passed-Through Missouri Department Of Natural Resources</b>				
MO Wetland Rapid Assessment Method & Education Outreach	66.461	CD-97738401	45,238	—
<b>Total Expenditures Of Federal Awards</b>			<b>\$ 78,164,274</b>	<b>\$ 582,205</b>

# UNIVERSITY OF CENTRAL MISSOURI

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## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2017

### 1. Organization

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of University of Central Missouri (the University) for the year ended June 30, 2017. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

### 2. Basis Of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the University under programs of the federal government for the year ended June 30, 2017. 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* (the Uniform Guidance). Because the schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position or cash flows of the University.

### 3. Summary Of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. 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. Pass-through entity identifying numbers are presented where available.

### 4. Indirect Cost Rate

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

**UNIVERSITY OF CENTRAL MISSOURI**

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Notes To Schedule Of Expenditures Of Federal Awards (*Continued*)

**5. Federal Student Loan Programs**

The federal student loan program listed subsequently is administered directly by the University, and balances and transactions relating to this program is included in the University's basic financial statements. Loans made during the year are included in the federal expenditures presented in the schedule. The balance of loans outstanding at June 30, 2017 consists of:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Outstanding Balance</u>
84.038	Perkins Loan Program	\$ 6,147,901

The University is responsible only for the performance of certain administrative duties with respect to the Federal Direct Loan Program.

**UNIVERSITY OF CENTRAL MISSOURI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2017**

**Section I - Summary Of Auditors' Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?        x      yes                no
- Significant deficiency(ies) identified?                yes        x      none reported

Noncompliance material to financial statements noted?

          yes        x      no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?                yes        x      no
- Significant deficiency(ies) identified?        x      yes                none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

  x      yes                no

Identification of major programs:

<u>Name Of Federal Program Or Cluster</u>	<u>CFDA Number</u>
Student Financial Aid Cluster	
Federal SEOG	84.007
Federal Work Study	84.033
Federal Perkins Loans	84.038
Federal Pell Grants	84.063
Federal Direct Student Loans	84.268
TEACH Grants	84.379
Special Education Cluster (IDEA)	
Special Education Consultants - RPDC - PLC	84.027
Special Education Consultants - RPDC - Director Support	84.027
Special Education Consultants - RPDC - Improvement Consult	84.027
Special Education Consultants - RPDC - Positive Behavior	84.027
Special Education Consultants - RPDC - Consolidated Work	84.027

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

  x      yes                no

**UNIVERSITY OF CENTRAL MISSOURI**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)***  
**For The Year Ended June 30, 2017**

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**Section II - Financial Statement Findings**

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**Finding 2017-001 – Material Weakness**

**Criteria:** Controls should be designed and implemented to ensure that vendor set up and vendor information changes are reviewed and approved.

**Condition:** During our financial statement audit fieldwork, it was noted that vendor information changes were not always reviewed and approved.

**Effect:** A change could be made to vendor information without proper review and approval in accordance with University policy, which could lead to inaccurate vendor payments.

**Cause:** The University did not properly implement controls related to vendor set up and vendor information changes as outlined in the University's policy.

**Recommendation:** All vendor set up and vendor information changes should be subject to review and approval in accordance with University policy.

**Corrective Action Plan (Unaudited):** See the corrective action plan provided by management included in their response included with this report.

**Completion Date:** January 1, 2017

**Responsible Official:** Senior Vice President of Finance and Administration

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# UNIVERSITY OF CENTRAL MISSOURI

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*) For The Year Ended June 30, 2017

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### Section III - Federal Award Findings And Questioned Costs

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#### **Finding 2017-002 – Significant Deficiency**

**Federal Award. No. 84.268, 84.007, 84.033, 84.038, 84.063 & 84.379**

**U.S. Department of Education**

**Student Financial Aid Cluster**

**Criteria:** According to Volume 3, Chapter 2 of the Student Financial Aid Handbook and Section 472 of the HEA, schools can use the following costs in the Cost of Attendance (COA) calculation: the tuition and fees normally assessed for a student carrying the same academic workload, an allowance for books, supplies, transportation, and miscellaneous personal expenses, an allowance for room and board, for a student with dependents an allowance for costs expected to be incurred for dependent care, an allowance for the one-time direct costs of obtaining a first professional license or certificate for students who are enrolled in a program that requires such professional licensure or certification, for study-abroad programs approved for credit by the student's home institution the reasonable costs associated with such study, for a student with a disability, an allowance for expenses related to the student's disability, for student's engaged in a work experience through a cooperative education program an allowance for reasonable costs associated with such employment, and for students receiving loans the fees required to receive them. If a cost is not mentioned in these categories, the regulations state that it is not to be included in the COA.

**Condition:** In our nonstatistical sample of 25 students, we noted three students for which an amount was added to the student's COA that related to the amount of a Service Award scholarship that the student was provided. The increase to COA for the amount of the Service Award could not be entirely supported by additional fees or charges assessed to the student, therefore certain amounts were inappropriately included in the COA.

**Effect:** The inclusion of additional amounts in the COA related to a Service Award scholarship received could enable students to receive additional federal financial aid or different types of federal financial aid for which the student might not be eligible.

**Questioned Costs:** Known and likely questioned costs do not meet or exceed the reporting threshold of \$25,000.

**Cause:** The University was not aware that students must have additional costs related to the Service Award scholarship to be able to adjust COA for a student and that COA should only be increased by the amount of the costs, not the entire Service Award.

# UNIVERSITY OF CENTRAL MISSOURI

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)* For The Year Ended June 30, 2017

**Recommendation:** The Financial Aid office should discontinue increasing a student's COA by the amount of a Service Award, unless there are additional costs to the student that can be documented that would be in accordance with the guidelines set forth for costs that can be included in a student's COA. The University should also evaluate the award packaging for each student who received a Service Award and review the COA for those students to verify that students were not awarded too much aid.

**Corrective Action Plan (Unaudited):** See the corrective action plan provided by management included in their response included with this report.

**Anticipated Completion Date:** January 8, 2018

**Responsible Official:** Director of Student Financial Aid



**Finding No. 2017-001**

**Corrective Action Plan – Vendor Set-Up**

During fiscal year 2017, the University completed a full review of the vendor master record procedures. With this review, the following changes have been addressed. The Office of Procurement and Materials Management will send vendors a vendor information packet that must be completed in order to be added to the University's vendor system or have any changes made to an existing vendor record. Upon receipt, this vendor information packet will be processed by the Accounts Payable staff. All vendor information will be validated by phone to the vendor prior to creating the vendor record or updating any vendor information. A secondary Accounts Payable staff member will complete this validation and management will approve the system changes.

The implementation of these new procedures will increase the system controls and due diligence for the vendor system to ensure accurate vendor payments and fraud prevention.

Responsible Official: VP of Finance

Completion Date: January 1, 2017

**Finding No. 2017-002**

**Corrective Action – Service Award Cost of Attendance Adjustments**

The University has implemented a new process to determine the amount (if necessary) of adjustment for a student's Cost of Attendance. The University will adjust the Cost of Attendance based upon the average cost increase associated with the award (not by the amount of the Service Award) within each specific student group, thus applying the cost allowances uniformly to all students in those categories. The average costs will be determined by requesting a list of extra fees/costs from each constituent group. The University will also determine which of the Awards should be considered a true Service Award, and which should be considered a Scholarship.

Since the University became aware of this practice after awarding for aid year 2017-18 had been completed and disbursed, the University will make the necessary adjustments to any affected students to ensure compliance for the current award year.

Responsible Official: Director of Student Financial Aid

Anticipated Completion Date: January 8, 2018