



## Restated

### Corrective Action Plan Year Ended June 30, 2007

The following corrective action plan is prepared in accordance with Office of Management and Budget Circular A-133, Section .315(c). Accordingly, it is management's response to Findings 2007-1, 2007-2 and 2007-3 identified in the University of Alaska Audit in Accordance with OMB A-133 for the year ended June 30, 2007. The findings are presented below with management's response following:

#### **Finding 2007-1**

#### **Department of Education, TRIO Cluster, TRIO-Talent Search Program, CFDA 84.044, Program Year 2005 - 2006**

**Criteria or Specific Requirements** – According to the Code of Federal Regulations (CFR), Title 34, Sections 643-7 and 643-10, at least two-thirds of the individuals served by a talent search project must be low-income individuals who are potential first generation college students.

**Condition** – For the program year 2005-2006, 55.8 percent of the University of Alaska Fairbanks (Bristol Bay region) Talent Search program participants were low-income individuals who were potential first-generation college students.

**Questioned Costs** – None.

**Context** – Isolated to Talent Search Program.

**Effect** – The University provided talent search program services to a population that did not meet the program's earmarking requirement.

**Recommendation** – The University should make every effort to serve the number of Talent Search participants required by the program.

**Management's Response** – The University of Alaska Fairbanks (Bristol Bay region) Talent Search Program had previously reported the percentage of participants served to the grantor in their annual performance report for the program year 2005-2006.

The 2002-2003 program year was the first year of the University of Alaska Fairbanks (Bristol Bay region) Talent Search Program, and the program faced significant cultural challenges in rural Alaska. There has been a continued hesitance by participants and families to provide needed financial information, thereby delaying verification of participant eligibility. As trust for

the program has increased in the region, progress continues. The program served 52 percent low-income and potential first-generation college students in program year 2003-2004, 60 percent in program year 2004-2005, and 56 percent in program year 2005-2006. Overall, this

Alaska include a hesitance by participants and families to provide needed financial information for verification of participation eligibility.

The program was housed in offices located at the edge of campus away from classrooms and student activity.

**Condition** – For the program year 2006-2007, the University of Alaska failed to identify and calculate refunds for 12 Title IV recipients, calculated and returned funds untimely for seven Title IV recipients, and allocated one return incorrectly.

**Questioned Costs** – \$8,164.

**Context** – Isolated to Federal Family Education Loans and Federal Pell Grant Program. A sample of 40 students was initially selected for test work. Of this sample six exceptions were identified. Test work was expanded over all student withdrawals at those campuses for which exceptions were identified.

**Effect** – The University of Alaska Fairbanks failed to calculate returns for 12 students that withdrew from the institution, resulting in \$4,300 and \$3,864 of under-returned, unsubsidized FFEL and Pell Grants, respectively. The returns should have been made during the last quarter of 2006 and first quarter of 2007; however, were not identified until September of 2008. The University of Alaska, Fairbanks also incorrectly returned \$1,123 of Title IV funds to the

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