

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS--Continued

LANGSTON UNIVERSITY

Year Ended June 30, 2014

### FINDING 2014-01

Program CFDA No:

84.033 Federal Work-Study

Federal Award Year:

June 30, 2014

Questioned Costs: \$747

Criteria: In accordance with 34 CFR 675.19(2)(i), "an institution must establish and maintain program and fiscal records that include a certification by the student's supervisor, an official of the institution or off-campus agency, that each student has worked and earned the amount being paid. The certification must include or be supported by, for students paid on an hourly basis, a time record showing the hours each student worked in clock time sequence, or the total hours worked per day."

Per the Department of Education's Federal Student Aid Handbook, "students are not permitted to work in Federal Work Study ("FWS") positions during scheduled class times. Exceptions are permitted if an individual class is cancelled or if the instructor has excused the student from attending for a particular day. Any such exemptions must be documented."

Condition: During student file testing procedures over FWS, we noted that four of the four FWS students tested had approved timesheets that showed earned hours that conflicted with class schedules. This is indicative of FWS funds being used to pay students for unauthorized hours worked. As such, we tested an additional sample of seven FWS students for additional procedures over compliance testing. Within that additional population, seven of the seven FWS students tested had approved timesheets that showed earned hours that conflicted with class schedules. Total questioned costs identified for the eleven students with \$13,629 in FWS funding were \$747.

Cause: Upon being awarded eligibility for FWS, students submit their class schedule to their supervisor and sign a contract that dictates the term of their employment, including guidelines that state FWS hours worked should not conflict with academic periods. Students prepare their own timesheets and submit them to their department supervisor for approval. The department supervisor submits the verified timesheets to payroll. Payroll processes the FWS payroll and maintains the timesheets within their records. Conflicts are a result of lack of review procedures over student timesheets or improper documentation of student hours worked vs. class time.

Effect: The University could have potentially utilized federal funds for unallowed activities. Additionally, the University was not in compliance with fiscal procedures and records guidelines as determined by the Department of Education regarding FWS funds.

Recommendation: We recommend that the University implement procedures and internal controls over proper review of student's FWS timesheets to ensure FWS funds are being used for authorized work hours and conflicts between hours worked and class hours are properly documented within payroll documents. This will assist the University in ensuring compliance with the Student Aid Handbook as this is regulated by the Department of Education.