Pima County Community College District
(Pima College)

Single Audit Reporting Package

Year Ended June 30, 2007
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Independent Auditor’s Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control over Compliance in
Accordance with OMB Circular A-133

Board of Governors
Pima County Community College District
Tucson, Arizona

Compliance

We have audited the compliance of Pima County Community College District with the types of
compliance requirements described in the U. S. Office of Management and Budget (OMB)
Circular A-133 Compliance Supplement that are applicable to each of its major federal programs
for the year ended June 30, 2007. The District’s major federal programs are identified in the
Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned
Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to
each of its major federal programs is the responsibility of the District’s management. Our
responsibility is to express an opinion on the District’s compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing
standards; the standards applicable to financial audits contained in Government Auditing
Standards, issued by the Comptroller General of the United States; and OMB Circular A-133,
Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB
Circular A-133 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 District’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. Our audit does not provide a legal
determination of the District’s compliance with those requirements.

As described in items 07-01 in the accompanying Schedule of Findings and Questioned Costs,
the District did not comply with requirements regarding special tests and provisions that are
applicable to its Student Financial Assistance Cluster of programs. Compliance with such
requirements is necessary, in our opinion, for the District to comply with the requirements
applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, Pima County
Community College District complied, in all material respects, with the requirements referred to
above that are applicable to each of its major federal programs for the year ended June 30, 2007.
The results of our auditing procedures also disclosed other instances of noncompliance with those
requirements that are required to be reported in accordance with OMB Circular A-133 and are
described in the accompanying Schedule of Findings and Questioned Costs as items 07-02
through 07-04.
Internal Control over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the District's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and one that we consider to be a material weakness.

A control deficiency in the District's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control. We consider items 07-01 through 07-04 described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over compliance.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider item 07-01, to be a material weakness.

Schedule of Expenditures of Federal Awards

The financial statements of Pima Community College were audited by the Office of the Auditor General of the State of Arizona for the year ended June 30, 2007, who issued an unqualified report on the basic financial statements and a report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards, dated December 3, 2007. The report disclosed no significant deficiencies in internal control or instances of noncompliance that would affect Pima Community College's federal programs.

The accompanying schedule of expenditures of federal awards for the year ended June 30, 2007, is presented as required by OMB Circular A-133 and is not a required part of the basic financial statements. We conducted our audit of the schedule in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB
Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall schedule presentation. We believe that our audit provides a reasonable basis for our opinion. Such information has been subjected to the auditing procedures as outlined above and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Pima County Community College District’s responses to the findings identified in our audit are presented on pages 12 through 14. We did not audit the District’s responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Governing Board, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

March 17, 2008
Pima County Community College District  
(Pima College)  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2007

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor/Program Title</th>
<th>CFDA Number</th>
<th>Pass-Through Grantor's Number</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S Department of Education</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Financial Assistance Cluster:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Supplemental Educational Opportunity Grants</td>
<td>84.007</td>
<td></td>
<td>$ 482,745</td>
</tr>
<tr>
<td>Federal Family Education Loans</td>
<td>84.032</td>
<td></td>
<td>17,584,512</td>
</tr>
<tr>
<td>Federal Work-Study Program</td>
<td>84.033</td>
<td></td>
<td>553,010</td>
</tr>
<tr>
<td>Federal Perkins Loan Program – Federal Capital Contributions</td>
<td>84.038</td>
<td></td>
<td>2,102,214</td>
</tr>
<tr>
<td>Federal Pell Grant Program</td>
<td>84.063</td>
<td></td>
<td>14,069,682</td>
</tr>
<tr>
<td>Academic Competitiveness Grant</td>
<td>84.375</td>
<td></td>
<td>650</td>
</tr>
<tr>
<td>Federal Direct Student Loans</td>
<td>84.288</td>
<td></td>
<td>34,138</td>
</tr>
<tr>
<td>Total Student Financial Assistance Cluster</td>
<td></td>
<td></td>
<td>34,826,951</td>
</tr>
<tr>
<td><strong>TRIO Cluster:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRIO - Talent Search</td>
<td>84.044</td>
<td></td>
<td>357,133</td>
</tr>
<tr>
<td>TRIO - Upward Bound Program</td>
<td>84.047</td>
<td></td>
<td>303,210</td>
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<tr>
<td>Total TRIO Cluster</td>
<td></td>
<td></td>
<td>660,343</td>
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<tr>
<td><strong>Higher Education-Institutional Aid</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Child Care Access Means Parents In School</td>
<td>84.031</td>
<td></td>
<td>547,115</td>
</tr>
<tr>
<td><strong>Passed Through Arizona Commission for Post-Secondary Education:</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Leveraging Educational Assistance Partnership</td>
<td>84.069</td>
<td>N/A</td>
<td>140,139</td>
</tr>
<tr>
<td><strong>Passed Through Arizona Department of Education:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adult Education - State Grant Program</td>
<td>84.002</td>
<td>05FAEABEE-570600-03A</td>
<td>2,126,515</td>
</tr>
<tr>
<td>Vocational Education - Basic Grants to States</td>
<td>84.048</td>
<td>07FCTDBG-770600-06A</td>
<td>380,973</td>
</tr>
<tr>
<td>Even Start - State Educational Agencies</td>
<td>84.213</td>
<td>06FCEEV-570600-05A</td>
<td>153,049</td>
</tr>
<tr>
<td><strong>Passed through Sunnyside Unified School District:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Even Start - State Educational Agencies</td>
<td>84.213</td>
<td>06FCEEV-560954-07A</td>
<td>306,001</td>
</tr>
<tr>
<td>Total CFDA 84.213</td>
<td></td>
<td></td>
<td>459,050</td>
</tr>
<tr>
<td><strong>Passed through Pima County:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tech-prep Education</td>
<td>84.243</td>
<td>N/A</td>
<td>70,015</td>
</tr>
<tr>
<td><strong>Passed through University of Arizona:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gaining Early Awareness and Readiness for Undergraduate Programs</td>
<td>84.334</td>
<td>P334AO50173</td>
<td>167,288</td>
</tr>
<tr>
<td>Total U.S. Department of Education</td>
<td></td>
<td></td>
<td>39,470,016</td>
</tr>
<tr>
<td><strong>U.S. Department of Health and Human Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biomedical Research and Research Training</td>
<td>93.859</td>
<td></td>
<td>121,255</td>
</tr>
<tr>
<td><strong>Passed through University of Arizona:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biomedical Research and Research Training</td>
<td>93.859</td>
<td>5 K12 GM000708-07</td>
<td>117,172</td>
</tr>
<tr>
<td>Total CFDA 93.859</td>
<td></td>
<td></td>
<td>238,427</td>
</tr>
<tr>
<td><strong>Passed through State of Arizona Dept. of Economic Security:</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Refugee and Entrant Assistance - State Administered Programs</td>
<td>93.566</td>
<td>E830421</td>
<td>132,696</td>
</tr>
<tr>
<td><strong>Passed through United Way:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early Learning Fund</td>
<td>93.577</td>
<td>90LO0130</td>
<td>7,588</td>
</tr>
<tr>
<td>Total U.S. Department of Health and Human Services</td>
<td></td>
<td></td>
<td>378,711</td>
</tr>
</tbody>
</table>

See accompanying notes to schedule.
<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor/Program Title</th>
<th>CFDA Number</th>
<th>Pass-Through Grantor’s Number</th>
<th>Expenditures</th>
</tr>
</thead>
</table>
| U.S. Department of Labor  
Passed through Job Path Inc.  
WIA Pilots, Demonstrations, and Research Projects                                                               | 17.261      | HG-14753-05-80                | $19,408      |
| Small Business Administration  
Passed through Maricopa Community College District:  
Small Business Development Center                                                                                 | 59.037      | 7-603001-Z-0003-15            | 154,785      |
|                                                                                                                   |             | 6-603001-Z-0003-14            |              |
| National Science Foundation  
Passed Through Arizona State University:  
Education and Human Resources                                                                                   | 47.076      | 03-045                        | 19,474       |
|                                                                                                                   |             | 07-781                        |              |
| U.S. Department of Housing and Urban Development  
Passed through Pima County Community Services:  
Hispanic Serving Institutions Assisting Communities                                                                | 14.514      | 01-39-P130185-07-01           | 174,632      |
| Corporation for National and Community Service  
Passed through State of Arizona Governor’s Office Americorps                                                          | 94.006      | 03AFHAZ0010004                | 166,966      |
| Institute Museum and Library Services  
Passed through Arizona Department of Records  
Grants to States                                                                                                 | 45.310      | N/A                           | 3,746        |
| U.S. Department of Transportation  
Passed through Arizona Department of Transportation  
|                                                                                                                   |             |                               |              |
| Total Expenditures of Federal Awards                                                                               |             |                               | $40,391,592  |

See accompanying notes to schedule.
Pima County Community College District  
(Pima College)  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2007

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Pima County Community College District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 - Catalog of Federal Domestic Assistance (CFDA) Numbers

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2007 Catalog of Federal Domestic Assistance.

Note 3 - Loans Outstanding

The expenditures reported on the Schedule of Expenditures of Federal Awards for certain programs include loan balances outstanding at June 30, 2007 as follows:

<table>
<thead>
<tr>
<th>Program Title</th>
<th>CFDA Number</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Perkins Loan Program</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Capital Contributions</td>
<td>84.038</td>
<td>$2,102,214</td>
</tr>
</tbody>
</table>
Pima County Community College District
(Pima College)
Schedule of Findings and Questioned Costs
Year Ended June 30, 2007

Summary of Auditor's Results

Financial Statements (Audited by Other Auditors)

Type of auditor's report issued: Unqualified
YES   NO

Material weakness identified in internal control over financial reporting?  ___   X

Significant deficiency identified not considered to be a material weakness?
[Reported by other auditors in separately issued Report on Internal Control
and Compliance dated December 3, 2007]
___   ___

Noncompliance material to the financial statements noted?  ___   X

Federal Awards

Material weaknesses identified in internal control over major programs?  X   ___

Significant deficiencies identified not considered to be material weaknesses?  X   ___

Type of auditor's report issued on compliance for major programs:
Unqualified for the programs under the TRIO Cluster and the Adult
Education - State Grant Program, and qualified for the Student Financial
Assistance Cluster of programs.

Any audit findings disclosed that are required to be reported in accordance with
Circular A-133 (section .510[a])?  X   ___

Identification of major programs:

CFDA Number   Name of Federal Program or Cluster
84.002        Adult Education-State Grant Program
TRIO Cluster  84.044        TRIO - Talent Search
84.047        TRIO - Upward Bound
Student Financial Assistance Cluster
84.007        Federal Supplemental Educational Opportunity Grants
84.032        Federal Family Education Loans
84.033        Federal Work-Study Program
84.038        Federal Perkins Loan Program – Federal Capital Contributions
84.063        Federal Pell Grant Program
84.268        Federal Direct Student Loans
84.375        Academic Competitive Grants

Dollar threshold used to distinguish between Type A and Type B programs: $620,122

Auditee qualified as low-risk auditee?  ___   X

Other Matters

Auditee's Summary Schedule of Prior Audit Findings required to be reported in
accordance with Circular A-133 (section .315[b])?  ___   X
Federal Award Findings and Questioned Costs

Item: 07-01

CFDA Numbers: 84.007, 84.032, 84.033, 84.038, 84.063, 84.268, 84.375 Student Financial Aid Cluster

Grantor: U.S. Department of Education

Award Period: July 1, 2006 through June 30, 2007

Award Numbers: P038A060133, P007A050133, P007A060133, P033A060133, P063P050512, P063P060512, P375A060512

Questioned Costs: N/A

Under the requirements of the Federal Family Education Loans program (FFEL) and Direct Student Loan program, the District must notify the NSLDS within 30 days of a change in student status, or include the change in status in a response to a SSCR within 60 days. The system the District uses to track student enrollment changes is not currently compatible with SSCR and NSLDS reporting. As a result, for fifteen of the sixteen FFEL borrows with enrollment status changes selected for testing, status changes were not reported to NSLDS. This finding is a material weakness in internal control and a material noncompliance with the program’s special tests and provisions requirements.

The District should establish policies and procedures to ensure the prompt and accurate reporting of student status changes to NSLDS.

Item: 07-02

CFDA Numbers: 84.007, 84.032, 84.033, 84.038, 84.063, 84.268, 84.375 Student Financial Aid Cluster

Grantor: U.S. Department of Education

Award Period: July 1, 2006 through June 30, 2007

Award Numbers: P038A060133, P007A050133, P007A060133, P033A060133, P063P050512, P063P060512, P375A060512

Questioned Costs: Unknown

A post-withdrawal disbursement occurs when the percentage of financial aid earned by the student is greater than the amount disbursed. When it is discovered that a student is due a post-withdrawal disbursement, specific actions are required. If the post-withdrawal disbursement is to
be made from grant funds, the institution may credit the students account for outstanding fees and tuition without prior notification. A post-withdrawal disbursement due from loan funds requires a confirmation from the parent or student before crediting their account for outstanding charges. The District must then send written notification to the student or parent within 30 days to inform them they are owed a post-withdrawal disbursement. The post-withdrawal disbursement must be made within 120 days of the date the District determines that the student withdrew. The College calculates the post-withdrawal disbursement as part of the return to Title IV calculation process. However, the District did not have policies and procedures in place to ensure that the required post-withdrawal disbursements were made. As a result, post-withdrawal disbursements were not always made, as required. The total post-withdrawal disbursements that should have been made during the fiscal year was approximately $45,000. Of this total, the amount of post-withdrawal disbursements not made is unknown. This finding is a significant deficiency in internal control and an immaterial noncompliance with the program’s special tests and provisions requirements.

Policies and procedures should be implemented to help ensure compliance with the U.S. Department of Education’s regulations regarding post withdrawal disbursements.

Item: 07-03

CFDA Numbers: 84.007, 84.032, 84.033, 84.038, 84.063, 84.268, 84.375 Student Financial Aid Cluster

Grantor: U.S. Department of Education

Award Period: July 1, 2006 through June 30, 2007

Award Numbers: P038A060133, P007A060133, P007A060133, P033A060133, P063P050512, P063P060512, P375A060512

Questioned Costs: Unknown

When a student receiving Title IV grant or loan assistance withdraws, the District must determine the amount earned by the student and the amount that must be returned to the Title IV programs. For two of forty-six return of Title IV calculations tested, the calculation was not in accordance with the grantor’s requirements.

For one of the tested transactions, the student’s portion of the unearned aid was calculated incorrectly, due to an amendment to the return of Title IV calculation guidelines that were effective July 1, 2006 not being reflected in the College’s system until February 11, 2007. The amount charged to the student was $320, when only $70 was required.

For another tested transaction, a student withdrew prior to the beginning of the semester, however, a return to Title IV calculation was performed as if some of the semester had been
attended. As a result, the total amount returned to Title IV was $1,013, when the entire aid of $2,025 should have been returned.

This finding is a significant deficiency in internal control and an immaterial noncompliance with the program's special tests and provisions requirements.

Policies and procedures should be strengthened to help ensure that all post-withdrawal disbursements are calculated correctly and all required updates to the District's accounting system affecting student financial aid calculations are made timely. In addition, changes to the U.S. Department of Education requirements should be monitored to help ensure that the District adjusts its procedures accordingly.

Item: 07-04

CFDA Numbers: 84.007, 84.032, 84.033, 84.038, 84.063, 84.268, 84.375 Student Financial Aid Cluster

Grantor: U.S. Department of Education

Award Period: July 1, 2006 through June 30, 2007

Award Numbers: P038A060133, P007A050133, P007A060133, P033A060133, P063P050512, PP063P060512, P375A060512

Questioned Costs: Unknown

The District has a responsibility to return any Title IV funds that cannot be used as intended. The District must take all reasonable measures to locate a student in order to deliver the student's Title IV balance. If the student cannot be located, the school must ensure Title IV funds do not escheat to the state or revert to the school or any other party. When a check containing Title IV funds is not cashed by the student within the expiration date (180 days), the funds must be restored to the correct program.

Upon review of outstanding Title IV checks at the District, 157 checks relating to Title IV funds which had not been cashed were noted. The total outstanding amount is $38,000, with check dates from 2001-2007. The outstanding checks that had been returned are housed in a drawer in the Bursar's office. The District has not investigated these outstanding checks to determine the amount, if any, which must be returned to the Title IV programs. This finding is a significant deficiency in internal control and an immaterial noncompliance with the program's special tests and provisions requirements.

The District should implement procedures to help ensure that all outstanding checks relating to Title IV funds are investigated and returned to the grantor when necessary.
District Responses
Federal Award Findings and Questioned Costs

General Response to Items 07-1 through 07-4

Pima Community College reviewed the audit findings and immediately implemented corrective procedures to ensure compliance with federal regulations. The College has taken measures to correct deficiencies identified in this audit report and to ensure that future awards will comply with regulations. Corrective measures include the following:

1. The College engaged the consulting firm Financial Aid Services (FAS) to perform an operational effectiveness review that includes a comprehensive study of college-wide financial aid procedures and processes. FAS has not issued the final report at this date; however, the College has implemented several procedural changes based on the preliminary review findings and will seriously consider all recommendations proposed in the final report.

2. The College centralized the financial aid staff reporting structure to improve multi-campus coordination and ensure college-wide standardization.

3. The College budgeted funding in FY2008 and FY2009 to provide additional compliance training to financial aid staff, including training specific to the U.S. Department of Education requirements.

4. The College will stay informed of all U.S. Department of Education notifications regarding eligibility and calculation of financial aid awards.

5. The College will keep the enterprise resource planning (ERP) system current and in compliance with all financial aid regulations and will manually test system calculations on a periodic basis to ensure accuracy.

Item: 07-1

CFDA Numbers: 84.007, 84.032, 84.033, 84.038, 84.063, 84.268, 84.375 Student Financial Aid Cluster

Contact Person: Anna Reese, Executive Director of Financial Aid

Anticipated Completed Date: April 2008

Corrective Action:

1. Beginning February 2008, Pima Community College started completing the Student Status Confirmation Report (SSCR) every 60 days. All required changes to student information are now reported to NSLDS via the SSCR.
2. Pima Community College has and will continue to update NSLDS of withdrawal dates for Title IV students at the time it is determined that the withdrawal has occurred and the Title IV Refund calculation is completed for Federal Family Education Loan Program recipients.

3. Prior to March 2008 Pima Community College reported to COD the Federal Pell Grant report every 30 days as required. In March 2008, the College implemented weekly Federal Pell Grant reporting to capture new recipients and changes to the grant program. This best practice was recommended by Financial Aid Services, Inc. during the operational effectiveness review.

Item: 07-2

CFDA Numbers: 84.007, 84.032, 84.033, 84.038, 84.063, 84.268, 84.375 Student Financial Aid Cluster

Contact Person: Anna Reese, Executive Director of Financial Aid

Anticipated Completed Date: September 2007

Corrective Action: Prior to September 2007, Pima Community College sent students post-withdrawal letters indicating that they had refunds that would be disbursed unless they declined the money in writing within 14 days. Following an internal review of this practice, the College strengthened the process to require students to provide an affirmative response in order to refund post withdrawal disbursements in accordance with 34 CFR 668.22(a)(3) & (4). Upon completion of the Title IV Refund Calculation, Pima Community College now notifies students that are eligible for post withdrawal disbursements and informs them that they are required to respond in writing within 14 days in order to accept the funds. If the student accepts the funds, District Financial Aid Office disburses the money to the student account, which prompts the Student Accounts Office to prepare and mail a refund check to the student. The refunded amounts will then be verified by the Financial Aid Office through the student account system and confirmed with Finance. If the student declines or does not respond, the District Financial Aid Office returns the money to the appropriate entity according to Title IV refund requirements.

Item: 07-3

CFDA Numbers: 84.007, 84.032, 84.033, 84.038, 84.063, 84.268, 84.375 Student Financial Aid Cluster

Contact Person: Anna Reese, Executive Director of Financial Aid

Anticipated Completed Date: January 2008

Corrective Action:

1. The ERP system upgrades that were necessary to handle the July 1, 2006 Title IV
Pima County Community College District  
(Pima College)  
Corrective Action Plan  
Year Ended June 30, 2007

refund calculation regulatory changes were not implemented until February 2007. Once the upgrades were implemented, the College performed the Title IV refund calculations, identified all affected students, and corrected the errors.

2. A procedure has since been put in place so that a team of employees now reviews all announcements to ensure that all upgrades are implemented in time for new regulatory requirements.

Corrective Action:

1. Pima Community College has determined that this was a processing error. The student had officially dropped his/her classes the day before classes had begun and all aid should have been pulled back immediately. This student’s financial aid record was corrected upon discovery.

2. The College has reviewed all calculations to ensure that no further Title IV recipients received unearned cash, and checked withdrawal dates to ensure that the dates fell within the semester. There were no other errors discovered during this review.

3. The College has improved employee training on the process that caused this error.

Item: 07-4

CFDA Numbers: 84.007, 84.032, 84.033, 84.038, 84.063, 84.268, 84.375 Student Financial Aid Cluster

Contact Person: Henry Rillos, Director of Fiscal Services

Anticipated Completed Date: February 2008

Corrective Action: In February 2008, the Finance and Financial Aid departments implemented a collaborative process to ensure that all outstanding Title IV checks are tracked bi-weekly, and that numerous attempts are made to contact the student and make the student aware that the Title IV funds have been disbursed. In cases in which funds are deemed undeliverable to the student and the check has not been cashed by the 180 day expiration date, the funds are removed from the student account and returned to the Financial Aid Office for remittance to the appropriate funding agency. A shared calendar is used by both departments to ensure that the process is timely. The Director of Fiscal Services and the Director of Financial Aid will maintain oversight of the process in their respective departments to ensure compliance with federal regulations.