

DELAWARE STATE UNIVERSITY
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2017

**DELAWARE STATE UNIVERSITY
TABLE OF CONTENTS
JUNE 30, 2017**

	PAGE
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	1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	4
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	11
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	12



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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 Trustees
Delaware State University
Dover, Delaware

Report on Compliance for Each Major Federal Program

We have audited Delaware State University's (the University) 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's major federal programs for the year ended June 30, 2017. The University'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'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* (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'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's compliance.

Opinion on Each Major Federal Program

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on 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 items 2017-006 through 2017-011. Our opinion on each major federal program is not modified with respect to these matters.

The University's responses to the noncompliance findings identified in our audit are described in the accompanying corrective action plan. The University's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of the University 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'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'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 have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-006 through 2017-011 that we consider to be significant deficiencies.

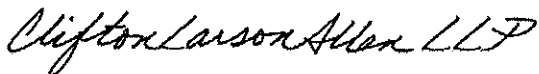
The University's responses to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. The University's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Board of Trustees
Delaware State University

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 and the aggregate discretely presented component unit of Delaware State University, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated December 19, 2017, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors. 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 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

Plymouth Meeting, Pennsylvania
March 29, 2018

**DELAWARE STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Passed Through Grantor's Number	Passed to Subrecipients	Total Federal Expenditures
<u>Student Financial Assistance Cluster</u>				
Department of Education Direct Programs:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	\$ -	\$ 180,461
Federal Work-Study Program	84.033	N/A	-	191,831
Federal Pell Grant Program	84.063	N/A	-	8,996,227
Federal Direct Loan Program	84.268	N/A	-	39,733,730
Teacher Education Assistance for College and Higher Education Grants	84.379	N/A	-	13,048
Subtotal of Department of Education Direct Programs			<u>-</u>	<u>49,115,297</u>
Total Student Financial Assistance Cluster			<u>-</u>	<u>49,115,297</u>
<u>Research and Development Cluster</u>				
Department of Agriculture Direct Programs:				
Agricultural Research - Basic and Applied Research	10.001	N/A	-	(121)
Plant and Animal Disease, Pest Control, and Animal Care	10.025	N/A	-	47,489
Farmers' Market and Local Food Promotion Program	10.168	N/A	-	64,989
Grants for Agricultural Research, Special Research Grants	10.200	N/A	-	(300)
Cooperative Forestry Research	10.202	N/A	-	56,549
Payments to 1890 Land-Grant Colleges and Tuskegee University	10.205	N/A	-	1,299,637
1890 Institution Capacity Building Grants	10.216	N/A	138,935	1,087,234
Corp Protection and Pest Management Competitive Grants Program	10.329	N/A	-	2,399
Community Outreach and Assistance Partnership Program	10.443	N/A	-	90,153
Cooperative Extension Service	10.500	N/A	-	17,069
Technical Agricultural Assistance	10.960	N/A	-	407,511
Subtotal of Department of Agriculture Direct Programs			<u>138,935</u>	<u>3,072,609</u>

See Notes to Schedule of Expenditures of Federal Awards.

**DELAWARE STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2017**

Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Passed Through Grantor's Number	Passed to Subrecipients	Total Federal Expenditures
Department of Agriculture Pass-Through Programs From:				
<i>Passed Through Florida A&M University</i>				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	C-4939	-	9,266
<i>Passed Through the Delaware Department of Agriculture</i>				
Specialty Crop Block Grant Program - Farm Bill	10.170	14-SCBGP-DE-0010	-	6,476
<i>Passed Through the University of Maryland College Park</i>				
Grants for Agricultural Research, Special Research Grants	10.200	29182-Z5659004	27,730	52,864
<i>Passed Through the University of Vermont</i>				
Sustainable Agriculture Research and Education	10.215	ENE15-141-29001	-	7,443
Sustainable Agriculture Research and Education	10.215	SNE15-03-29001	-	20,010
Sustainable Agriculture Research and Education	10.215	SNE16-03-29994	-	57,457
<i>Passed Through the Tennessee State University</i>				
1892 Institution Capacity Building Grants	10.216	37209-1561	-	2,564
<i>Passed Through the Virginia State University</i>				
1891 Institution Capacity Building Grants	10.216	2013-SP10002	-	2,311
<i>Passed Through the University of Maryland Eastern Shore</i>				
1890 Institution Capacity Building Grants	10.216	2014-38821-22430	-	53,524
<i>Passed Through the Pennsylvania State University</i>				
Agriculture and Food Research Initiative	10.310	4712-DSU-USDA-9703	-	77,599
Agriculture and Food Research Initiative	10.310	2011-68004-30057	-	45,040
<i>Passed Through the University of Delaware</i>				
Agriculture and Food Research Initiative	10.310	2011-68003-30005-25883	-	(3,224)
Subtotal of Department of Agriculture Pass-Through Programs			<u>27,730</u>	<u>331,330</u>
Total Department of Agriculture			<u>166,665</u>	<u>3,403,939</u>
Department of Commerce Direct Programs:				
Economic Development - Technical Assistance	11.303	N/A	-	82,857
Economic Adjustment Assistance	11.307	N/A	-	126,696
Fisheries Development and Utilization Research and Development Grants	11.427	N/A	-	136,868
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	N/A	-	(69,902)
Southeast Area Monitoring and Assessment Program	11.435	N/A	-	(742)
Unallied Science Program	11.472	N/A	-	1,913
Subtotal of Department of Commerce Direct Programs			<u>-</u>	<u>277,690</u>

DELAWARE STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2017

Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Passed Through Grantor's Number	Passed to Subrecipients	Total Federal Expenditures
Department of Commerce Pass-Through Programs From:				
<i>Passed Through the University of Delaware</i>				
Sea Grant Support	11.417	45852	-	939
Sea Grant Support	11.417	44855	-	3,616
<i>Passed Through Florida A&M University</i>				
Educational Partnership Program	11.481	C-4261	-	124,500
<i>Passed Through the University of Maryland Eastern Shore</i>				
Educational Partnership Program	11.481	NA16SEC4810007	-	105,420
Educational Partnership Program	11.481	NA11SEC4810002	-	115,744
Subtotal of Department of Commerce Pass-Through Programs			-	350,219
Total Department of Commerce			-	627,909
Department of Defense Direct Programs:				
Basic and Applied Scientific Research	12.300	N/A	-	288,734
Basic Scientific Research	12.431	N/A	179,623	553,421
Basic, Applied, and Advanced Research in Science and Engineering	12.630	N/A	3,373	35,939
Air Force Defense Research Scientific Program	12.800	N/A	-	128,244
Subtotal of Department of Defense Direct Programs			182,996	1,006,338
Department of Defense Pass-Through Programs From:				
<i>Passed Through the Academy of Applied Science</i>				
Basic, Applied, and Advanced Research in Science and Engineering	12.630	W911NF-10-2-0076	-	4,070
Subtotal of Department of Defense Pass-Through Programs			-	4,070
Total Department of Defense			182,996	1,010,408
Department of the Interior Direct Programs:				
Endangered Species Conservation Recovery	15.657	N/A	-	93,957
Subtotal of Department of the Interior Direct Programs			-	93,957
Department of the Interior Pass-Through Programs From:				
<i>Passed Through the University of Delaware</i>				
Environment Cooperative Agreement	15.423	M16AC00009	-	137,355
Subtotal of Department of the Interior Pass-Through Programs			-	137,355
Total Department of the Interior			-	231,312

**DELAWARE STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2017**

Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Passed Through Grantor's Number	Passed to Subrecipients	Total Federal Expenditures
Department of Justice Pass-Through Programs From				
<i>Passed Through the University of Delaware</i>				
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525	2014-WA-AX-0011	-	87,864
Total Department of Justice			-	87,864
National Aeronautics and Space Administration Direct Programs:				
Science	43.001	N/A	(32,544)	598,465
Subtotal of National Aeronautics and Space Administration Direct Programs			(32,544)	598,465
National Aeronautics and Space Administration Pass-Through Programs:				
<i>Passed Through the University of Delaware</i>				
Science	43.001	NASA EPSCOR/RID	-	(3)
<i>Passed Through the University of Delaware</i>				
Education	43.008	42384	-	17,916
Subtotal of National Aeronautics and Space Administration Pass-Through Programs			-	17,913
Total National Aeronautics and Space Administration Program			(32,544)	616,378
Institute of Museum and Library Services Direct Programs:				
Museum Grants for African American History and Culture	45.309	N/A	-	20,519
Total Institute of Museum and Library Services Program			-	20,519
National Science Foundation Direct Programs:				
Engineering Grants	47.041	N/A	-	31,071
Mathematical and Physical Sciences	47.049	N/A	-	37,676
Geosciences	47.050	N/A	-	61,875
Computer and Information Science and Engineering	47.070	N/A	-	23,748
Biological Sciences	47.074	N/A	5,772	307,575
Education and Human Resources	47.076	N/A	6,650	1,488,371
Subtotal of National Science Foundation Direct Programs			12,422	1,950,316

**DELAWARE STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2017**

Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Passed Through Grantor's Number	Passed to Subrecipients	Total Federal Expenditures
National Science Foundation Pass-Through Programs From:				
<i>Passed Through the University of Delaware</i>				
Education and Human Resources	47.076	30705	-	46,722
Education and Human Resources	47.076	34656	-	187,294
<i>Passed Through Drexel University</i>				
Education and Human Resources	47.076	235920	-	13,843
Education and Human Resources	47.076	PO - U0053386	-	1,460
Education and Human Resources	47.076	HRD-1400399	-	414,201
Education and Human Resources	47.076	U0021254	-	(40)
<i>Passed Through the University of Delaware</i>				
Office of International Science and Engineering	47.079	1301765	-	1,541,616
Subtotal of National Science Foundation Pass-Through Programs			-	2,205,096
Total National Science Foundation			12,422	4,155,412
Department of Energy Direct Programs:				
Renewable Energy Research and Development	81.087	N/A	-	84,325
Fossil Energy Research and Development	81.089	N/A	-	121,939
Subtotal of Department of Energy Direct Programs			-	206,264
Department of Energy Pass-Through Programs From:				
<i>Passed Through the Consolidated Nuclear Security, LLC</i>				
Nuclear Energy Research, Development and Demonstration	81.121	4300100653	-	50,760
<i>Passed Through Florida A&M University</i>				
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123	4320	-	96,159
Subtotal of Department of Energy Pass-Through Programs			-	146,919
Total Department of Energy			-	353,183
Department of Health and Human Services Direct Programs:				
Stephanie Tubbs Jones Child Welfare Services Program	93.645	N/A	-	54,915
Domestic Ebola Supplement	93.815	N/A	-	10,446
Extramural Research Program in the Neurosciences and Neurological Disorders	93.853	N/A	-	103,412
Biomedical Research and Research Training	93.859	N/A	560,379	1,295,911
Aging Research	93.866	N/A	-	305,246
Subtotal of Department of Health and Human Services Direct Programs			560,379	1,769,930

**DELAWARE STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2017**

Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Passed Through Grantor's Number	Passed to Subrecipients	Total Federal Expenditures
Department of Health and Human Services Pass-Through Programs From:				
<i>Passed Through the Alfred I duPont Hospital for Children - Nemours Foundation</i>				
Biomedical Research and Research Training	93.859	5P20GM109021-02	-	(7,154)
Biomedical Research and Research Training	93.859	P20GM109021	-	161,354
<i>Passed Through the University of Delaware</i>				
Biomedical Research and Research Training	93.859	43272	-	579,703
Biomedical Research and Research Training	93.859	46289	-	18,496
Biomedical Research and Research Training	93.859	2P20GM103446-14	-	(23)
Biomedical Research and Research Training	93.859	40093	-	2,126
Subtotal of Department of Health and Human Services Pass-Through Programs			-	754,502
Total Department of Health and Human Services			560,379	2,524,432
Total Research and Development Cluster			889,918	13,031,356
<u>Other Programs:</u>				
Department of Agriculture Direct and Pass-Through Programs:				
Community Outreach and Assistance Partnership Program	10.443	N/A	-	65,254
Cooperative Extension Service	10.500	N/A	-	1,439,344
<i>Passed Through the Pennsylvania State University</i>				
Cooperative Extension Service	10.500	5152-DSU-USDA-2628	-	2,993
Subtotal CFDA # 10.500			-	1,442,337
<i>Passed Through the University of Delaware</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	43574	-	87,115
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	45583	-	208,868
Subtotal CFDA # 10.561			-	295,983
Total Department of Agriculture			-	1,803,574
Department of Commerce Direct Programs:				
Educational Partnership Program with Minority Serving Institutions	11.481	N/A	-	(423)
Subtotal of Department of Commerce Direct Programs			-	(423)
Department of Commerce Pass-Through Programs From:				
<i>Passed Through the University of Delaware</i>				
Sea Grant Support	11.417	42261	-	35,271
Subtotal of Department of Commerce Pass-Through Programs			-	35,271
Total Department of Commerce			-	34,848

**DELAWARE STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2017**

Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Passed Through Grantor's Number	Passed to Subrecipients	Total Federal Expenditures
Department of Transportation Pass-Through Programs From:				
<i>Passed Through the Delaware Department of Transportation</i>				
Highway Research and Development Program	20.200	T201663601	-	47,775
Total Department of Transportation			-	47,775
Department of Education Direct Programs:				
Higher Education - Institutional Aid	84.031	N/A	-	3,362,616
Fund for the Improvement of Postsecondary Education	84.116	N/A	-	558,045
Subtotal of Department of Education Direct Programs			-	3,920,661
Department of Education Pass-Through Programs From:				
<i>Passed Through the State of Delaware</i>				
Special Education Program - Grants to States	84.027	MOU DSU & DOE	-	4,901
Subtotal of Department of Education Pass-Through Programs			-	4,901
Total Department of Education			-	3,925,562
Department of Health and Human Services Pass-Through Programs From:				
<i>Passed Through the Delaware Health & Social Services</i>				
Family Planning Services	93.217	DPH #16-434	-	12,727
Family Planning Services	93.217	DPH #17-469	-	157
Family Planning Services	93.217	DPH #15-346	-	779
Subtotal CFDA # 93.217			-	13,663
<i>Passed Through the SAMHSA</i>				
Substance Abuse and Mental Health Services	93.243	5UD1T025590-03	-	3,255
Subtotal of Department of Health and Human Services Pass-Through Programs			-	16,918
Total Department of Health and Human Services			-	16,918
Total Other Programs:			-	5,828,677
TOTAL EXPENDITURES OF FEDERAL AWARDS:			\$ 889,918	\$ 67,975,330

See Notes to Schedule of Expenditures of Federal Awards

**DELAWARE STATE UNIVERSITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Delaware State University (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 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some information presented in this Schedule may differ from amounts presented in the preparation of the financial statements. Because the Schedule presents only a selected portion of the operations of Delaware State University, it is not intended to and does not present the financial position, changes in net position, or cash flows of Delaware State University.

For purposes of the Schedule, federal awards include all grants, contracts, and similar agreements entered into directly between the University and agencies or departments of the federal government, and all subawards to the University by nonfederal organizations pursuant to federal grants, contracts, and similar agreements.

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

NOTE 3 FEDERAL DIRECT STUDENT LOAN PROGRAM

During the year ended June 30, 2017, the University processed the following amount of new loans under the Federal Direct Lending Loan Program.

<u>Cluster/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Federal Direct Loan Program	84.268	\$ 39,733,730

The University is responsible only for the performance of certain administrative duties with respect to the Federal Direct Loan Program. Accordingly, the value of these outstanding loans is not reflected in the University's financial statements

NOTE 4 FACILITIES AND ADMINISTRATIVE COST ALLOWANCE

Facilities and administrative costs applicable to the University's sponsored research grants were charged to programs based on predetermined rates. The rate was 46% for on-campus research for the year ended June 30, 2017. The University had no off-campus research activities for the year ended June 30, 2017.

**DELAWARE STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

I. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___X___ yes ___no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ___X___ yes ___no

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 that are not considered to be material weakness(es)? ___X___ yes ___no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Part 200 of the Uniform Guidance? ___X___ yes ___no

Identification of major federal programs:

Program	CFDA #
Student Financial Aid Cluster	Various
Higher Education Institutional Aid – Title III	84.031
Fund for the Improvement of Postsecondary Ed.	84.116

Dollar threshold used to distinguish between type A and type B programs: \$2,039,260

Auditee qualified as low-risk auditee? ___yes ___X___ no

**DELAWARE STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

II. FINANCIAL STATEMENTS FINDINGS

2017-001 – Financial Reporting

Material Weakness in Internal Control over Financial Reporting

Criteria:

Internal controls including are critical to ensure accurate financial reporting. These would include, but are not limited to, reconciling and tracking activities monthly for:

- Cash
- Capital Assets
- Accounts Payable
- Accrued Expenses
- Various Revenue and Expense Accounts

Condition:

The financial statement audit was scheduled to begin in August of 2017 and conclude in September 2017. At the start of scheduled audit fieldwork the University was not ready for audit. Draft financial statements had not been prepared, certain cash accounts were not reconciled and various sub-ledgers and schedules supporting the trial balance under audit were not available. As a result audit fieldwork continued through December 2017. During that time over 40 journal entries were prepared and posted to the trial balance received for the year-end audit.

Cause:

As part of the financial close process in the current year and in prior years, management makes “top side” journal entries outside of the Banner system. This caused various reconciliation issues in completing a draft of the University’s financial statements and reconciliation of the trial balance under audit to the management prepared draft financial statements. At the start of the audit beginning net position did not reconcile to the prior year ending net position.

Difficulties were encountered in the auditing of cash, capital assets, accounts payable, accrued expenses and various revenue and expense accounts due to differences noted in supporting sub-ledgers and schedules.

Effect:

The potential effects of the above matters are that interim and year-end financial information may contain material errors. As a result, users of this financial information could make decisions based on financial results that may not be complete and accurate.

Repeat Finding:

Yes.

**DELAWARE STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

II. FINANCIAL STATEMENTS FINDINGS (CONTINUED)

Recommendation:

We recommend that management perform an assessment of the current controls, processes and personnel within the accounting department and make changes and additions where needed to facilitate timely and accurate financial reporting. We also recommend that the report writing software that interfaces with the Banner system be used for all financial reporting adjustments.

Views of responsible officials:

See attached corrective action plan.

2017-002 – Pension Accounting

Material Weakness in Internal Control over Financial Reporting

Criteria:

The University's internal controls must be able to prevent or detect a material misstatement in the financial statements, including footnote disclosure and the underlying financial records.

Condition:

Currently the University does not have a process in place to account for and make appropriate journal entries related to its participation in a cost sharing multiple employer pension plan.

Cause:

The University does not have a system of policies and procedures in place to account for the defined benefit plan in accordance with GASB 68.

Effect

As a result, pension related amounts and disclosures are not updated based on the most current information and audit adjustments were required.

Repeat Finding:

No.

Recommendation:

We recommend management implement policies and procedures related to appropriate year-end financial reporting related to pension accounting.

Views of responsible officials:

See attached corrective action plan.

DELAWARE STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

II. FINANCIAL STATEMENTS FINDINGS (CONTINUED)

2017-003 – Net Position Reconciliation

Material Weakness in Internal Control over Financial Reporting

Criteria:

The University's internal controls must be able to determine which entries are topside in order to recognize summarize the effect of the entries in the draft financial statements and net position reconciliation.

Condition:

During the audit of the financial statements for fiscal year 2017, management made topside journal entries outside of the Banner system. As a result of not capturing all of these entries, beginning net position did not reconcile to ending net position on the prior year financial statements.

Cause:

The University's draft financial statements did not include reconciled net position due to various topside entries made.

Effect

The potential effects of the above matters are that interim and year-end financial information may contain material errors. As a result, users of this financial information could make decisions based on financial results that may not be complete and accurate.

Repeat Finding:

No.

Recommendation:

We recommend management implement policies and procedures over the topside entries in order to limit the total number of topside entries used and for the process of properly documenting and supporting the entries.

Views of responsible officials:

See attached corrective action plan.

DELAWARE STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

II. FINANCIAL STATEMENTS FINDINGS (CONTINUED)

2017-004 – Cash Reconciliations

Significant Deficiency in Internal Control over Financial Reporting

Criteria:

The University's internal controls must be able to prevent or detect a material misstatement in the financial statements. Internal controls are critical to ensure accurate financial reporting.

Condition:

During our audit procedures surrounding cash it was noted that not all cash accounts were reconciled at the start of the audit. As a result management performed an analysis and journal entries were made to correct cash balances within the Banner system. The bank reconciliations also contained reconciling items related to unrecorded activity. The net of all the bank reconciliations contained an immaterial unreconciled difference.

Cause:

The University's process did not include a timely completion of all cash reconciliation.

Effect

Cash reconciliations are an important control activity to detect errors and abnormalities within the University's bank activity. The potential effect of not preparing cash reconciliations timely and accurately could result in material errors not being detected.

Repeat Finding:

No.

Recommendation:

We recommend that cash reconciliations be completed, and reviewed, no later than a month after the period being reconciled. We also recommend that any adjustments noted as a result of the reconciliation process be recorded timely to Banner, and that any old outstanding items be investigated and addressed on timely basis.

Views of responsible officials:

See attached corrective action plan.

DELAWARE STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

II. FINANCIAL STATEMENTS FINDINGS (CONTINUED)

2017-005 – Continuing Disclosure Requirements

Significant Deficiency in Internal Control over Financial Reporting

Criteria:

The University's processes and internal controls must be able to produce year-end financial statements on a timely basis.

Condition:

Due to delays in the audit process the University did not meet their continuing disclosure deadline related to outstanding public debt, and as a result, are not in compliance with the continuing disclosure agreements.

Cause:

The University was not able to meet the deadline due to delays in closing the University's financial records on a timely basis.

Effect

Failure to comply with the University's continuing disclosure requirement obligations could result in potential fines, remedial actions, disclosure in future official statements, and other consequences.

Repeat Finding:

No.

Recommendation:

We recommend that management perform an assessment of the current controls, processes and personnel within the accounting department and make changes and additions where needed to facilitate timely and accurate financial reporting.

Views of responsible officials:

See attached corrective action plan.

**DELAWARE STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2017-006 – Student Financial Aid Cluster – Special Tests and Provisions – Return of Title IV Funds

Federal agency: U.S. Department of Education

Federal program title: Student Financial Aid Cluster

Compliance Requirement: Special Tests and Provisions – Return of Title IV Funds

CFDA Number: 84.007, 84.033, 84.063, 84.268, and 84.379

Award Period: 7/1/2016 – 6/30/2017

Type of Finding: Other Noncompliance and Significant Deficiency in Internal Control over Compliance

Criteria:

The Code of Federal Regulations, 34 CFR 668.22(f)(2)(i) and (ii)(B), requires that scheduled breaks of 5 consecutive days or more are excluded from the return calculation.

Condition and Context:

During the testing of return of Title IV (R2T4) funding, it was noted that students who withdrew during the Spring term with a R2T4 calculation (3 of 21 students tested) were incorrectly calculated due to only 7 days being excluded for spring break, instead of 9 days. This resulted in a total of 110 days in the term being used for calculations, instead of 108 days. This error resulted in the University returning more funds to the Department of Education than required.

Questioned Costs:

N/A.

Cause:

The University performed the return of Title IV funding calculations using the incorrect amount of days.

Effect:

The University could over or under return funding to the Department of Education.

Repeat Finding:

No.

Recommendation:

We recommend the University review the policies and procedures around the Return of Title IV funding to ensure breaks of 5 days or greater are correctly recognized in the calculations performed for student withdraws.

Views of responsible officials:

See attached corrective action plan.

DELAWARE STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

2017-007 – Student Financial Aid Cluster – Special Tests and Provisions – Return of Title IV Funds

Federal agency: U.S. Department of Education
Federal program title: Student Financial Aid Cluster
Compliance Requirement: Special Tests and Provisions – Return of Title IV Funds
CFDA Number: 84.007, 84.033, 84.063, 84.268, and 84.379
Award Period: 7/1/2016 – 6/30/2017
Type of Finding: Other Noncompliance and Significant Deficiency in Internal Control over Compliance

Criteria:

The Code of Federal Regulations, 34 CFR 668.22(a), requires that a calculation of attendance percentage be performed for any student who withdraws from a payment period or period of enrollment in which they received Federal Title IV funding.

Condition and Context:

During the testing of return of Title IV (R2T4) funding, it was noted that two students of the 21 tested that withdrew during the academic year did not have a R2T4 calculation performed by the University. The first student attended greater than 60% of the term; therefore, no refund would have been required. The second student would have required a total of \$5,494 in Federal Title IV aid returned to the Department of Education.

Questioned Costs:

\$5,494

Cause:

The University failed to perform a return of Title IV funding calculation for all students who withdrew and received Title IV aid.

Effect:

The University could not be returning all Title IV funds required to be returned to the Department of Education due to missing students in which R2T4 calculations are required.

Repeat Finding:

No.

Recommendation:

We recommend the University review the policies and procurements around student withdraws to ensure any student withdraw who received Federal Title IV aid during the year has an associated R2T4 calculation performed.

Views of responsible officials:

See attached corrective action plan.

**DELAWARE STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

2017-008 – Student Financial Aid Cluster – Eligibility – Award Limits

Federal agency: U.S. Department of Education

Federal program title: Student Financial Aid Cluster

Compliance Requirement: Eligibility – Award Limits

CFDA Number: 84.268

Award Period: 7/1/2016 – 6/30/2017

Type of Finding: Other Noncompliance and Significant Deficiency in Internal Control over Compliance

Criteria:

The Code of Federal Regulations, 34 CFR 685.203, requires there to be direct subsidized and unsubsidized annual loan limits, based on the student's dependency status and grade level.

Condition and Context:

During the testing of student aid eligibility, it was noted that two students of the 40 tested were awarded Subsidized Stafford Loans below the maximum amount that they were eligible for based on grade level and dependency status. There was no documentation in the student's files as to why the maximum amount was not awarded.

Questioned Costs:

N/A

Cause:

The University failed to award Subsidized Stafford Loans in agreement with student grade level and dependency status.

Effect:

The University could under award students, resulting in the student not getting their full potential in aid package.

Repeat Finding:

No.

Recommendation:

We recommend the University review policies and procedures around Direct Loans awarding to ensure students are awarded the maximum amounts in-line with grade level and dependency.

Views of responsible officials:

See attached corrective action plan.

DELAWARE STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

2017-009 – Student Financial Aid Cluster – Eligibility – Credit Balance Refunds

Federal agency: U.S. Department of Education

Federal program title: Student Financial Aid Cluster

Compliance Requirement: Eligibility – Credit Balance Refunds

CFDA Number: 84.007, 84.033, 84.063, 84.268, and 84.379

Award Period: 7/1/2016 – 6/30/2017

Type of Finding: Other Noncompliance and Significant Deficiency in Internal Control over Compliance

Criteria:

The Code of Federal Regulations, 34 CFR 668.164(h)(2), requires the University to pay any credit balance created by Federal Title IV funding to the student within 14 days of the credit balance being created.

Condition and Context:

During the testing of student aid eligibility, it was noted that 14 students of the 40 tested had FSA credit balances not refunded to the student prior to the 14 day deadline.

Questioned Costs:

N/A

Cause:

The University's policies and controls did not prevent credit balances being returned after the 14 day limit.

Effect:

The University did not refund students with FSA credit balances within the 14 day limit.

Repeat Finding:

No.

Recommendation:

We recommend the University review policies and procedures around Federal Title IV student refunds to ensure the funds are disbursed to students prior to the 14 day deadline.

Views of responsible officials:

See attached corrective action plan.

DELAWARE STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

2017-010 – Student Financial Aid Cluster – Other Procedures – Outstanding Refund Checks

Federal agency: U.S. Department of Education

Federal program title: Student Financial Aid Cluster

Compliance Requirement: Special Tests and Provisions – Outstanding Refund Checks

CFDA Number: 84.007, 84.033, 84.063, 84.268, and 84.379

Award Period: 7/1/2016 – 6/30/2017

Type of Finding: Other Noncompliance and Significant Deficiency in Internal Control over Compliance

Criteria:

The Code of Federal Regulations, 34 CFR 668.164(l), requires the University to return to the Department of Education any Title IV funds, except FWS program funds, that were unsuccessfully disbursed to the student or parent.

Condition and Context:

During the testing of student refund check reconciliations, it was noted that three student refund checks were not returned to the Department of Education within the 240 day deadline.

Questioned Costs:

\$3,526

Cause:

The University's cash reconciliation procedures did not identify the checks as having to be returned within the 240 day requirement.

Effect:

The University could owe funding to the Department of Education due to delays in returning student refund checks.

Repeat Finding:

No.

Recommendation:

We recommend the University review policies and procedures around outstanding student refund checks to ensure the checks are returned to the Department of Education prior to the 240 day deadline.

Views of responsible officials:

See attached corrective action plan.

DELAWARE STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

2017-011 – Student Financial Aid Cluster – Other Procedures – Eligibility and Certification Approval Report Update

Federal agency: U.S. Department of Education

Federal program title: Student Financial Aid Cluster

Compliance Requirement: Special Tests and Provisions – ECAR Report

CFDA Number: 84.007, 84.033, 84.063, 84.268, and 84.379

Award Period: 7/1/2016 – 6/30/2017

Type of Finding: Other Noncompliance and Significant Deficiency in Internal Control over Compliance

Criteria:

The Code of Federal Regulations, 34 CFR 600.21(a)(7), requires the University to report to the Secretary, no later than 10 days, any change to the individual the institution designates as its Title IV, HEA Program Administrator.

Condition and Context:

During the testing of the Eligibility and Certification Approval Report (ECAR), it was noted that a change to the HEA Program Administrator was not reported within the 10 day requirement.

Questioned Costs:

N/A

Cause:

The University's policies and procedures surrounding reporting required updates to the ECAR did not address the 10 day requirement.

Effect:

The change in the HEA Program Administrator was not reported timely.

Repeat Finding:

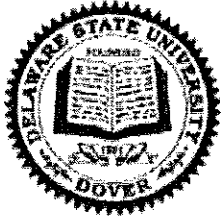
No.

Recommendation:

We recommend the University review policies and procedures around timely reporting required changes to information contained on the ECAR.

Views of responsible officials:

See attached corrective action plan.



DELAWARE STATE UNIVERSITY

OFFICE OF FINANCE & ADMINISTRATION

DELAWARE STATE UNIVERSITY CORRECTIVE ACTION PLAN YEAR ENDED JUNE 30, 2017

U.S. Department of Education

Delaware State University respectfully submits the following corrective action plan for the year ended June 30, 2017.

Audit period: July 01, 2016 - June 30, 2017

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

2017-001 **Material Weakness in Internal Control over Financial Reporting**

Recommendation: We recommend that management perform an assessment of the current controls, processes and personnel within the accounting department and make changes where needed to facilitate timely and accurate financial reporting. We also recommend that the report writing software that interfaces with the Banner system be used for all financial reporting adjustments.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: **The Office of Business and Finance have begun an assessment of the current controls, processes and personnel within the accounting department. We have put various monthly reconciliations in place to allow for timely General Ledger period closing in order for us to run reliable financial reports on a quarterly basis**

Name(s) of the contact person(s) responsible for corrective action: **Denese Lindsey**

Planned completion date for corrective action plan: **Previously implemented**

2017-002 **Material Weakness in Internal Control over Financial Reporting**

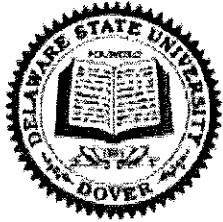
Recommendation: We recommend management implement policies and procedures related to appropriate year-end financial reporting related to pension accounting.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: **Delaware State University has arranged with the Division of Accounting to provide training on the pension reporting process. All post-retirement benefits are managed by the State of Delaware; which engages the Audit firm that compiles the actuary information for the entire state.**

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DELAWARE STATE UNIVERSITY

OFFICE OF FINANCE & ADMINISTRATION

Name(s) of the contact person(s) responsible for corrective action: **Denese Lindsey, Jadeen Notice**

-Planned completion date for corrective action plan: **Mid-April 2018**

2017-003 Material Weakness in Internal Control over Financial Reporting

Recommendation: We recommend management implement policies and procedures over the topside entries in order to limit the total number of topside entries used and for the process of properly documenting and supporting the entries.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: **The University has engaged an Ellucian consultant to provide guidance in adding GASB 68 functionality to the financial reporting module to reduce some top-sided entries. The design of the module is to allow for journal entries to be entered for reporting purposes which do not affect the underlining accounting records such as elimination entries generated for indirect costs etc.**

Name(s) of the contact person(s) responsible for corrective action: **Denese Lindsey, Shawanda Garrison and Jadeen Notice**

Planned completion date for corrective action plan: **Third week of April and in July 2018**

2017-004 Significant Deficiency in Internal Control over Financial Reporting

Recommendation: We recommend that cash reconciliations be completed, and reviewed, no later than a month after the period being reconciled. We also recommend that any adjustments noted as a result of the reconciliation process be recorded timely to Banner, and that any old outstanding items be investigated and addressed on timely basis.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: **The University established a working group, which meets twice a week to review processes, training on reconciliations and provide guidance on issues that have not been resolved. Additionally, a consultant from Ellucian is scheduled to provide training the third week of April for new employees of the finance department.**

Name(s) of the contact person(s) responsible for corrective action: **Denese Lindsey, Shawanda Garrison, Jadeen Notice, and Alexis Jones.**

Planned completion date for corrective action plan: **June 30, 2018**



DELAWARE STATE UNIVERSITY

OFFICE OF FINANCE & ADMINISTRATION

2017-005 Significant Deficiency in Internal Control over Financial Reporting

Recommendation: We recommend that management perform an assessment of the current controls, processes and personnel within the accounting department and make changes and additions where needed to facilitate timely and accurate financial reporting.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: **The Office of Business and Finance have begun an assessment of the current controls, processes and personnel within the accounting department. We have put various monthly reconciliations in place to allow for timely General Ledger period closing in order for us to run reliable financial reports on a quarterly basis**

Name(s) of the contact person(s) responsible for corrective action: **Denese Lindsey**

Planned completion date for corrective action plan: **Previously Implemented**

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. Department of Education

2017-006 Student Financial Aid Cluster – CFDA No. 84.007, 84.033, 84.063, 84.268 and 84.379

Recommendation: We recommend the University review the policies and procedures around the Return of Title IV funding to ensure breaks of 5 days or greater are correctly recognized in the calculations performed for student withdrawals.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

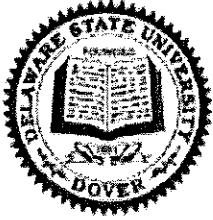
Action taken in response to finding: **The director of Financial Aid provided the Office of Registrar with the appropriate regulation detailing the method of calculating the number of days and the tables used for this calculation were updated in the system to reflect the correct amount of days to accurately perform the calculations.**

Name(s) of the contact person(s) responsible for corrective action: **Terrell Holmes**

Planned completion date for corrective action plan: **Previously Implemented**

2017-007 Student Financial Aid Cluster – CFDA No. 84.007, 84.033, 84.063, 84.268 and 84.379

Recommendation: We recommend the University review the policies and procurements around student withdraws to ensure any student withdraw who received Federal Title IV aid during the year has an associated R2T4 calculation performed.



DELAWARE STATE UNIVERSITY

OFFICE OF FINANCE & ADMINISTRATION

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The action taken in 2017-006 by updating the accurate number of days, the percentage of attendance is correctly reflected in the system, thus causing the calculation to be performed accurately. The re-calculation of days caused two students to fall within the required timeframe for R2T4 calculations – adjustments to the calculation was performed. Retraining will also be provided for the R2T4 calculation to the Financial Aid Administrators by an outside consulting firm FAS.

Name(s) of the contact person(s) responsible for corrective action: **Director of Financial Aid**

Planned completion date for corrective action plan: **System update already implemented, re-training - April 30, 2018**

2017-008 Student Financial Aid Cluster – CFDA No. 84.268

Recommendation: We recommend the University review policies and procedures around Direct Loans awarding to ensure students are awarded the maximum amounts in-line with grade level and dependency.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: **Student grade level and dependencies are evaluated at the time of awarding/packaging of their financial aid. A student's status may change over the course of an aid year due to transferring of grades from other institutions, completing the requirements of an in-complete grade or the recording of completed course work moving their grade level from one year to the other. The Offices of Financial Aid and Registrar will work collaboratively to establish a reporting system identifying students with status changes after the census date. Any necessary loan award adjustments will be made to the student's record.**

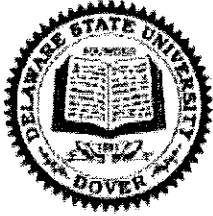
Name(s) of the contact person(s) responsible for corrective action **Financial Aid Director**

Planned completion date for corrective action plan: **Current**

2017-009 Student Financial Aid Cluster – CFDA No. 84.007, 84.033, 84.063, 84.268 and 84.379

Recommendation: We recommend the University review policies and procedures around Federal Title IV student refunds to ensure the funds are disbursed to students prior to the 14 day deadline.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.



DELAWARE STATE UNIVERSITY

OFFICE OF FINANCE & ADMINISTRATION

Action taken in response to finding: **The University has policies requiring the refunding of credit balances within the 14 day timeframe and has established procedures. We will implement a review process through the internal auditor to ensure that we are meeting the 14-day obligation and provide additional assistance to the area of student accounts during the peak refunding period.**

Name(s) of the contact person(s) responsible for corrective action: **Director of Student Accounts**

Planned completion date for corrective action plan: **June 30, 2018**

2017-010 Student Financial Aid Cluster – CFDA No. 84.007, 84.033, 84.063, 84.268 and 84.379

Recommendation: We recommend the University review policies and procedures around outstanding student refund checks to ensure the checks are returned to the Department of Education prior to the 240-day deadline.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: **The University has implemented an additional review process, completed at the time of the monthly bank reconciliation, to include a review of any outstanding student refund check over 180 days. Any check deemed stale dated and generated by Title IV funds, will be cancelled and returned to the Department of Education. Additionally, the University collaborated with Bank Mobile to process direct deposits, debit cards and refund checks to the students based on the student's selection of how they want to receive their refund and information provided by the student. The direct deposit and debit card methods provide secure access to their funds in an expeditious manner.**

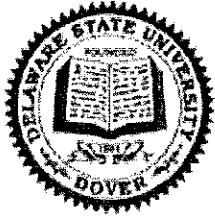
Name(s) of the contact person(s) responsible for corrective action: **Director of Student Accounts and Accounts Payable Manager**

Planned completion date for corrective action plan: **January/February 2018**

2017-011 Student Financial Aid Cluster – CFDA No. 84.007, 84.033, 84.063, 84.268 and 84.379

Recommendation: We recommend the University review policies and procedures around timely reporting required changes to information contained on the ECAR.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.



DELAWARE STATE UNIVERSITY

OFFICE OF FINANCE & ADMINISTRATION

Action taken in response to finding: **Train and bring Financial Aid personnel up to date with current regulations concerning reporting of changes in administration within the 10 day timeframe. Personnel within the Financial Aid were identified as part of their primary responsibilities to report the changes.**

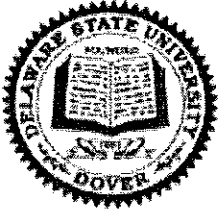
Name(s) of the contact person(s) responsible for corrective action: **Primary Program Administrator, Designated Primary Administrator**

Planned completion date for corrective action plan: **March 2018**

If the U.S. Department of Education has questions regarding this plan, please call Denese Lindsey at 302-857-6200 .or dlindsey@desu.edu

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DELAWARE STATE UNIVERSITY

OFFICE OF FINANCE & ADMINISTRATION

DELAWARE STATE UNIVERSITY SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED JUNE 30, 2017

Delaware State University respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2017.

Audit period: July 01, 2016 - June 30, 2017

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS – FINANCIAL STATEMENT AUDIT

2016-001 Material Weaknesses over Financial Reporting

Condition: There were delays in closing the books for June 30, 2016, due to several accounts requiring additional reconciliations and analysis. Accounts requiring the additional analysis included cash, funds due from State treasurer, student accounts receivable, unearned grants revenue, and related party receivables. Several post-closing adjustments and audit adjustments were required for the final financial statements. Also, the University's unaudited financial statements to outside parties had significant differences from the final financial statements.

Status: See current year finding 2017-001

FINDINGS – FEDERAL AWARD PROGRAMS AUDITS

None noted.

If there are any questions regarding this plan, please call Denese Lindsey at 302-857-6200 or dlindsey@desu.edu

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