



UNIVERSITY
of ALASKA
Many Traditions One Alaska

Corrective Action Plan
Year Ended June 30, 2006

The following corrective action plan is prepared in accordance with Office of Management and Budget Circular A-133, Section .315(c). Accordingly, it is management's response to Findings 2006-1 and 2006-2 identified in the University of Alaska Audit in Accordance with OMB A-133 for the year ended June 30, 2006. The findings are presented below with management's response following:

Finding 2006-1

Department of Education (DOE), Student Financial Assistance (SFA) Programs Cluster, Federal Family Education Loans (FFEL) (CFDA #84.032) and Federal Pell Grant Program (CFDA #84.063)

Criteria or Specific Requirements – According to the Code of Federal Regulations (CFR), Title 34, Section 668-22, when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period in which the recipient began attendance, the institution must determine the amount of Title IV assistance earned by the student as of the student's withdrawal date. If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student or on his or her behalf as of the date of the institution's determination that the student withdrew, the difference must be returned to the Title IV programs.

According to the CFR, Title 34, Section 668-173, returns of Title IV funds are required to be deposited or transferred into the SFA account or electronic fund transfers initiated to the Department of Education or the appropriate FFEL lender as soon as possible, but no later than thirty days after the date the institution determines the student withdrew.

Condition – For the program year 2005-2006, the University of Alaska Anchorage failed to identify withdrawn Title IV recipients in a timely manner.

Questioned Costs – None.

Context – Isolated to Federal Family Education Loans and Federal Pell Grant Program.

Effect – The University of Alaska Anchorage returned Title IV funds untimely for 38 of the 101 students that withdrew from the institution.

Recommendation – The University should make every effort to return Title IV funds within the allowable time period.

Management's Response – During the program year 2005-2006, the University of Alaska Anchorage modified the procedure for applying for student withdrawal in person to include a

web-based process. Students using the web-based withdrawal process were not captured in the data utilized to determine which students had withdrawn from the institution. Once the university determined the 38 students were missing in the refund calculation, the procedure was changed and the refunds for the missing students were made. For the program year 2006-2007, a new report has been designed to include both populations of students that withdraw in person and online.

Finding 2006–2

Department of Education, Institutional Aid (CFDA #84.031)

Criteria or Specific Requirements – According to the Code of Federal Regulations (CFR), Title 29, Section 5-5, non-federal entities shall include in their construction contracts subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the Department of Labor regulations. This includes a requirement for the contractor or subcontractor to submit to the non-federal entity weekly, for each week in which any contract work is performed a copy of the payroll and a statement of compliance (certified payrolls).

Condition – For grant awards #P031N000007, #P031N000004, #P031N050007, and #P031N050005-05, the University did not enforce the receipt of all required weekly certified payrolls.

Questioned Costs – None.

Context – Isolated to four grants within the Institutional Aid Program.

Effect – The University did not receive all required weekly certified payrolls from contractors or subcontractors.

Recommendation – The University should make every effort to ensure weekly certified payrolls are received from contractors or subcontractors as required by the Davis-Bacon Act.

Management's Response – During the program year 2005-2006, the University of Alaska Fairbanks Facilities Services Division of Design and Construction did not receive or have on file all of the required weekly certified payrolls for awards #P031N000007, #P031N050007, and #P031N050005-05. For completed project award #P031N000004, certified payrolls were no longer maintained on file once the Alaska Department of Labor's Notice of Completion was received.

Corrective action will include the following steps:

- Project managers will ensure certified payrolls are received from contractors and subcontractors on a weekly basis.
- If weekly certified payrolls are not received, a log will be maintained documenting the university's efforts to obtain the records.
- Certified payrolls will be maintained with project files upon project completion.

Contact Person – Janice Coker, Financial Accounting Manager
(907) 450-8063