

# **Grand Valley State University**

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**Federal Awards  
Supplemental Information  
June 30, 2008**

# Grand Valley State University

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## Independent Auditor's Report

To the Board of Trustees  
Grand Valley State University

We have audited the basic financial statements of Grand Valley State University for the year ended June 30, 2008 and have issued our report thereon dated October 7, 2008. Those basic financial statements are the responsibility of the management of Grand Valley State University. Our responsibility was to express an opinion on those basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Grand Valley State University taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Plante & Moran, PLLC*

October 7, 2008

Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*

To the Board of Trustees  
Grand Valley State University

We have audited the financial statements of Grand Valley State University as of and for the year ended June 30, 2008 and have issued our report thereon dated October 7, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Grand Valley State University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Grand Valley State University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Grand Valley State University's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

To the Board of Trustees  
Grand Valley State University

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Grand Valley State University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the finance and audit committee, the board of trustees, others within the University, federal awarding agencies, and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Plante & Moran, PLLC*

October 7, 2008

Report on Compliance with Requirements Applicable to Each Major Program  
and on Internal Control Over Compliance in  
Accordance with OMB Circular A-133

To the Board of Trustees  
Grand Valley State University

### Compliance

We have audited the compliance of Grand Valley State University 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, 2008. The major federal programs of Grand Valley State University 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 Grand Valley State University's management. Our responsibility is to express an opinion on Grand Valley State University's compliance based on our audit.

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 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 Grand Valley State 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. Our audit does not provide a legal determination on Grand Valley State University's compliance with those requirements.

In our opinion, Grand Valley State University 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, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2008-01 and 2008-02.

To the Board of Trustees  
Grand Valley State University

## **Internal Control Over Compliance**

The management of Grand Valley State University 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 Grand Valley State University'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 entity'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 entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in an entity'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 entity'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 entity's internal controls. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2008-01 and 2008-02 to be significant deficiencies.

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 entity's internal control. We did not consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Grand Valley State University's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Grand Valley State University's response and, accordingly, we express no opinion on it.

To the Board of Trustees  
Grand Valley State University

This report is intended solely for the information and use of management, the finance and audit committee, the board of trustees, others within the University, federal awarding agencies, and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Plante & Moran, PLLC*

March 24, 2009



# Grand Valley State University

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2008

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>Clusters:</b>			
<b>Student Financial Aid Cluster:</b>			
U.S. Department of Education - Direct Programs:			
William D. Ford Direct Loan Program	84.268	P268K011378	\$ 95,148,719
Federal Supplemental Educational Opportunity Grant Program (Note 3)	84.007	P007A42012	1,303,322
Federal Work Study Program (Note 3)	84.033	P033A42012	898,793
Federal Pell Grant Program	84.063	P063P33265/43265	12,732,464
Federal Academic Competitive Grants	84.375	P375A060226	744,180
Federal SMART Grants	84.376	P3765060226	<u>552,511</u>
Total Student Financial Aid Cluster			111,379,989
<b>TRIO Cluster:</b>			
U.S. Department of Education - Direct Programs:			
TRIO - Upward Bound	84.047	P047A20464	453,104
TRIO - Upward Bound Math/Science	84.047	P047M20031	132,380
TRIO - Student Support Services	84.042	P044A10252/40497	277,784
TRIO - Educational Connections	84.044	P042A30792	348,927
TRIO - Ronald E. McNair Post-Baccalaureate Achievement Program	84.217	P217A50004	<u>233,686</u>
Total TRIO Cluster			1,445,881
<b>Research and Development Cluster:</b>			
Environmental Protection Agency - Direct Programs:			
Lower Grand River Wetland Initiative	66.436		43,514
Fellowship - Cooper	66.513		16,160
Lake Michigan Great Outreach & Education	66.469		7,082
West Michigan Strategic Alliance Regional Sustainable Manufacturing Initiative (GVSU is fiscal agent for West Michigan Strategic Alliance)	66.716		141,803
Passed through Michigan Department of Environmental Quality - Preparation of Manuals and Guidance for Wetland Bioassessment in Michigan	66.461		(835)
Nonpoint Source Implementation Grant	66.460		10,385
Passed through National Fish and Wildlife Foundation/Timberland:			
Developing Targets for Fish Habitat and Fish Population in the Muskegon Lake AOCs	66.unknown		5,869
Macrophyte Study	66.unknown		(2,647)
Passed through Grand Valley Metro Council - Lower Grand River Implementation Project (Buck Creek)	66.460		9,002
Lower Grand River Organization of Watershed Initiatives	66.460		12,574
Passed through the Cadmus Group - Bear Lake Nutrient Study	66.unknown		<u>33,023</u>
Total Environmental Protection Agency			275,930

# Grand Valley State University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2008

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Clusters (Continued):			
Research and Development Cluster (Continued):			
National Aeronautics and Space Administration:			
Passed through Michigan Space Grant Consortium:			
NASA/MSGC:Movement of Round Goby	43.unknown		\$ (46)
NASA/MSGC:GLOBE 2006	43.unknown		(207)
NASA/MSGC:Sanders Graduate Fellowship	43.unknown		5,000
NASA/MSGC:Zeman Graduate Fellowship	43.unknown		2,942
NASA/MSGC:07 Joseph	43.unknown		8,419
NASA/MSGC:07 Peterman & Posada	43.unknown		4,722
NASA/MSGC:07 Meyers	43.unknown		9,850
NASA/MSGC:07 Dill	43.unknown		5,428
NASA/MSGC:07 Nikitin	43.unknown		3,060
NASA/RMSC:Management 07-08	43.unknown		2,604
NASA/MSGC:Algal Responses to Road Run-off in an Urbanized Catchments	43.unknown		1,737
NASA/MSGC:08 Dill	43.unknown		4,847
NASA/MSGC:08 Peterman	43.unknown		23
NASA/MSGC:08 A. Plotkowski - Fellowship	43.unknown		913
NASA/MSGC:08 Dicarlo	43.unknown		4,586
NASA/MSGC:08 E. Posner - Fellowship	43.unknown		(425)
NASA/MSGC:08 Joseph	43.unknown		3,389
Passed through South Dakota State University:			
Evaluating the Effect of Institutional Change on Regional Hydrometeorology - Assessing the Vulnerability of the Eurasian Semi Arid Grain Belt - Year 2	43.001		7,243
Evaluating the Effects of Institutional Change on Regional Hydrometeorology - Assessing the Vulnerability of the Eurasian Semi Arid Grain Belt - Year 3	43.001		<u>26,395</u>
Total National Aeronautics and Space Administration			90,480
National Science Foundation:			
Grand Valley Summer Undergraduate Research Program in Mathematics (REU)	47.049		66,548
NSF RUI: Quantifying Calcite Flux and the Organic Carbon to Calcite Flux Ratio in the Tropical and Subtropical World Ocean	47.050		4,253
NSF Due Grissom 2004-06	47.076		9,844
NSF: Target Inquiry: Investigating the Teacher and Student Effects of a New Model in Chemistry Teacher Professional Development	47.076		222,163
NSF Controlled P2P Overland Flow Mechanism	47.050		84,343
NSF Collaborative Research Study of Arctic Ecosystem Changes in the IPY Using the International Tundra Experiment	47.078		59,668
NSF Lake Huron Sinkholes	47.074		53,662
NSF Support for Dynamic Students in Math, Science, Engineering, and Computing	47.076		91,802
NSF:Using Comparative Genomics to Study Evolution of Social Behavior	47.074		10,629

# Grand Valley State University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2008

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Clusters (Continued):			
Research and Development Cluster (Continued):			
National Science Foundation (Continued):			
Passed through Michigan State University -			
Mathematicians and Mathematic Educators Collaborating on Capstone Courses for Secondary Mathematic Teachers	47.076		\$ 3,534
Passed through University of Michigan -			
NSF: GVSU-UM Partnership for Advancing Women in Science and Engineering	47.075		196,055
Passed through Kettering University -			
Multidisciplinary Integration of Interdepartmental Courses	47.unknown		3,783
Passed through University of Minnesota -			
UV-DOM Interactions	47.050		1,592
Passed through Western Michigan University -			
Math GVSU/WMU - Walker	47.076		51,300
Passed through University of California - Davis			
Function of the Arabidopsis Gene TORMOZ in Cell Division and Development	47.074		<u>14,632</u>
Total National Science Foundation			873,808
Department of Natural Resources - Wildlife Division -			
Passed through Michigan Department of Natural Resources - Management and Monitoring Techniques for the Karner Blue Butterfly			
	15.634		<u>(200)</u>
Total Department of Natural Resources - Wildlife Division			(200)
U.S. Department of Commerce -			
Public Telecommunications Facilities Program - Digital	11.550	26-01-N05060	<u>17,006</u>
Total Research and Development Cluster			1,257,024
Special Education Cluster - Passed through the State of Michigan - Department of Education:			
Autism START Project 06-07	84.027		505,232
Autism START Project 07-08	84.027		<u>681,984</u>
Total Special Education Cluster			1,187,216
Other federal awards:			
U.S. Small Business Administration - Michigan Small Business and Technology Development Center:			
SBTDC 2007 Project	59.037		1,514,936
SBTDC 2008 Project	59.037		<u>1,328,356</u>
Total U.S. Small Business Administration			2,843,292

# Grand Valley State University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2008

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Other federal awards (Continued):			
U.S. Department of Education:			
Access India/China	84.153		\$ 69,727
Fund for the Improvement of Education (FIE)	84.215		48,547
Passed through National Writing Project Corporation:			
National Writing Project	84.928		33,130
U of M Writing School Project	84.928		117
Passed through the State of Michigan - Department of Education:			
NCLB Teacher Enhancement Grant for 9th Grade Civics Project	84.367	060290-671	4,023
A Sustainable Collaboration to Improve Content, Assessment, Reflection and Efficacy of Science Teachers, MDE Title II: Improving Teacher Quality	84.367	070290-136	94,700
Passed through State of Michigan Department of Education/Saginaw Valley State University - Mathematics and Science Partnership	84.366		277,369
Passed through Michigan Department of Labor and Economic Growth - Michigan GEAR UP/College Day Program	84.334		26,615
Passed through University of Kansas Research Center Improving Adult Reading Outcomes with Strategic Tutoring and Content Enhancement Routines	84.305B	R305B070129	<u>27,498</u>
Total U.S. Department of Education			581,726
U.S. Department of Health and Human Services:			
Advanced Nursing Traineeship 07	93.358		37,698
Federal Disadvantaged Students	93.342		91,637
Passed through Michigan Department of Community Health:			
MDCH 06-07 NICU Regionalization Analysis	93.778		12,453
Passed through Michigan State University -			
Michigan Families Medicaid Project	93.778		3,901
Geriatrics Education Center of Michigan	93.969	61-0560GVSU	5,400
Passed through Network 180 -			
Making Sobriety Attractive	93.276		25,993
Passed through Spectrum Health Hospital -			
Accelerated Healthcare Training Initiative	93.137		<u>521,735</u>
Total U.S. Department of Health and Human Services			698,817
U.S. Department of Agriculture:			
TRIO Food Service	10.608		14,526
Child Care Food Service	10.608		<u>6,772</u>
Total U.S. Department of Agriculture			21,298

# Grand Valley State University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2008

Program Title/Project Number/Subrecipient Name	CFDA Number	Entity Identifying Number	Federal Expenditures
Other federal awards (Continued):			
U.S. Department of Transportation:			
Passed through the MI Office of Highway - Safety Planning:			
JJ-07-02 "Youth Alcohol Enforcement"	20.600		\$ 3,320
PT-08-42 "Youth Alcohol Enforcement"	20.600		3,703
Passed through the MI-Ohio University Transportation Center -			
Congestion Relief by Travel Time Minimization in Near Real Time Study	20.931		38,583
Passed through Michigan Department of Transportation:			
A Study of Surface Run-off from U.S. 31/Seaway on Little Black Creek - Yr 2	20.205		84,533
Congestion Relief by Travel Time Minimization in Near Real Time Michigan Rail Passenger Benefits Study	20.931 20.515	MI-80-0003	56,253 31,963
Total U.S. Department of Transportation			218,355
U.S. Department of Commerce (DOC-NOAA):			
Passed through National Oceanic and Atmospheric Administration -			
Microcystis in Lakes Erie and Huron: Environmental and Genetic Factors Affecting Microcystin Production and Cell Quota: A Cooperative Agreement in OHH Studies	11.460		7,971
Passed through the Michigan Department of Environmental Quality/Coastal Zone Management Administration Awards			
Rogue River Watershed Update & Easement	11.419		6,549
Passed through Michigan Sea Grant:			
Alternative Stormwater Management Practices that Address the Environmental, Social, and Economic Aspects of Water Resources in Spring Lake Township and Village	11.417		75,913
Development of an Index of Susceptibility for Great Lakes Coastal Wetlands	11.419	07-309-08	6,759
Continued Development of an Index of Susceptibility for Great Lakes Coastal Wetlands	11.419	08-309-02	1,011
Total U.S. Department of Commerce			98,203
U.S. Department of Justice:			
Project Safe Neighborhood	16.609	2003-GP-CX-0561	80,050
Project Safe Neighborhood:Anti-Gang Initiative	16.609	2006-PG-BX-2005	59,174
Project Safe Neighborhood	16.609	2006-GP-CX-0063	58,645
Project Safe Neighborhood:2007 Anti-Gang Initiative	16.609	2007-PG-BX-0009	26,161
Project Safe Neighborhood:2007 Gun Crime Reduction Initiative	16.609	2007-GP-CX-0020	19,445
Central City Weed & Seed	16.unknown	2006-WS-Q6-0010	139,812
Total U.S. Department of Justice			383,287

# Grand Valley State University

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2008

Program Title/Project Number/Subrecipient Name	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Other federal awards (Continued):			
U.S. Department of Homeland Security - Passed through the Michigan State University - Disaster Preparedness/Planning Services - Intelligence Fusion Center	97.067		\$ 41,335
U.S. Department of Labor - Passed through the Michigan Department of Labor and Economic Growth West Michigan WIRED (GVSU is fiscal agent for West Michigan Strategic Alliance)	17.261		6,352,176
U.S. Department of Housing and Urban Development - Renovations of a Research Facility, Training and Education Space	14.246		9,975
U.S. Department of Housing and Urban Development - Continuation of Renovations to a Research and Education Facility	14.246		380,393
U.S. Department of the Interior, National Park Service - Passed through State of Michigan Dept of History, Arts, and Libraries, Michigan Historical Center - National Register of Historic Places District District Nomination for Mary's City of David, Benton Harbor, Michigan	15.929	DHAL07-003	22,860
National Endowment for Humanities Council - Passed through Michigan Humanities Council - Up From the Bottoms-Oral History	45.129	2707 H 07	<u>15,000</u>
Total federal awards			<u>\$ 126,936,827</u>

# Grand Valley State University

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## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2008

### Note 1 - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Grand Valley State University (the "University") and is presented on the same basis of accounting as the basic financial statements. 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 basic financial statements.

### Note 2 - Loans Outstanding and Issued

The Federal Perkins Loans (CFDA #84.038) balance represents loans outstanding of \$10,351,065. This amount includes current year loans issued of \$925,359 which were financed through the collections on past loans and interest income. There were no federal or institutional contributions during the year ended June 30, 2008.

Outstanding loans under the Nursing Student Loan Program (CFDA #93.364) were \$131,822 at June 30, 2008. There were no federal contributions for this program during the year ended June 30, 2008.

The University originates but does not provide the funding for Federal Direct Loans (FDLs). The amount presented represents the value of the new FDLs accepted by students during the year ended June 30, 2008.

### Note 3 - Campus-Based Program Transfers

As allowable and in accordance with federal regulations issued by the U.S. Department of Education, the University transferred \$113,061 of Federal Work Study (FWS) Program (84.003) award funds to the Federal Supplemental Education Opportunity Grant (SEOG) Program (84.007) for the 2007-2008 award year.

The University carried forward \$75,408 of the 2006-2007 FWS award to the 2007-2008 award year. The University also carried forward \$105,189 of the 2007-2008 FWS award to the 2008-2009 award year.

The University also carried forward \$100 of the 2006-2007 SEOG award to the 2007-2008 award year.

# Grand Valley State University

## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2008

### Note 4 - Subrecipient Awards

Of the federal expenditures presented in the schedule of expenditures of federal awards, federal awards were provided to subrecipients as follows:

Program Title/Project Number/Subrecipient Name	CFDA Number	Current Year Cash Transferred to Subrecipient
U.S. Department of Justice:		
Project Safe Neighborhood	16.609	\$ 100,780
Central Weed and Seed	16.595	<u>67,263</u>
Total U.S. Department of Justice		168,043
National Science Foundation - DUE Grissom:		
DUE Grissom	47.076	\$ 4,177
NSF: GVSU/UM Partnership for Advancing Women in Science & Engineering	47.075	<u>9,046</u>
Total National Science Foundation		13,223
U.S. Small Business Administration:		
Michigan Small Business and Technology Development Center Headquarters - 2007	59.037	1,070,489
Michigan Small Business and Technology Development Center Headquarters - 2008	59.037	<u>921,315</u>
Total U.S. Small Business Administration		1,991,804
U.S. Department of Labor - West Michigan WIRED (GVSU is the fiscal agent for West Michigan Strategic Alliance)		
	17.261	<u>6,208,854</u>
Total federal awards provided to subrecipients		<u><u>\$ 8,381,924</u></u>



# Grand Valley State University

## Schedule of Findings and Questioned Costs Year Ended June 30, 2008

### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?         Yes     No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?     Yes     None reported

Noncompliance material to financial statements noted?         Yes     No

#### Federal Awards

Internal control over major program(s):

- Material weakness(es) identified?         Yes     No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?     Yes     None reported

Type of auditor's report issued on compliance for major program(s): Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?         Yes     No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
84.063, 84.268, 84.038, 84.033, 84.007, 84.375, 84.376, and 93.364	Student Financial Aid Cluster
Various	Research and Development Cluster
59.037	SBTDC

Dollar threshold used to distinguish between type A and type B programs: \$953,643

Auditee qualified as low-risk auditee?         Yes     No

# Grand Valley State University

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## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2008

### Section II - Financial Statement Audit Findings

Reference Number	Findings
	None

# Grand Valley State University

## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2008

### Section III - Federal Program Audit Findings

Reference Number	Findings
2008-01	<p data-bbox="414 546 1266 588"><b>Program Name</b> - Student Financial Aid Cluster - CFDA# 84.038</p> <p data-bbox="414 619 1112 661"><b>Finding Type</b> - Noncompliance/Significant Deficiency</p> <p data-bbox="414 693 1443 850"><b>Criteria</b> - 34 CFR Section 674.42 (c) regarding due diligence contacts with Perkins loan borrowers requires an exit interview contact with the borrower as well as a minimum of three separate contacts during a borrower's initial and post-deferment grace periods.</p> <p data-bbox="414 882 1443 1039"><b>Condition</b> - Two students in our sample of 27 were not exited properly and did not receive any grace period notices. Once the students were identified to have been in the repayment term, the University immediately began sending bills to students.</p> <p data-bbox="414 1071 771 1113"><b>Questioned Costs</b> - None</p> <p data-bbox="414 1144 1443 1228"><b>Context</b> - The University did not exit students in a timely manner and did not send the students the required grace period notices.</p> <p data-bbox="414 1260 1443 1386"><b>Cause and Effect</b> - The University did not have procedures in place to properly identify the students who should have been exited from the loan program and no grace period notices were sent to the students.</p> <p data-bbox="414 1417 1443 1575"><b>Recommendation</b> - The University should implement procedures to identify when students should be exited from the loan program and the University should make sure the proper grace period notices are sent to students once they have been exited.</p> <p data-bbox="414 1606 1443 1955"><b>Views of Responsible Officials and Planned Corrective Actions</b> - When we became aware of this problem we discovered that it was a problem with our previous systems (IDMS and LMS). Since then we have reviewed our whole Perkins Loan portfolio of enrolled students and have exited any of them that were no longer in school. Since switching over to Banner and CLM, we do not expect to run into this problem again. There is a program in Banner (RPBLMIE) that gives us a file showing every student who has left the University. Then we process their exit and send their grace period notices in a timely manner.</p>

# Grand Valley State University

## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2008

Reference Number	Findings
2008-02	<p data-bbox="415 478 1268 510"><b>Program Name</b> - Student Financial Aid Cluster – CFDA# 84.268</p> <p data-bbox="415 558 1109 590"><b>Finding Type</b> - Noncompliance/Significant Deficiency</p> <p data-bbox="415 636 1435 894"><b>Criteria</b> - 34 CFR Section 685.301 states that a school may not originate a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan, or a combination of loans, for an amount that (i) the school has reason to know would result in the borrower exceeding the annual or maximum loan amounts; or (ii) exceeds the student's estimated cost of attendance less (A) the student's estimated financial assistance for that period; and (B) in the case of a Direct Subsidized Loan, the borrower's expected family contribution for that period.</p> <p data-bbox="415 940 1435 1003"><b>Condition</b> - One student in our sample of 27 received a Direct Unsubsidized loan that exceeded the maximum loan amount for the period.</p> <p data-bbox="415 1052 781 1083"><b>Questioned Costs</b> - \$1,088</p> <p data-bbox="415 1129 1435 1276"><b>Context</b> - The University awarded a graduate student a Direct Unsubsidized loan of \$7,088 for the Spring/Summer 2008 semester, and the maximum Direct Unsubsidized loan amount allowed for graduate students during the Spring/Summer 2008 semester was \$6,000.</p> <p data-bbox="415 1323 1435 1539"><b>Cause and Effect</b> - The University over-awarded the student a Direct Unsubsidized loan in the amount of \$1,088, but the student was eligible to receive an additional \$1,088 in a Graduate PLUS loan. The counselor who processed the loan made an error, which was not caught by the counselor who reviewed the loan, nor was the error caught by the person entering the loan data.</p> <p data-bbox="415 1585 1435 1690"><b>Recommendation</b> - The University should implement procedures to ensure that loans awarded to students do not exceed the maximum allowable loan amount for the period.</p> <p data-bbox="415 1736 1435 1955"><b>Views of Responsible Officials and Planned Corrective Actions</b> - We reviewed all other Direct Unsubsidized Loans awarded for the summer semester of 2008. We noted that all other loans for that semester met the prescribed limits. We will re-emphasize the need to review the loan limits with the financial aid staff and explain the distinction of limits for the Direct Subsidized, Direct Unsubsidized vs. the Graduate PLUS loans.</p>

# Grand Valley State University

## Summary Schedule of Prior Audit Findings Year Ended June 30, 2008

Reference Number	Corrective Action Taken
2007-02	<p><b>Program Name</b> - U.S. Small Business Administration - Direct #59.037, 2006 and 2007 Projects</p> <p><b>Description</b> - Of the 25 expenditures tested, 13 of them required certification that the recipient was not suspended or debarred. A total of seven out of 13 selections did not have the proper certification support. Based on a review of the Excluded Parties List System, none of the contractors tested were suspended or debarred.</p> <p><b>Status</b> - Corrective action was taken. For contracts between \$25,000 and \$100,000, the purchasing department checks the Excluded Parties List System and documents that the contractor is not excluded from participation in federal activities. For all contracts over \$100,000, the purchasing department requires a completed certification form from the contractor prior to issuing the contract. The grant accountant reviews the debarment and suspension requirement with the principal investigator in their initial meeting to go through all of the various grant requirements. Discussion of this requirement is documented on the initial check list.</p>

**A-133 Corrective Action Plan  
June 30, 2008**

<b>Reference Number</b>	<b>Contact Person</b>	<b>Corrective Action Planned</b>	<b>Anticipated Completion Date</b>
2008-01	Pam Brenzing, Controller	Review entire Perkins Loan portfolio for proper exits.	Review is completed.
2008-02	Ed Kerestly, Director of Financial Aid	Review all Direct Unsubsidized summer 2008 loans for appropriate limits. Re-emphasize loan limits for Direct Subsidized, Direct Unsubsidized and Graduate PLUS loans to financial aid staff.	Review is completed.  Will communicate to financial aid staff by March 31, 2009