



Single Audit Report

for

**NORTHERN KENTUCKY UNIVERSITY**

A Component Unit of the Commonwealth of Kentucky

Year Ended June 30, 2024  
with Independent Auditor's Report

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**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**

**Independent Auditor's Report**

Board of Regents  
Northern Kentucky University  
Highland Heights, Kentucky

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Northern Kentucky University's (the University) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget's (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, 2024. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the University's federal programs.

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance requirements with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit. Accordingly, this report is not suitable for any other purpose.

**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 2024-001, 2024-002, 2024-003, and 2024-004. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the University's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. However, as discussed below, we did identify deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the University's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Board of Regents  
Northern Kentucky University  
Independent Auditor's Report, continued

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the University as of and for the year ended June 30, 2024, and have issued our report thereon dated October 1, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. 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 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 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 financial statements or to the 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 financial statements as a whole.



Louisville, Kentucky  
October 1, 2024

**NORTHERN KENTUCKY UNIVERSITY**  
**A Component Unit of the Commonwealth of Kentucky**  
**Schedule of Expenditures of Federal Awards**

Year Ended June 30, 2024

Federal Grantor/Program Title/Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Education:</b>				
<b>Direct Programs:</b>				
Student Financial Aid - Cluster				
Federal Supplemental Educational Opportunity Grant Program		84.007	\$ -	\$ 438,400
Federal Work Study Program		84.033	-	495,843
Federal Perkins Student Loan Fund (includes current year advances and prior year loan balances)		84.038	-	439,521
Federal Pell Grant Program		84.063	-	13,975,590
Federal Direct Loan Program		84.268	-	83,641,850
Teacher Education Assistance for College and Higher Education Grants		84.379	-	26,354
Nursing Faculty Loan Program		93.264	-	431,590
Total Student Financial Aid - Cluster			-	99,449,148
TRIO Cluster				
Student Support Services		84.042A	-	399,606
Upward Bound		84.047A	-	457,642
Total TRIO Cluster			-	857,248
AmeriCorps National Service Trust		84.UNKNOWN	-	50,668
CCAMPIS Program		84.335A	-	93,823
CCAMPIS Program 2021		84.335A	-	33,256
			-	127,079
<b>Pass-Through Programs:</b>				
<b>Kentucky Council on Postsecondary Education</b>				
COVID-19 Dual Credit Bridge	SC 415 24000001247	84.425U	-	4,397
COVID-19 Dual Credit Bridge	SC 415 2400000177	84.425C	-	2,681
COVID-19 Summer Bridge 2023	SC 415 2300001296	84.425	-	23,049
COVID-19 Summer Elevating Education	SC 4152200001336	84.425C	-	16,327
			-	46,454
<b>Total U.S. Department of Education</b>			-	100,530,597
<b>Research and Development Cluster:</b>				
<b>Direct Programs:</b>				
<b>U.S. National Science Foundation</b>				
S3OAR 2019-2023		47.076	-	239,664
Stem Ready - Math		47.076	-	14,080
			-	253,744
EPSCOR RII		47.083	-	184,984
MRI: Flow Cytometer		47.083	-	161,747
			-	346,731
I-Corps Teams Award		47.084	-	34,314
Total U.S. National Science Foundation			-	634,789
<b>U.S. National Institute of Health</b>				
NIH Area R15 Curran		93.113	-	65,428
NIH Area R03 Curran		93.113	-	47,108
			-	112,536
NIH Area Williamson		93.242	-	79,302

**NORTHERN KENTUCKY UNIVERSITY**  
A Component Unit of the Commonwealth of Kentucky  
Schedule of Expenditures of Federal Awards, continued

Year Ended June 30, 2024

Federal Grantor/Program Title/Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>Research and Development Cluster, continued:</b>				
<b>Direct Programs, continued:</b>				
<b>U.S. National Institute of Health, cotinued</b>				
NIH Area Brumback		93.273	-	144,954
NIH Area Yates		93.279	-	1,108
NIH Area R15 Yates		93.279	-	156,667
NIH Area R00 Smith		93.279	-	173,420
			-	331,195
NIH Area Strome		93.859	-	101,732
NIH Area Guy		93.859	-	88,335
NIH Area R16 Badgett		93.859	-	112,971
NIH Area R15 Strome		93.859	-	11,330
			-	314,368
Total U.S. National Institute of Health			-	982,355
<b>U.S. Department of Commerce</b>				
EDA Sprint		11.307	-	51,858
<b>U.S. National Aeronautics and Space Administration:</b>				
Afterschool NASA		43.008	-	5,727
<b>Pass-Through Programs:</b>				
<b>U.S. National Science Foundation</b>				
<b>University of Louisville Research Foundation</b>				
Oaks	ULRF_23-0679-01	47.049	-	14,205
<b>U.S. National Institute of Health:</b>				
<b>George Mason University</b>				
JCOIN Rapid Response	E2060193-E2056591	93.279	-	11,100
JCOIN Rapid Response Supplement	E2065196	93.279	-	1,662
<b>University of Cincinnati</b>				
Healing Communities	012159	93.279	-	5,936
			-	18,698
<b>KY Cabinet for Health &amp; Family Services</b>				
1115 Substance Use	SC 746 2200001772	93.778	85,059	192,911
SUP 24 Peer Support	SC 746 2300001565	93.778	1,507	63,026
			86,566	255,937
<b>University of Louisville Research Foundation</b>				
KYINBRE Brumbac PTDO	ULRF_18-0975E-06	93.859	-	35,286
KYINBRE Brumbac MCDA	ULRF_23-1033-06	93.859	-	13,579
KYINBRE Curran MCDA	ULRF_23-1033-06	93.859	-	5,091
KYINBRE Guy Post Doc	ULRF_18-0975E-06	93.859	-	27,489
KYINBRE Guy MCDA	ULRF_23-1033-06	93.859	-	5,783
KYINBRE Lead	ULRF_18-0975E-06	93.859	-	2,074
KYINBRE Smith Post Doc	ULRF_18-0975E-06	93.859	-	43,725
KYINBRE Smith MCDA	ULRF_23-1033-06	93.859	-	6,084
KYINBRE Strome Bridge	ULRF_18-0975E-06	93.859	-	57,415
KYINBRE Strome MCDA	ULRF_23-1033-06	93.859	-	4,266
KYINBRE Yates MCDA	ULRF_23-1033-06	93.859	-	7,474
KYINBRE Curan Post Doc	ULRF_18-0975E-06	93.859	-	33,125
KYINBRE Bard Post Doc	ULRF_18-0975E-06	93.859	-	33,125



**NORTHERN KENTUCKY UNIVERSITY**  
A Component Unit of the Commonwealth of Kentucky  
Schedule of Expenditures of Federal Awards, continued

Year Ended June 30, 2024

Federal Grantor/Program Title/Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>Research and Development Cluster, continued:</b>				
<b>Pass-Through Programs, continued:</b>				
<b>U.S. National Institute of Health, continued:</b>				
<b>University of Louisville Research Foundation, continued</b>				
KYINBRE Bardget SDRA	ULRF_23-1033-06	93.859	-	4,382
KYINBRE Bardget MCDA	ULRF_23-1033-06	93.859	-	5,725
			<u>-</u>	<u>284,623</u>
Total U.S. National Institute of Health			86,566	559,258
<b>U.S. Department of Agriculture:</b>				
<b>Kentucky State University</b>				
Skin Cancer Awareness	210230-206013-3210-NKU	10.216	-	9,216
<b>U.S. National Aeronautics and Space Administration:</b>				
<b>The University of Chicago</b>				
Helix Bridge	AWD101560 (SUB388)	43.001	-	25,794
Helix	SUB00000904	43.001	-	49,755
<b>Washington University St. Louis</b>				
Tigeriss	WU-23-0278	43.001	-	48,844
			<u>-</u>	<u>124,393</u>
Supertiger 2	WU-23-0403	43.012	-	12,273
<b>University of Kentucky Research Foundation</b>				
Origami Robot Development Y2	3210001706-23-024	43.008	-	1,549
KY Space-REU SHIN	3210001706-24-030	43.008	-	3,108
			<u>-</u>	<u>4,657</u>
Total U.S. National Aeronautics and Space Administration			<u>-</u>	<u>141,323</u>
<b>Total Research and Development Cluster</b>			<u>86,566</u>	<u>2,398,731</u>
<b>Other Programs:</b>				
<b>U.S. Department of Health and Human Services:</b>				
<b>Direct Programs:</b>				
HRSA Nat Program		93.124	-	55,376
HRSA CHWTP		93.516	-	219,496
Mental and Behavioral Health Education and Training Grants -				
HRSA Opioid-Impacted Family Support Program		93.732	-	372,818
HRSA OWEP Paraprofessionals		93.732	-	29,758
			<u>-</u>	<u>402,576</u>
CC Implementation		93.912	7,586	510,753
HRSA Implementation		93.912	-	1,123
			<u>7,586</u>	<u>511,876</u>
			<u>7,586</u>	<u>1,189,324</u>
<b>Pass-Through Programs:</b>				
<b>KY Cabinet for Health &amp; Family Services</b>				
KTAP 2024	SC 736 2200001178	93.558	-	103,664
Vaccination	PON2 728 2400000611	93.268	-	52,453
			<u>-</u>	<u>156,117</u>
<b>University of Kentucky</b>				
PCWCP 2024	3200005689-24-081	93.658	-	6,045
Total U.S. Department of Health and Human Services			<u>7,586</u>	<u>1,351,486</u>

**NORTHERN KENTUCKY UNIVERSITY**  
A Component Unit of the Commonwealth of Kentucky  
Schedule of Expenditures of Federal Awards, continued

Year Ended June 30, 2024

Federal Grantor/Program Title/Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>Other Programs, continued:</b>				
<b>U.S. National Security Agency:</b>				
<b>Direct Programs:</b>				
Gencyber Camp 2023		12.903	-	106,775
<b>Pass-Through Programs:</b>				
<b>University of Louisville</b>				
UL PSC Cybersecurity	PSC 24-035	12.905	-	6,400
Total U.S. National Security Agency			-	113,175
<b>U.S. Department of Agriculture:</b>				
<b>Direct Programs:</b>				
Telemedicine		10.855	-	66,799
<b>U.S. Department of Treasury:</b>				
<b>Pass-Through Programs:</b>				
<b>KY Council on Postsecondary Education</b>				
CPE HWC	SC 415 2300000390	21.027	-	155,868
<b>Corporation for National and Community Service:</b>				
<b>Direct Programs:</b>				
VISTA 2022		94.013	-	7,189
VISTA 2023		94.013	-	68,286
VISTA Communities		94.013	-	2,637
			-	78,112
Engage KY		94.021	91,700	131,753
			91,700	209,865
<b>Pass-Through Programs:</b>				
<b>KY Cabinet for Health &amp; Family Services</b>				
Americorps Prog 2023	PON37302200000025	94.006	-	277,253
Americorps Prog 2024	PON37302200000025	94.006	-	1,545,438
			-	1,822,691
Total Corporation for National and Community Service			91,700	2,032,556
<b>U.S. Department of Justice:</b>				
<b>Direct Programs:</b>				
Norse Violence Prevention Project		16.525	50,374	87,961
<b>U.S. Department of Commerce:</b>				
<b>Direct Programs:</b>				
EDA CHEI-UC		11.303	-	109,832
<b>U.S. National Aeronautics and Space Administration:</b>				
<b>Pass-Through Programs:</b>				
<b>University of Kentucky Research Foundation</b>				
Kentucky First Lego	3200003095-23-149	43.008	-	3,932
Kentucky First Lego	3200003095-24-158	43.008	-	14,064
			-	17,996

**NORTHERN KENTUCKY UNIVERSITY**  
A Component Unit of the Commonwealth of Kentucky  
Schedule of Expenditures of Federal Awards, continued

Year Ended June 30, 2024

Federal Grantor/Program Title/Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>Other Programs, continued:</b>				
<b>National Endowment for the Humanities:</b>				
<b>Pass-Through Programs:</b>				
<b>Teagle Foundation</b>				
Star Implementation	2005572	45.162	-	31,250
<b>Total Other Programs</b>			149,660	3,966,923
<b>Total Federal Expenditures</b>			<b>\$ 236,226</b>	<b>\$ 106,896,251</b>

*See Notes to the Schedule of Expenditures of Federal Awards.*

# NORTHERN KENTUCKY UNIVERSITY

## Notes to the Schedule of Expenditures of Federal Awards

Year ended June 30, 2024

### 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the University and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

### 2. Federal Student Loan Programs

Northern Kentucky University (the University) is responsible for the performance of certain administrative duties with respect to the Federal Direct Loan Program; accordingly, it is not practical to determine the balance of loans outstanding to students and former students of the University under this program at June 30, 2024.

The following schedule represents loans outstanding and advanced by the University as of and for the year ended June 30, 2024:

	<u>CFDA</u>	<u>Advances</u>
Department of Education:		
Student Financial Aid Cluster		
Federal Perkins Loan	84.038	\$ 253,596
Department of Health and Human Services:		
Student Nursing Loan Program	93.264	<u>431,590</u>
		<u>\$ 685,186</u>

### 3. Facilities and Administrative Costs Rates

Predetermined fixed facilities and administrative costs rates have been approved as follows:

Period Covered	From 7/1/2023 until 6/30/2024:
Based on Financial Information for fiscal year	2019
Predetermined rate - on campus	40.0%
Predetermined rate - off campus	14.9%

These rates are applied to direct salaries and wages, excluding all fringe benefit costs.

The University does not utilize the 10% de Minimis indirect cost rate.

**NORTHERN KENTUCKY UNIVERSITY**

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

**I. SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?                     \_\_\_Yes  XNo
- Significant deficiency(ies) identified?               \_\_\_Yes  XNone Reported

Noncompliance material to financial statements noted?   \_\_\_Yes  XNo

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?                     \_\_\_Yes  XNo
- Significant deficiency(ies) identified?               XYes  \_\_\_None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)   XYes  \_\_\_No

Identification of major programs:

<u>Federal Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Various	Student Financial Aid Cluster
84.042A, 84.047A	TRIO Cluster
93.732	Mental and Behavioral Health Education and Training Grants

Dollar threshold used to distinguish between type A and type B programs:                                     \$750,000

Auditee qualified as low-risk auditee?                     \_\_\_Yes  XNo

# NORTHERN KENTUCKY UNIVERSITY

Schedule of Findings and Questioned Costs, continued

Year ended June 30, 2024

## II. Financial Statement Findings:

Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*: **None noted**

## III. Federal Award Findings and Questioned Costs:

### Finding 2024-001:

#### Federal Program:

U.S. Department of Education:

Student Financial Aid Cluster:

Federal Pell Grant, Assistance Listing No. 84.063

Federal Supplemental Education Opportunity Grant, Assistance Listing No. 84.007

Federal Work Study Program, Assistance Listing No. 84.033

Federal Perkins Loan Program, Assistance Listing No. 84.038

Federal Direct Loan Program, Assistance Listing No. 84.268

Teacher Education Assistance for College and Higher Education Grants, Assistance Listing No. 84.379

Nursing Faculty Loan Program, Assistance Listing No. 93.264

#### Criteria:

The University must comply with 34 CFR Section 668.22.

#### Condition:

During our audit of official withdrawals, we reviewed the calculation used by the University for the return of funds and noted various incorrect days being used within the calculations:

- Incorrect total days for Fall and Spring semesters for full-term students
- Incorrect break days for Fall and Spring semesters for full-term students
- Incorrect withdrawal date used
- Module days being used incorrectly for a full-term student

## NORTHERN KENTUCKY UNIVERSITY

### Schedule of Findings and Questioned Costs, continued

Year ended June 30, 2024

#### III. Federal Award Findings and Questioned Costs, continued:

##### Finding 2024-001, continued:

###### Condition, continued:

Our testing of 40 official withdrawals included 11 and 12 full-term students from the Fall and Spring semesters, respectively, for which the return of funds calculation was improperly calculated due to the University using incorrect total days and incorrect break days. One student's calculation was incorrect due to the University treating them as a module student, instead of full-term. Additionally, the University used the incorrect withdrawal date for three students.

Additional analysis performed by the University on the remaining official withdrawals identified an additional 21 and 25 students within the Fall and Spring semesters, respectively, for which the incorrect total days and incorrect break days were being used in the return of funds calculations.

###### Cause:

The University does not have a procedure in place to properly review days used within return of funds calculations.

###### Effect:

The provisions of 34 CFR Section 668.22 were not followed and thus a total of 73 students had incorrect return of funds calculations.

###### Questioned Costs:

Known questioned costs total \$16,857 in Title IV aid that should have been returned as a result of our testing of 40 official withdrawals. Additional analysis performed by the University identified an additional \$5,764 in Title IV aid that should have been returned.

###### Recommendation:

We recommend that the University review and revise their policies and procedures related to the return of funds calculation. Specifically, the University should:

- Ensure the correct definition and calculation of days (end of enrollment period, break days, etc.) is used within the calculations.
- Implement a review process to verify calculations before finalizing returns.
- Provide training to relevant staff on the proper calculation methods to enhance compliance and accuracy.

# NORTHERN KENTUCKY UNIVERSITY

## Schedule of Findings and Questioned Costs, continued

Year ended June 30, 2024

### III. Federal Award Findings and Questioned Costs, continued:

#### Finding 2024-001, continued:

##### Views of responsible officials and planned corrective actions:

Northern Kentucky University agrees with the auditors' finding and recommendations. The following corrective action will be taken:

The University will return \$22,621 in federal student financial aid to United States Department of Education (USED) which represents the updated R2T4 accounting for the correct academic calendar end dates and breaks periods for the 2023-24 academic year.

The University provided the external auditors with the current year academic calendar (end of period, break day, etc) for review and validation.

The correct definition and calculation of days (end of enrollment period, break days, etc) will be used with return calculations.

There will be a review process that will include validation from the AVP to verify calculations before finalizing returns.

Training will be provided to all relevant staff on the proper calculation methods to ensure compliance and accuracy which will include the review of the Federal Student Handbook - Volume 5 - Withdrawals and the Return of Title IV Funds and other relevant guidance from USED.

#### Finding 2024-002:

##### Federal Program:

U.S. Department of Education  
Federal Direct Loan Program, CFDA 84.268

##### Criteria:

The University must comply with 34 CFR Section 685.309(b).

##### Condition:

During our testing of 40 official withdrawals, we noted two students for which the National Student Loan Data System (NSLDS) was not notified timely of the correct student status change due to external credits for professional study courses erroneously being included within the students' total credit hours and thus improperly classifying them on the University's roster files. Additional analysis performed by the University on the remaining population of students with external credits identified an additional 12 students for which the NSLDS was not notified timely of the correct student status change.



# NORTHERN KENTUCKY UNIVERSITY

## Schedule of Findings and Questioned Costs, continued

Year ended June 30, 2024

### III. Federal Award Findings and Questioned Costs, continued:

#### Finding 2024-002, continued:

##### Condition, continued:

During our testing of three unofficial withdrawals, we noted one Spring semester student for which the NSLDS was not notified timely of the student status change. Additional analysis of all unofficial withdrawals for Spring 2024 resulted in 10 additional students for which the NSLDS was not notified timely of the correct student status change.

##### Cause:

The University did not have controls in place to ensure students' classification based upon actual allowable credit hours were being properly reported to the NSLDS. Unofficial withdrawals were also not being monitored to ensure timely reporting to the NSLDS.

##### Effect:

The provisions of 34 CFR Section 685.309(b) were not followed and thus a total of 27 students had untimely and incorrect status changes reported to the NSLDS.

##### Questioned Costs:

There were no questioned costs associated with this finding.

##### Recommendation:

We recommend that the University implement controls to ensure roster files are updated correctly and reviewed before reported to the NSLDS.

##### Views of responsible officials and planned corrective actions:

The University agrees with the auditors' finding and recommendation. The following corrective action will be taken:

The University Registrar will adhere to:

Provisions of 34 CFR Section 685.309(b) will be followed when reporting to NSLDS.

The University will develop and implement controls to ensure students' classification based on actual allowable credit hours are being properly reported to NSLDS. Unofficial withdrawals will be monitored to ensure timely reporting to NSLDS.

The University Registrar will work collaboratively with IT to modify the enrollment report to identify students with external credits as well as students who stop attending to allow proper reporting to the NSLDS within the required 30 days.

**NORTHERN KENTUCKY UNIVERSITY**

Schedule of Findings and Questioned Costs, continued

Year ended June 30, 2024

**III. Federal Award Findings and Questioned Costs, continued:**

**Finding 2024-003, (Repeat of 2023-002):**

**Federal Program:**

U.S. Department of Health and Human Services Administration  
Mental and Behavioral Health Education and Training Grants  
HRSA Opioid-Impacted Family Support Program (OIFSP)  
Assistance Listing No. 93.732  
Federal Award Identification No. 20T26H39452, Award Year 2020

**Criteria:**

Per the U.S. Department of Health and Human Services notice of award, stipends made to Level I and Level II trainees are capped at \$5,000 and \$7,500 per trainee, respectively.

**Condition:**

During the prior year audit, our testing of payroll identified issues with student stipends. As a result of Finding 2023-002, the University identified 14 additional trainee stipends that exceeded the maximum allowable amount for the Fall 2023 semester. Our testing did not identify any additional issues for Spring 2024.

**Cause:**

The University did not have controls in place to monitor the total amounts paid to student trainees on the grant.

**Effect:**

The guidelines for allowable amounts per the notice of award were not being followed and thus a total of 14 trainees' stipends were incorrectly awarded and paid.

**Questioned Costs:**

Known questioned costs totaled \$12,777 for Fall 2023 semester and were identified by examining all payments made to student trainees in comparison with maximum allowable amounts.

**Recommendation:**

We recommend that the University continue to monitor total payments by student trainee.

# NORTHERN KENTUCKY UNIVERSITY

Schedule of Findings and Questioned Costs, continued

Year ended June 30, 2024

## III. Federal Award Findings and Questioned Costs, continued:

### Finding 2024-003, (Repeat of 2023-002), continued:

#### Views of responsible officials and planned corrective actions:

As a result of Finding 2023-002, all student trainees are now paid by stipend. These stipends are set up with payment limits based on the trainee's level. As noted above, all of the overpayments included in Finding 2024-003 were identified during the prior year's audit and corrected and repaid at that time. No additional overpayments were identified during the current audit.

### Finding 2024-004:

#### Federal Program:

U.S. Department of Education  
Student Financial Aid Cluster:  
Federal Direct Loan Program, Assistance Listing No. 84.268  
Teacher Education Assistance for College and Higher Education Grants,  
Assistance Listing No. 84.379

#### Criteria:

The University must comply with 34 CFR 685.301.

#### Condition:

During our testing of 40 samples, we noted one student for which incorrect cost of attendance (COA) was used in the student's budget. The student's financial aid was packaged with an incorrect 9 month COA and a proper 5 month expected family contribution (EFC). This resulted in the student appearing to have an unmet need, and as a result, need-based aid was awarded.

#### Cause:

Based upon the student's enrollment status, the University had to "on-demand" process them. The University did not have controls in place to ensure the student's aid was packaged appropriately by pro-rating both the student's EFC and COA in the same manner based on anticipated enrollment.

#### Effect:

The provisions of 34 CFR 685.301 were not followed and thus a student erroneously received need-based aid.

**NORTHERN KENTUCKY UNIVERSITY**

Schedule of Findings and Questioned Costs, continued

Year ended June 30, 2024

**III. Federal Award Findings and Questioned Costs, continued:**

**Finding 2024-004, continued:**

**Questioned Costs:**

Known questioned costs is the total need-based aid, specifically subsidized direct loans, awarded to the student during the year, totaling \$2,750. The total likely questioned costs is unknown.

**Recommendation:**

We recommend that the University implement controls to ensure student's aid is being packaged and awarded based on the anticipated enrollment of the student, with the correct corresponding EFC.

**Views of responsible officials and planned corrective actions:**

The University agrees with the auditor's findings and recommendation. The following corrective action will be taken:

The University will implement controls to ensure student's aid is being packaged and awarded on the anticipated enrollment of the student, with correct corresponding EFC.

The Office of Student Financial Assistance will collaborate with IT to ensure proper training and review of packaging logic accurately reflects the students' federal student aid eligibility.

## NORTHERN KENTUCKY UNIVERSITY

### Summary Schedule of Prior Audit Findings

Year ended June 30, 2024

#### **Finding 2023-001:**

**Summary of Finding:** During 2023, four quarterly reports were tested as part of the Education Stabilization Fund COVID-19 Higher Education Emergency Relief Fund (HEERF) Institutional Aid. One of the tested reports was incorrectly labeled and posted indicating it was for the quarter ended September 30, 2022, but actually contained a different quarter's information.

#### **Current Year Status:**

No HEERF funds were received during the current year. As such, the finding was resolved in the current year.

#### **Finding 2023-002:**

**Summary of Finding:** During 2023, 40 payroll selections included testing of eight trainee stipends as part of the HRSA Opioid-Impacted Family Support program. Of these eight trainee stipends selected, three were found to exceed the maximum allowable amount per the notice of award.

#### **Current Year Status:**

See Finding 2024-003.