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October 2020

**STATE OF FLORIDA AUDITOR GENERAL**

**Operational Audit**

**ADMINISTRATION OF THE  
FLORIDA BRIGHT FUTURES  
SCHOLARSHIP PROGRAM  
BY FLORIDA'S PUBLIC  
UNIVERSITIES AND COLLEGES**



Sherrill F. Norman, CPA  
Auditor General

This audit was coordinated by Keith A. Wolfe, CPA.

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# ADMINISTRATION OF THE FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM BY FLORIDA'S PUBLIC UNIVERSITIES AND COLLEGES

## **SUMMARY**

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This operational audit focused on the administration of the Florida Bright Futures Scholarship Program (Program) by Florida's 40 public universities and colleges (institutions) for the fiscal years ended June 30, 2018, and June 30, 2019, and included a follow-up on findings noted in our report No. 2018-212. Our operational audit disclosed the following:

**Finding 1:** Nine of the 40 institutions did not comply with State law and Florida Department of Education (FDOE) policies by timely refunding to the FDOE Program funds, ranging from \$539 to \$7,860, for courses dropped by students and courses from which students withdrew. The untimely refunds were made an average of 77 days after the required time frames.

**Finding 2:** Contrary to State law, 3 of the 40 institutions untimely remitted undisbursed Program advances totaling \$51,349 to the FDOE, including \$40,501 remitted by 1 institution 180 days after the regular registration 60-day time frame.

## **BACKGROUND**

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The Legislature established the Florida Bright Futures Scholarship Program (Program)<sup>1</sup> to provide lottery-funded scholarships to any Florida high school graduate who merits recognition of high academic achievement and enrolls in a degree, certificate, or applied technology program at an eligible Florida public or private postsecondary educational institution within 3 years of high school graduation. The Program consists of three award types: the Florida Academic Scholarship (FAS), the Florida Medallion Scholarship (FMS), and the Florida Gold Seal Vocational Scholarship (Gold Seal).

For the 2017-18 fiscal year, Florida's 12 public universities and 28 public colleges disbursed Program awards totaling \$345,138,320 for 86,971 students, with the amounts disbursed by the universities and colleges totaling \$330,299,431 and \$14,838,889, respectively. For the 2018-19 fiscal year, Florida's 12 public universities and 28 public colleges disbursed Program awards totaling \$491,985,399 for 93,963 students, with the amounts disbursed by the universities and colleges totaling \$470,323,349 and \$21,662,050, respectively.<sup>2</sup> The \$147 million increase in the amount of Program awards disbursed from the 2017-18 fiscal year to the 2018-19 fiscal year is attributed, in part, to:

- An increase in students who met Program eligibility requirements.
- Increased amounts paid for FMS awards from a flat rate per credit hour to 75 percent of authorized tuition and fees.
- The Legislature authorizing FAS and FMS awards for the Summer 2019 term.

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<sup>1</sup> Section 1009.53, Florida Statutes.

<sup>2</sup> We compiled the total Program award disbursements and number of student award recipients from the institutions' records.

Scholarship award amounts are set in the General Appropriations Act each year. For the 2017-18 fiscal year, FAS awards covered 100 percent of tuition and fees, and FMS and Gold Seal awards were based on a fixed cost per credit hour depending upon the institution type in which the student was enrolled. For the 2018-19 fiscal year, FAS and FMS awards covered 100 percent and 75 percent of authorized tuition and fees, respectively, and Gold Seal awards were based on a fixed cost per credit hour based on the recipient educational program. In addition, for the Fall and Spring Semesters, FAS award recipients received a \$300 stipend for books each semester, and those qualifying as Top Academic Scholars received an additional \$44 per credit hour for the 2017-18 and 2018-19 fiscal years.

The Florida Department of Education (FDOE) determines the eligibility of students based on general criteria for Program awards and specific criteria for each scholarship type. After students qualify for an award, they must continue to meet eligibility criteria for renewal awards. Renewal awards eligibility criteria include achieving and maintaining specified grade point averages and completing at least 24 semester credit hours in the last academic year in which the student earned a scholarship if enrolled full time, or a prorated number of credit hours as determined by the FDOE if the student was enrolled less than full time for any part of the academic year.

The FDOE is responsible for administering the Program disbursement and reconciliation process. Each term, the FDOE provides to the institutions a list of eligible students and advances scholarship award moneys for eligible students enrolled at the respective institution. The institutions are to verify that the students have enrolled in the required number of hours to receive the scholarship, calculate the amount of the disbursement based on the type of scholarship for which the student was eligible, and disburse the money for the student. Any moneys not disbursed for eligible students for the Fall and Spring Semesters must be returned to the FDOE within 60 days after the end of the regular registration period. Unless the FDOE grants a student an exception, institutions must return Program funds to the FDOE within 30 days after the end of a semester for courses dropped by a student or from which a student withdrew after the end of the drop and add period. For certain award overpayments, such as overpayments because after a semester ended scholarship recipients withdrew from courses due to extenuating circumstances, the refund must be made within 60 days of the date the overpayment was discovered, unless an exception is granted by the FDOE. The institutions are also required to report disbursements, enrolled hours, earned hours, and grade point averages to the FDOE. **EXHIBIT A** to this report provides a summary of the Program award advances and disbursements reported by each institution for the 2017-18 and 2018-19 fiscal years.

## ***FINDINGS AND RECOMMENDATIONS***

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### **Finding 1: Institution Refunds**

State law<sup>3</sup> requires the Florida Department of Education (FDOE) to transmit, before the registration period each semester, payment for each award to the institutions, except that the FDOE may withhold payment if the receiving institution fails to report or to make refunds to the FDOE as required. Within 30 days after the end of a semester an institution is to make a refund to the FDOE of any Program funds received for

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<sup>3</sup> Section 1009.53(5), Florida Statutes.

courses dropped by a student or courses from which a student has withdrawn after the end of the drop and add period, unless the FDOE has granted the student an exception. In addition, pursuant to the FDOE Policy Manual,<sup>4</sup> refunds for certain award overpayments<sup>5</sup> should be made within 60 days of the date the overpayment was discovered, unless an exception is granted by FDOE. The 12 public universities and 28 public colleges (institutions) refunded to the FDOE Program funds totaling approximately \$10.8 million for students who dropped or withdrew from courses during the 2017-18 and 2018-19 fiscal years.

As part of our audit, we evaluated the timeliness of institution refunds to the FDOE for the Fall 2017 through Summer 2019 Semesters and found that most of the 40 institutions timely refunded amounts to the FDOE as required; however, 9 institutions did not refund Program funds, ranging from \$539 to \$7,860, until an average of 77 days after the required time frames. Table 1 identifies the 9 institutions and, for the semesters for which the Program funds were received, the total amount untimely refunded and the number of days the refunds were late.

**Table 1**  
**Untimely Refunds of Program Funds**  
**For the Fall 2017 through Summer 2019 Semesters**

Institution	Fall 2017		Spring 2018		Summer 2018		Fall 2018		Spring 2019		Summer 2019	
	Amount Refunded	Days Late	Amount Refunded	Days Late	Amount Refunded	Days Late	Amount Refunded	Days Late	Amount Refunded	Days Late	Amount Refunded	Days Late
Florida Gulf Coast University	\$ 1,362	72 to 246	\$ -	-	\$3,977	262	\$ 4,259	168	\$ 2,478	59 to 216	\$ -	-
Florida International University	-	-	9,975	18 to 131	-	-	3,803	17 to 76	14,730	5 to 76	-	-
Florida Polytechnic University	-	-	1,699	117	-	-	-	-	-	-	-	-
University of Central Florida	-	-	-	-	-	-	-	-	-	-	7,675	109
Florida State College at Jacksonville	7,200	112	7,183	64	-	-	7,275	113	-	-	-	-
Indian River State College	-	-	2,888	60	-	-	-	-	-	-	-	-
Pasco-Hernando State College	-	-	-	-	-	-	-	-	1,183	57	-	-
St. Johns River State College	-	-	-	-	-	-	7,860	8	4,667	122	-	-
Seminole State College of Florida	4,795	142	-	-	-	-	-	-	-	-	-	-

In response to our inquiries, personnel at the 9 institutions indicated that the delayed refunds occurred because of system programming errors at 5 institutions and other procedural difficulties caused by staff changes at the other 4 institutions. Absent timely refunds to the FDOE, institution records do not demonstrate compliance with State law and FDOE policies, and the FDOE may withhold payment from the receiving institution for failure to make refunds as required.

<sup>4</sup> The Florida Department of Education Office of Student Financial Assistance *State Scholarship and Grant Programs Policy Manual*.

<sup>5</sup> Such overpayments occur, for example, when after a semester ends scholarship recipients withdraw from courses due to extenuating circumstances defined by institution policies.

**Recommendation: Management at the applicable institutions should establish or enhance procedures to ensure that Program funds for dropped or withdrawn courses are timely refunded to the FDOE. Such enhancements should include appropriate training to help staff minimize the number of system programming errors and ensure that institution personnel understand that funds must be remitted within required time frames.**

## **Finding 2: Remittance of Undisbursed Advances**

State law<sup>6</sup> requires an institution receiving Program funds for the Fall and Spring Semesters to remit any undisbursed advances to the FDOE within 60 days after the end of the regular registration period and, for the Summer Semester, within 30 days after the end of that semester. The institutions remitted to the FDOE undisbursed advances totaling \$1.3 million for the 2017-18 fiscal year and \$3.6 million for the 2018-19 fiscal year.

Our examination of institution records disclosed that, although most of the 40 institutions timely remitted undisbursed Program advances to the FDOE when required, 3 institutions did not always ensure that undisbursed advances were remitted within the required time frame. Specifically, for the Fall 2017 Semester, Florida State College at Jacksonville remitted 180 days late undisbursed advances totaling \$40,501 and Northwest Florida State College remitted 48 days late undisbursed advances totaling \$9,333. In addition, for the Summer 2018 Semester, Palm Beach State College remitted 19 days late undisbursed advances totaling \$1,515.

In response to our inquiries, institution personnel indicated that the delayed remittances occurred because, for example, institutions experienced employee turnover and personnel misunderstood the remittance requirement. Absent timely remittances of undisbursed Program advances to the FDOE, institution records do not demonstrate compliance with State law and the FDOE may withhold payment from the receiving institution for failure to remit the advances as required. We noted a similar finding for Florida State College at Jacksonville in our report No. 2018-212.

**Recommendation: Management at the applicable institutions should establish or enhance procedures to ensure that undisbursed Program advances are timely remitted to the FDOE. Such enhancements should include appropriate training to ensure that institution personnel understand the requirements to timely remit the funds within the statutory time frames.**

## ***PRIOR AUDIT FOLLOW-UP***

The public universities and colleges had taken corrective actions for the finding included in previous audit report of the institutions' administration of the Florida Bright Futures Scholarship Program, except as noted in Finding 2 that Florida State College at Jacksonville was also noted in a similar finding in our report No. 2018-212.

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<sup>6</sup> Section 1009.53(5)(b), Florida Statutes.

## **OBJECTIVES, SCOPE, AND METHODOLOGY**

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations. Pursuant to Section 1009.53(5)(c), Florida Statutes, in connection with our financial audits conducted pursuant to Section 11.45(2)(c), Florida Statutes, we conducted an operational audit of the administration of the Bright Futures Scholarship Program (Program) by the State's 12 universities and 28 colleges for the fiscal years ended June 30, 2018, and June 30, 2019.

We conducted this operational audit from June 2019 through July 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of this operational audit were to:

- Determine the extent to which the institutions administered Program funds in accordance with applicable laws, rules, and other guidelines relating to the Program; properly accounted for funds received and distributed through the Program; maintained and prepared reliable financial records and reports; and safeguarded Program assets.
- Determine whether management had taken corrective actions for findings included in our report No. 2018-212.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for the activities or functions of the Program included within the scope of our audit, weaknesses in management's internal controls; instances of noncompliance with applicable laws, rules, regulations, and other guidelines; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for the activities and functions of the Program included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the Program, exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included transactions, as well as events and conditions, occurring during the audit period of July 2017 through June 2019, and selected institution actions taken subsequent thereto. Unless

otherwise indicated in this report, these records and transactions were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of agency management, staff, and vendors and, as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

In conducting our audit, we:

- From the population of students who received \$837,123,719 in Program funds during the 2017-18 and 2018-19 fiscal years, examined documentation supporting awards made for a total of 485 students<sup>7</sup> selected from the 40 institutions to:
  - Determine whether the students were properly classified as to residency; had earned high school diplomas; and were enrolled in a minimum of 6 credit hours and no more than 45 credit hours.
  - Determine whether the students were awarded the proper amount for the scholarship earned.
  - Verify the accuracy of credit hours earned and the cumulative grade point averages shown on the grade and hour reports submitted to the FDOE.
  - Determine whether each institution timely filed its grade and hour reports with the FDOE.
- Examined institution records for the 2017-18 and 2018-19 fiscal years to determine whether each institution filed Disbursement Eligibility Reports with the FDOE within 30 days of the last day of the drop and add period for each term.
- Examined institution records for the 2017-18 and 2018-19 fiscal years to determine whether the institutions refunded to the FDOE, within 30 days after the end of each semester, funds received for courses a student had dropped or withdrawn.
- Examined institution records for the 2017-18 and 2018-19 fiscal years to determine whether, after determining an award overpayment, the institutions refunded the FDOE within 60 days in accordance with the FDOE Office of Student Financial Assistance *State Scholarship and Grant Programs Policy Manual*.
- Examined institution records for the 2017-18 and 2018-19 fiscal years to determine whether each institution returned undisbursed Program funds to the FDOE within 60 days of the last day of the drop and add period for the Fall and Spring Semesters, and within 30 days after the end of the Summer Semester for undisbursed Program funds and refunds for withdrawn and dropped courses for Summer courses.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

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<sup>7</sup> We initially selected for testing awards made to 10 students at each of the 40 institutions. The number of awards selected for testing was subsequently expanded at 9 institutions.



## ***AUTHORITY***

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Section 1009.53(5)(c), Florida Statutes, requires a periodic audit of the administration of, and accounting of the moneys for, the Florida Bright Futures Scholarship Program by Florida's public universities and colleges. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this operational audit report be prepared to present the results of that audit.



Sherrill F. Norman, CPA  
Auditor General

# EXHIBIT A

## SUMMARY OF FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM ADVANCES AND DISBURSEMENTS BY STATE UNIVERSITY AND COLLEGE FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Institution	Advances <sup>a</sup>	Disbursements <sup>a</sup>			Disbursements Over/(Under) Advances
		From FDOE	Awards to Students	Refunds to FDOE	Total Disbursements	
1	Florida Agricultural and Mechanical University	\$ 1,534,631	\$ 1,430,971	\$ 103,660	\$ 1,534,631	\$ -
2	Florida Atlantic University	8,997,881	8,722,393	275,488	8,997,881	-
3	Florida Gulf Coast University	7,157,004	6,899,259	237,868	7,137,127	(19,877) <sup>c</sup>
4	Florida International University	16,539,006	16,509,652	20,052	16,529,704	(9,302) <sup>b</sup>
5	Florida Polytechnic University	2,123,997	2,092,090	31,907	2,123,997	-
6	Florida State University	60,738,435	60,137,528	600,907	60,738,435	-
7	New College of Florida	3,001,396	2,621,430	379,966	3,001,396	-
8	University of Central Florida	57,226,782	57,127,276	99,506	57,226,782	-
9	University of Florida	127,372,561	123,964,314	3,412,559	127,376,873	4,312 <sup>c</sup>
10	University of North Florida	10,504,126	10,218,134	285,992	10,504,126	-
11	University of South Florida	36,208,080	35,892,703	315,377	36,208,080	-
12	University of West Florida	4,719,140	4,683,681	35,459	4,719,140	-
<b>12</b>	<b>Total Public Universities</b>	<b>336,123,039</b>	<b>330,299,431</b>	<b>5,798,741</b>	<b>336,098,172</b>	<b>(24,867)</b>
1	Broward College	680,046	657,469	22,577	680,046	-
2	Chipola College	326,191	303,739	22,452	326,191	-
3	College of Central Florida	543,186	522,228	20,958	543,186	-
4	Daytona State College	446,308	399,708	46,600	446,308	-
5	Eastern Florida State College	833,576	789,511	44,065	833,576	-
6	Florida Gateway College	180,532	142,319	38,213	180,532	-
7	Florida Keys Community College	15,943	15,565	378	15,943	-
8	Florida SouthWestern State College	444,489	422,981	21,508	444,489	-
9	Florida State College at Jacksonville	538,589	490,699	47,890	538,589	-
10	Gulf Coast State College	421,307	394,312	26,995	421,307	-
11	Hillsborough Community College	626,981	614,736	12,245	626,981	-
12	Indian River State College	489,197	466,013	23,184	489,197	-
13	Lake-Sumter State College	282,399	247,996	34,403	282,399	-
14	Miami Dade College	1,530,288	1,530,288	-	1,530,288	-
15	North Florida College	46,480	43,301	3,179	46,480	-
16	Northwest Florida State College	280,896	254,811	25,896	280,707	(189) <sup>c</sup>
17	Palm Beach State College	825,578	823,760	1,818	825,578	-
18	Pasco-Hernando State College	447,535	432,962	14,573	447,535	-
19	Pensacola State College	284,129	241,213	42,916	284,129	-
20	Polk State College	319,835	292,898	26,937	319,835	-
21	St. Johns River State College	425,734	398,908	26,826	425,734	-
22	St. Petersburg College	651,542	623,753	27,789	651,542	-
23	Santa Fe College	1,701,147	1,631,851	69,296	1,701,147	-
24	Seminole State College of Florida	641,053	628,570	12,483	641,053	-
25	South Florida State College	96,112	92,100	4,012	96,112	-
26	State College of Florida, Manatee-Sarasota	402,771	370,323	32,448	402,771	-
27	Tallahassee Community College	897,711	779,705	118,006	897,711	-
28	Valencia College	1,267,302	1,227,170	40,132	1,267,302	-
<b>28</b>	<b>Total Public Colleges</b>	<b>15,646,857</b>	<b>14,838,889</b>	<b>807,779</b>	<b>15,646,668</b>	<b>(189)</b>
<b>40</b>	<b>Total</b>	<b>\$351,769,896</b>	<b>\$345,138,320</b>	<b>\$6,606,520</b>	<b>\$351,744,840</b>	<b>\$ (25,056)</b>

<sup>a</sup> Amounts reported by institutions as of December 31, 2018.

<sup>b</sup> Amount subsequently refunded to the FDOE for student withdrawals and accounting record adjustments.

<sup>c</sup> Amount represents accounting record adjustments.

**SUMMARY OF FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM  
ADVANCES AND DISBURSEMENTS BY STATE UNIVERSITY AND COLLEGE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Institution	Advances <sup>a</sup>		Disbursements <sup>a</sup>		Disbursements Over/(Under) Advances
		From FDOE	Awards to Students	Refunds to FDOE	Total Disbursements	
1	Florida Agricultural and Mechanical University	\$ 2,835,871	\$ 2,394,285	\$ 441,586	\$ 2,835,871	\$ -
2	Florida Atlantic University	15,278,916	14,965,704	313,212	15,278,916	-
3	Florida Gulf Coast University	11,440,198	11,052,405	387,793	11,440,198	-
4	Florida International University	32,963,206	30,639,306	2,317,426	32,956,732	(6,474) <sup>b</sup>
5	Florida Polytechnic University	2,681,167	2,681,044	123	2,681,167	-
6	Florida State University	90,446,799	89,478,603	995,050	90,473,653	26,854 <sup>c</sup>
7	New College of Florida	2,929,793	2,772,989	156,804	2,929,793	-
8	University of Central Florida	88,755,815	88,632,376	123,439	88,755,815	-
9	University of Florida	153,346,794	150,556,311	2,790,850	153,347,161	367 <sup>c</sup>
10	University of North Florida	17,386,346	16,881,020	505,326	17,386,346	-
11	University of South Florida	53,516,565	53,013,501	503,064	53,516,565	-
12	University of West Florida	7,376,462	7,255,805	120,657	7,376,462	-
<b>12</b>	<b>Total Public Universities</b>	<b>478,957,932</b>	<b>470,323,349</b>	<b>8,655,330</b>	<b>478,978,679</b>	<b>20,747</b>
1	Broward College	1,234,974	1,182,056	52,918	1,234,974	-
2	Chipola College	378,668	356,439	22,229	378,668	-
3	College of Central Florida	667,193	661,442	5,751	667,193	-
4	College of the Florida Keys, The (Formerly Florida Keys Community College)	23,310	22,593	717	23,310	-
5	Daytona State College	502,293	482,126	20,167	502,293	-
6	Eastern Florida State College	957,733	946,248	11,485	957,733	-
7	Florida Gateway College	194,674	187,445	7,229	194,674	-
8	Florida SouthWestern State College	530,094	503,612	26,482	530,094	-
9	Florida State College at Jacksonville	612,034	607,847	4,187	612,034	-
10	Gulf Coast State College	472,962	447,799	25,163	472,962	-
11	Hillsborough Community College	988,066	979,629	3,816	983,445	(4,621) <sup>c</sup>
12	Indian River State College	643,355	642,858	497	643,355	-
13	Lake-Sumter State College	386,915	376,413	10,502	386,915	-
14	Miami Dade College	2,579,434	2,566,714	12,720	2,579,434	-
15	North Florida College	56,393	50,020	6,373	56,393	-
16	Northwest Florida State College	346,259	344,359	1,900	346,259	-
17	Palm Beach State College	1,123,379	1,123,379	-	1,123,379	-
18	Pasco-Hernando State College	661,345	645,528	15,817	661,345	-
19	Pensacola State College	322,032	301,381	20,651	322,032	-
20	Polk State College	431,588	431,588	-	431,588	-
21	St. Johns River State College	527,217	513,816	13,401	527,217	-
22	St. Petersburg College	971,937	963,698	8,239	971,937	-
23	Santa Fe College	2,397,140	2,388,577	8,563	2,397,140	-
24	Seminole State College of Florida	996,925	996,925	-	996,925	-
25	South Florida State College	109,500	108,951	549	109,500	-
26	State College of Florida, Manatee-Sarasota	540,549	535,032	5,517	540,549	-
27	Tallahassee Community College	1,566,274	1,426,565	139,709	1,566,274	-
28	Valencia College	1,918,146	1,869,010	49,136	1,918,146	-
<b>28</b>	<b>Total Public Colleges</b>	<b>22,140,389</b>	<b>21,662,050</b>	<b>473,718</b>	<b>22,135,768</b>	<b>(4,621)</b>
<b>40</b>	<b>Total</b>	<b>\$501,098,321</b>	<b>\$491,985,399</b>	<b>\$9,129,048</b>	<b>\$501,114,447</b>	<b>\$ 16,126</b>

<sup>a</sup> Amounts reported by institutions as of December 31, 2019.

<sup>b</sup> Amount subsequently refunded to the FDOE for student withdrawals and accounting record adjustments.

<sup>c</sup> Amount represents accounting record adjustments.

# MANAGEMENT'S RESPONSE

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October 14, 2020

Sherrill F. Norman, CPA  
Auditor General  
State of Florida  
G74 Claude Denson Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Re: Operational Audit of the Florida Gulf Coast (FGCU) Administration of the Florida Bright Futures Scholarship Program; FGCU Management Response and Corrective Action Plan for Audit Finding

Dear Ms. Norman:

Thank you for the opportunity to respond to the preliminary and tentative finding with regard to the FGCU Operational Audit of the Administration of the Florida Bright Futures Scholarship Program performed by the Auditor General's Office for the Fiscal Years ending June 30, 2018 and June 30, 2019. Enclosed is the management response from FGCU for the audit finding. Contained within the management response is a written statement of explanation, including our actual or proposed corrective action.

If you have any questions or need additional information, please feel free to contact my office or William Foster, FGCU Director of Internal Audit, at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael V. Martin'.

Michael V. Martin, Ph.D.  
President  
Florida Gulf Coast University

Enclosure

c: FGCU Board of Trustees  
Steve Magiera, Vice President for Administrative Services & Finance  
Susan Evans, Vice President and Chief of Staff  
Vee Leonard, Vice President and General Counsel  
William Foster, Director of Internal Audit  
June Gutknecht, University Controller  
Claudia Salgado, Senior Auditor, Auditor General's Office  
Ramon Bover, CPA, Audit Supervisor, Auditor General's Office

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**FGCU'S RESPONSE TO THE OPERATIONAL AUDIT OF THE ADMINISTRATION OF THE FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND JUNE 30, 2019 PRELIMINARY AND TENTATIVE FINDING**

**FINDING 1: INSTITUTION REFUNDS:** Nine of the 40 institutions did not comply with State law and Florida Department of Education (FDOE) policies by timely refunding to the FDOE Program funds, ranging from \$539 to \$7,860, for courses dropped by students and courses from which students withdrew. The untimely refunds were made an average of 77 days after the required time frames.

**RECOMMENDATION:** Management at the applicable institutions should establish or enhance procedures to ensure that Program funds for dropped or withdrawn courses are timely refunded to the FDOE. Such enhancements should include appropriate training to help staff minimize the number of system programming errors and ensure that institution personnel understand that funds must be remitted within required time frames.

**FGCU RESPONSE:** The delayed refunds occurred because of procedural difficulties from withdrawals with extenuating circumstances. The University has reviewed and enhanced its procedures and communication protocol between the Office of Financial Aid, the Office of the Registrar and the Extenuating Circumstance Committee in order to timely report withdrawals with extenuating circumstances. In addition, staff from the Office of Financial Aid and Office of the Registrar have been cross-trained in matters regarding Title IV withdrawals, drops, and extenuating circumstances. Financial Aid staff have been appointed to the Withdrawal with Extenuating Circumstances Committee in order to ensure compliance with statutory time frames.

Implementation Date: October 2020



September 30, 2020

**State of Florida  
Management's Corrective Action Plan –  
Florida International University –  
Bright Futures Scholarship Program  
For Fiscal Years Ended June 30, 2018 and June 30, 2019**

Planned Corrective Action: Untimely refunds of program funds for 2017-2018 & 2018 -2019 were due to approved student petitions. Moving forward, the Office of the Registrar will identify the petition as a Bright Futures student and complete the enrollment adjustment. Then the Bright Futures coordinator will complete the adjustments to Bright Futures and an email will be sent to the state to update their website. Once the state has confirmed the adjustment has been made on their end, the Bright Futures coordinator will request a check in order to return the funds to the state.

Anticipated Completion Date: 09/28/2020

Responsible Contact Person: Francisco Valines

DocuSigned by:

Signature of Contact Person: Francisco Valines



September 18, 2020

Sherrill F Norman, CPA  
Auditor General  
State of Florida  
Claude Denson Pepper Building, Suite G74  
111 West Madison Street  
Tallahassee, FL 32399-1450

Dear Ms. Norman,


This letter is in response to the preliminary and tentative audit findings related to the Florida Bright Futures Scholarship audit for fiscal years 2018 and 2019.

**Finding 1. Institution Refunds**

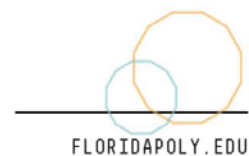
**Recommendation.** Management at the applicable institutions should establish or enhance procedures to ensure that Program funds for dropped or withdrawn courses are timely refunded to the FDOE. Such enhancements should include appropriate training to help staff minimize the number of system programming errors and ensure that institution personnel understand that funds must be remitted within required time frames.

**Response.** Florida Polytechnic University concurs with the finding. \$1699 was refunded 117 days late in Spring 2018. The refund responsibility fell only under our former Director of Financial Aid at that time. Under new leadership, we have adjusted our procedures since 17-18 to have more than one person reconciling. Currently, the Assistant Director reconciles and the Director completes a second look prior to Payment Summary and D04/Withdrawn student reconciliation. The Financial Aid team also keeps a shared calendar with D04 refund and reconciliation reminders. The calendar reminds the Financial Aid team 15-20 days after the end of the term to ensure we meet the 30-day required deadline to refund.

Should you have any questions or concerns, please contact me at 863-874-8752 or [cmann@floridapoly.edu](mailto:cmann@floridapoly.edu).

  
Carola Mann  
Director of Financial Aid

4700 RESEARCH WAY  
LAKELAND, FL 33805-8531





UNIVERSITY OF CENTRAL FLORIDA

**Office of Student Financial Assistance**

4000 Central Florida Boulevard  
Millican Hall, Room 120  
Orlando, Florida 32816-0113

TO: State Auditor General

FROM: Alicia Keaton  
Director, Student Financial Assistance

SUBJECT: Bright Futures Scholarship Program  
Audit Finding Response

DATE: October 16, 2020

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SFA has reviewed the Auditor General's recommendations and concurs with the finding. Recent personnel changes and additional internal controls have been implemented to ensure funds are returned within the prescribed timeline.

**Alicia Keaton** Digitally signed by Alicia Keaton  
Date: 2020.10.16 15:02:57

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Signature and Date

Phone: 407-823-2827 • Fax: 407-823-5241 • Web: [finaid.ucf.edu](http://finaid.ucf.edu) • a division of Student Development & Enrollment Services



September 18, 2020

Sherrill F. Norman, CPA  
Auditor General  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Dear Ms. Norman:

Let me express our sincere appreciation for the professional manner in which your staff conducted the audit. Following are the College's responses to the preliminary and tentative findings to be included in the operational audit report of the Administration of the Florida Bright Futures Scholarship Program for the fiscal years ended June 30, 2018 and June 30, 2019.

**Finding 1: Institution Refunds**

**Recommendation:** Management at the applicable institutions should establish or enhance procedures to ensure that Program funds for dropped or withdrawn courses are timely refunded to the FDOE. Such enhancements should include appropriate training to help staff minimize the number of system programming errors and ensure that institution personnel understand that funds must be remitted within required time frames.

**Response:** The institution has implemented a procedure to review the payment summary information within the OSFA website, bi-weekly, to ensure timely refunds are made.

**Finding 2: Remittance of Undisbursed Advances**

**Recommendation:** Management at the applicable institutions should establish or enhance procedures to ensure that undisbursed Program advances are timely remitted to the FDOE. Such enhancements should include appropriate training to ensure that institution personnel understand the requirements to timely remit the funds within the statutory time frames.

**Response:** The institution has established procedures for the timely remittance undisbursed Program advances back to the FDOE. Immediately following the initial disbursement for the term, any undisbursed balance is being returned to the FDOE. Should a student's disbursement occur after the undisbursed aid has been returned, we will request those additional funds from the State.

Should you have any questions or concerns, please feel free to call me.

Sincerely,

*Albert P. Little*

Albert P. Little  
Vice President, Business Services



**Indian River State College**  
Office of the President

September 25, 2020

Sherrill F. Norman  
Auditor General  
Claude Denson Pepper Building, G74  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Dear Ms. Norman:

The following is Indian River State College's response to the preliminary and tentative audit finding on the Florida Bright Futures Scholarship Audit of Colleges for Fiscal Years Ended June 30, 2018 and June 30, 2019.

**Finding 1 Institution Refunds:**

Management at the applicable institutions should establish or enhance procedures to ensure that Program funds for dropped or withdrawn courses are timely refunded to the FDOE. Such enhancements should include appropriate training to help staff minimize the number of system programming errors and ensure that institution personnel understand that funds must be remitted within required time frames.

**Indian River State College Response:**

IRSC acknowledges and accepts the Auditor General's recommendation. The College will continue to abide by the requirements to ensure that State Program funds for dropped or withdrawn courses are refunded to the State on a timely manner. The College will enhance its procedures to correct these errors. The College has implemented an internal report that is run and reviewed on a monthly basis to identify any students who may have withdrawn or dropped and to determine any funds that need to be remitted back to the FDOE within the required timeframe. Additionally, the College will have dedicated staff to coordinate the State programs and to monitor and run the internal processes to ensure the timeliness of refunds to the State.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Moore'.

Timothy E. Moore, Ph.D.  
President

3209 Virginia Avenue ■ Fort Pierce, Florida 34981-5596 ■ Ph: 772-462-4701 ■ [www.irsc.edu](http://www.irsc.edu)

Fort Pierce ■ Okeechobee ■ Port St. Lucie ■ Stuart ■ Vero Beach



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## THE OFFICE OF THE PRESIDENT

October 5, 2020

Sherrill F. Norman, CPA  
Auditor General  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Dear Ms. Norman:

Please find our response to the preliminary and tentative audit findings and recommendations related to the College's administration of the Florida Bright Futures Scholarship Program for fiscal years ended June 30, 2018 and June 30, 2019.

Finding 1: Untimely Refund of Program Funds

Recommendation: Management should establish or enhance procedures to ensure that Program funds for dropped or withdrawn courses are timely refunded to the FDOE. Such enhancements should include appropriate training to help staff minimize the number of system programming errors and ensure that institution personnel understand that funds must be remitted within required time frames.

Response: The College concurs with the finding. The three students were placed in no show status instead of a withdrawal status which were not captured on the withdrawal report. The reporting error was found later and corrected. The college has enhanced procedures to ensure the funds are returned within the required timeframe of sixty (60) days.

If you have any questions, please contact Brian Horn, Senior Vice President and Chief Financial Officer at 727-816-3458.

Sincerely,

---

Dr. Timothy L. Beard, Ph.D.  
President

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District Office • 10230 Ridge Road • New Port Richey, FL 34654 • 855.NOW.PHSC • phsc.edu

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October 16, 2020

Ms. Sherrill F. Norman, CPA  
Auditor General  
Claude Denson Pepper Building, Suite G74  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Dear Ms. Norman:

We are providing this letter in response to the audit findings and recommendations on our operational audit of the Administration of the Florida Bright Futures Scholarship Program by Florida’s Public Universities and Colleges for the Fiscal Years Ended June 30, 2018 and June 30, 2019.

**In response to Audit Finding 1: Institution Refunds –**

Seminole State College created a separate State Reporting and Refund Calendar that is now monitored by a minimum of two staff members to ensure that the return of funds occurs prior to the established deadlines. Additional training has been provided to staff to ensure ongoing compliance.

Due to our 12 week and B session add/drop dates being much later into the term, our final disbursements for a term occur after the deadline to return funds. The College has changed its procedure to return funds in compliance with the deadline, regardless of when it occurs relative to the final disbursements for 12 week or B term schedule.

We implemented these revised processes in Fall 2017 (*not Fall 2016 as previously reported*) during the prior Bright Futures Audit that was issued in June 2018 as Report number 2018-212. No late returns in subsequent semesters were noted by the Auditor after this revised process was implemented.

Please do not hesitate to contact me at (407) 708-2001 or Ms. Judith Cooper, Associate Vice President of Financial Services, by email at [cooperja@seminolestate.edu](mailto:cooperja@seminolestate.edu) or by phone at (407) 708-2138 if you require any additional information.

Sincerely,

F. Joseph Mazur III, MS-CIS, CPA  
Vice President of Business Operations and Chief Financial Officer

CC: Dr. Georgia L. Lorenz, President  
Mr. Johnny Craig, Vice President of Student Affairs

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**ST. JOHNS RIVER**  
STATE COLLEGE

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EQUAL OPPORTUNITY/EQUAL ACCESS COLLEGE

September 24, 2020

Sherrill F. Norman, CPA  
Auditor General State of Florida  
Claude Denson Pepper Building, Suite G74  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Re: Florida Bright Futures Scholarship Program Operational Audit

Dear Ms. Norman:

In response to your letter dated September 16, 2020, regarding the preliminary and tentative audit findings and recommendations for the Florida Bright Futures Scholarship Program, following is the College's response and Corrective Action Plan.

Response to Finding 1: Institution Refunds

The Fall 2018 withdrawn amount returned eight (8) days late was due to an unforeseen family emergency issue with the staff member responsible for handling the processing of the returns. The funds were returned as soon as the staff member returned to work in January 2019.

The Spring 2019 withdrawn amount returned 122 days late is due to a combination of items.

1. Departmental turnover of the advisors (five in total over a two-year timespan) in charge of Bright Futures.
2. Lack of full and complete lifecycle training for each new advisor who took over the Bright Futures responsibilities, also due to high turnover.
3. Reconciliation between the Business Office and the Financial Aid Office was based on looking at all terms, or total award year, rather than reconciling on a term by term basis.

Proposed Corrective Action Plan:

The responsibility of awarding, reconciling, withdrawing, and reporting of all Bright Futures has been assigned to a Financial Aid Coordinator with years of experience. The Financial Aid Office's policy and procedure has been updated to perform reconciliation every month, to the current term, to prior terms, award year, and, if needed, prior years. After final grades are posted for Part of Term A, withdrawals/drops are reported to OSFA and funds returned promptly rather than waiting until the end of the full term. At the end of the full term and after final grades are posted, the withdrawal/drops process is done once more within thirty (30) days to report and return any remaining funds as required by OSFA.

Sincerely,

  
Joe H. Pickens, J.D.  
President





**NORTHWEST FLORIDA  
STATE COLLEGE**

100 College Boulevard • Niceville, FL 32578-1295 • (850) 678-5111 • www.nwfsc.edu

October 16th, 2020

Sherrill F. Norman, CPA  
Auditor General  
7282 Plantation Road, Suite 401  
Pensacola, Florida 32504

Dear Ms. Norman:

Please find our response to the preliminary and tentative findings related to the audit of Florida Bright Futures Scholarship for the 2018 and 2019 aid years.

Finding 2: Remittance of Undisbursed Advances

State law requires an institution receiving Program Funds to remit to the FDOE any undisbursed advances within 60 days after the end of the registration period. Northwest Florida State College was found to have returned \$9,333 for the Fall 2017 semester 48 days late.

Response:

Northwest Florida State College had one instance of state funds not being returned within the set deadline. The delay was identified to be a result of personnel changes and lack of procedure. The College implemented enhanced procedures during the Fall 2017 term to ensure routine and systematic returns of state funds. Procedures include a shared yearly calendar with all College, Federal, and State Financial Aid deadlines.

Sincerely,

A handwritten signature in blue ink that reads "Devin Stephenson". The signature is written over a horizontal line.

Devin Stephenson  
President

October 14, 2020

Sherrill F. Norman, CPA  
Auditor General  
Office of the Auditor General  
111 West Madison Street  
G74 Claude Pepper Building  
Tallahassee, Florida 32399-1450

Dear Ms. Norman,

On September 19, 2020, Palm Beach State Collage received the preliminary and tentative audit findings and recommendations related to Palm Beach State administration of the Bright Future Scholarship Program for fiscal year ended June 30, 2018 and June 30, 2019.

In response to Finding No. 1: **Remittance of Undisbursed Advances**, please accept the following:

- Management established procedures to ensure that undisbursed Program funds are timely remitted to FDOE and
- The College has taken corrective action and improved its procedures to ensure that school personnel understand the statutory requirement to timely remit the funds within 60 days after the end of the regular registration period.

Please feel free to let us know if you have any questions regarding this corrective action.

Sincerely,

*Eddie Viera*

Mr. Eddie Viera  
Executive Director, Financial Aid  
Palm Beach State College