

**City Colleges of Chicago
Community College
District No. 508**

Reports required by the Uniform Guidance and *Government Auditing
Standards*

Fiscal Year Ended June 30, 2021

**City Colleges of Chicago
Community College District No. 508
Fiscal year ended June 30, 2021**

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RSM US LLP

**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***

Independent Auditor's Report

To the Board of Trustees
City Colleges of Chicago
Community College District No. 508

We have audited, in accordance with the 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, the financial statements of the business-type activities and the discretely presented component unit of City Colleges of Chicago, Community College District No. 508 (City Colleges), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City Colleges' basic financial statements, and have issued our report thereon dated November 29, 2021. The financial statements of the discretely presented component unit (City Colleges of Chicago Foundation) were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the discretely presented component unit.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City Colleges' internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City Colleges' internal control. Accordingly, we do not express an opinion on the effectiveness of City Colleges' internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City Colleges' financial statements are free from 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 financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Chicago, Illinois
November 29, 2021



RSM US LLP

Report on Compliance for the 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

To the Board of Trustees
City Colleges of Chicago
Community College District No. 508

Report on Compliance for the Major Federal Program

We have audited City Colleges of Chicago, Community College District No. 508's (City Colleges) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on City Colleges' major federal program for the year ended June 30, 2021. City Colleges' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for City Colleges' major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City Colleges' 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 qualified opinion on compliance for the major federal program. However, our audit does not provide a legal determination of City Colleges' compliance.

Basis for Qualified Opinion on the Education Stabilization Fund Major Federal Program

As described in the accompanying schedule of findings and questioned costs, City Colleges did not comply with requirements regarding Assistance Listing Numbers 84.425E, F and L Education Stabilization Fund as described in finding number 2021-002 for Reporting. Compliance with such requirements is necessary, in our opinion, for City Colleges to comply with the requirements applicable to that program.

Qualified Opinion on the Education Stabilization Fund Major Federal Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, City Colleges complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its Education Stabilization Fund major federal program for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed other 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 2021-003, 2021-004, 2021-005, and 2021-006. Our opinion on the major federal program is not modified with respect to these matters.

City Colleges' responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and in the corrective action plans. City Colleges' responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of City Colleges is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City Colleges' internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City Colleges' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we consider to be material weaknesses.

City Colleges' responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and in the corrective action plans. City Colleges' responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the business-type activities and the discretely presented component unit of City Colleges' as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City Colleges' basic financial statements. We issued our report thereon dated November 29, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

Chicago, Illinois
December 17, 2021

**City Colleges of Chicago
Community College District No. 508
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2021**

Program or Cluster Title	Assistance Listing Number	Pass-Through Entity's Identifying Number	Federal Project Grantor's Number	Total Expenditures	Provided To Subrecipients
U.S. Department of Education -					
Student Financial Assistance Cluster:					
Federal Pell Grant Program	84.063			\$ 44,345,149	\$ -
Federal Work-Study Program	84.033			409,739	-
Federal Supplemental Educational Opportunity Grants	84.007			2,367,428	-
Federal Direct Student Loans	84.268			3,134,105	-
Total Student Financial Assistance Cluster:				<u>50,256,421</u>	<u>-</u>
TRIO Cluster:					
TRIO - Student Support Services					
Student Support Services	84.042A		P042A200869-20	124,938	-
Student Support Services	84.042A		P042A151046-19	47,164	-
Student Support Services	84.042A		P042A151046-20	15,881	-
Student Support Services	84.042A		P042A150138-19	40,448	-
Student Support Services	84.042A		P042A150138-20	29,340	-
Student Support Services	84.042A		P042A201422-20	215,160	-
Student Support Services	<u>84.042A</u>		P042A201393-20	178,638	-
Subtotal	84.042A			<u>651,569</u>	<u>-</u>
TRIO - Talent Search					
Talent Search	84.044A		PO44A160557-19	40,015	-
Talent Search	<u>84.044A</u>		PO44A160557-20	237,225	-
Subtotal	84.044A			<u>277,240</u>	<u>-</u>
TRIO - Educational Opportunity Centers					
Educational Opportunity Centers	84.066A		PO66A160284-19	27,868	-
Educational Opportunity Centers	<u>84.066A</u>		PO66A160284-20	277,687	-
Subtotal	84.066A			<u>305,555</u>	<u>-</u>
Total TRIO Cluster				<u>1,234,364</u>	<u>-</u>
Adult Education - Basic Grants to States					
Passed through the Illinois Community College Board					
Adult Education - Basic Grants to States	84.002A	F5080020		8,050	-
Adult Education - Basic Grants to States	<u>84.002A</u>	F5080021		1,414,832	-
Subtotal	84.002A			<u>1,422,882</u>	<u>-</u>

**City Colleges of Chicago
Community College District No. 508
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2021**

Program or Cluster Title	Assistance Listing Number	Pass-Through Entity's Identifying Number	Federal Project Grantor's Number	Total Expenditures	Provided To Subrecipients
U.S. Department of Education - (Continued)					
Higher Education Institutional Aid					
Title V Northeastern Illinois University Cooperative	84.031S		P031S180151-19	\$ 47,334	\$ -
Truman College Critical Reading and Science Centers	84.031S		P031S150026-19	93,880	-
Truman College Critical Reading and Science Centers	<u>84.031S</u>		P031S150026-20	88,665	-
Subtotal	84.031S			<u>229,879</u>	<u>-</u>
Career and Technical Education - Basic Grants to States (Perkins V)					
Passed through the Illinois Community College Board					
Perkins III Grant	84.048	CTE50820		487,655	-
Perkins III Grant	84.048	CTE50821		889,213	-
Perkins Leadership Improvement Grant	84.048	LEAD50820		28,886	-
Perkins Leadership Grant	84.048	LEAD50822		87,872	-
Workforce Equity Initiative CURES	<u>84.048</u>	WEI-50800-21		508,255	-
Subtotal	84.048			<u>2,001,881</u>	<u>-</u>
COVID-19 Education Stabilization Fund					
Higher Education Emergency Relief Fund (HEERF)					
COVID 19 - HEERF Student Aid Portion	84.425E		P425E2026	20,640,750	-
COVID 19 - HEERF Institutional Portion	84.425F		P425F2032	32,322,896	-
COVID 19 - Minority Serving Institutions	<u>84.425L</u>		P425L2002	2,672,272	-
Total Higher Education Relief Fund	84.425			<u>55,635,918</u>	<u>-</u>
Passed through the Illinois Community College Board					
COVID-19 Governor's Emergency Education Relief Fund (GEER)	<u>84.425C</u>	684-00-2455	GEER-508	3,561,749	-
Subtotal	84.425			<u>3,561,749</u>	<u>-</u>
Total COVID-19 Education Stabilization Fund				<u>59,197,667</u>	<u>-</u>
Strengthening Minority-Serving Institutions					
Olive Harvey College	84.382A		P382A150033-19	54,463	-
Olive Harvey College	84.382A		P382A150033-20	463,458	-
Pipeline to Careers in Healthcare	84.382A		P382A150024-19	100,702	-
Pipeline to Careers in Healthcare	<u>84.382A</u>		P382A150024-20	351,794	-
Subtotal	84.382A			<u>970,417</u>	<u>-</u>
Total Expenditures - U.S. Department of Education				<u>115,313,511</u>	<u>-</u>

**City Colleges of Chicago
Community College District No. 508
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2021**

Program or Cluster Title	Assistance Listing Number	Pass-Through Entity's Identifying Number	Federal Project Grantor's Number	Total Expenditures	Provided To Subrecipients
U.S. Department of Health and Human Services -					
Head Start Cluster					
Passed through the City of Chicago Department of Family and Support Services:					
Head Start Program	93.600	33362-4		\$ 4,910	\$ -
Head Start Program	93.600	122407-5		348,277	-
Head Start Program	93.600	148330		789,103	-
Early Head Start	93.600	122611-5		78,594	-
Early Head Start	93.600	148329		174,541	-
COVID-19 Head Start CARES Act	93.600	142302		42,071	-
COVID-19 Early Head Start CARES Act	93.600	142292		8,913	-
Head Start Support Services Program	93.600	126890-5		108,378	-
Early Head Start Support Services - Child Care Partnership	93.600	126032-5		202	-
Early Head Start Support Services - CCP - T&TA	93.600	126032		65,388	-
Early Head Start Expansion	93.600	139150		1,984	-
Early Head Start Support Services	<u>93.600</u>	125709		48,564	-
Total Headstart Cluster				<u>1,670,925</u>	<u>-</u>
Grants to Support Oral Health Workforce Activities					
Passed through Illinois Department of Public Health:					
Oral Health Workforce Grant	93.236	83489101F		361	-
Oral Health Workforce Grant	93.236	83489101F		3,830	-
Oral Health Workforce Grant	<u>93.236</u>	83489101F		12,683	-
Subtotal	93.236			<u>16,874</u>	<u>-</u>
Public Health Service Act					
Passed through Health Resources and Services Administration:					
Mental and Behavioral Health Education and Training Grants					
Opioid Family Support	93.732	T26HP39443		185,723	-
Total Expenditures - U.S. Department of Health and Human Services				<u>1,873,522</u>	<u>-</u>
U.S. Department of Agriculture -					
Passed through the Illinois State Board of Education:					
Child and Adult Care Food Program	10.558	15016508051		68	-
Child and Adult Care Food Program	10.558	15016508051		4,681	-
Child and Adult Care Food Program	<u>10.558</u>	15016508051		88,741	-
Subtotal	10.558			<u>93,490</u>	<u>-</u>
Total Expenditures - U.S. Department of Agriculture				<u>93,490</u>	<u>-</u>

**City Colleges of Chicago
Community College District No. 508
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2021**

Program or Cluster Title	Assistance Listing Number	Pass-Through Entity's Identifying Number	Federal Project Grantor's Number	Total Expenditures	Provided To Subrecipients
U.S. Department of Labor -					
Passed through Illinois Department of Commerce and Economic Opportunity:					
WIA Adult Program - Youth Career Pathways Initiative	17.258	17-112086		\$ 477	\$ -
Apprenticeship Expansion Grant	17.285	17-112086		64,055	-
Passed through the American Association of Community Colleges:					
Apprenticeship USA Grants - Expanding Community College Apprenticeships Initiative (ECCA)	17.285	AP330251975A11		92,648	-
Subtotal	17.285			156,703	-
Passed through the Illinois Community College Board					
H-1B Job Training Grants - CAP-IT Apprenticeship Grant	17.268	AG-50820		159,771	-
Total Expenditures - U.S. Department of Labor				316,951	-
National Science Foundation -					
Passed through Chicago State University:					
Research and Development Cluster					
Education and Human Resources					
Louis Stokes STEM Pathways & Research Alliances (LSAMP)	47.076	HRD1911341		4,500	-
Exploring the Impact of Cultural Wealth and Scholarships S-STEM Scholars Program	47.076	DUE-1833435		196,530	-
Building Capacity: Building Bridges into Engineering and Computer Science	47.076	DUE-1832553		174,922	-
Total Research and Development				375,952	-
Total Expenditures - National Science Foundation				375,952	-
U.S. Department of Transportation -					
Passed through the Illinois Department of Transportation:					
Highway Planning and Construction (Federal-Aid Highway Program) Cluster					
Federal Highway Administration					
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	S-HCCTP-509		243,040	-
Total Highway, Planning and Construction				243,040	-
Total Expenditures - U.S. Department of Transportation				243,040	-

**City Colleges of Chicago
Community College District No. 508
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2021**

Program or Cluster Title	Assistance Listing Number	Pass-Through Entity's Identifying Number	Federal Project Grantor's Number	Total Expenditures	Provided To Subrecipients
National Endowment for the Humanities -					
Promotion of the Humanities Teaching and Learning Resources and Curriculum Development - National Endowment for the Humanities					
NEH Humanities Grant	45.162		AC-258931-19	\$ 10,367	\$ -
Promotion of the Humanities Federal/State Partnership:					
Passed through Illinois Humanities Art for Justice Fund					
Envisioning Justice	45.129	GR-EJ34-00		12,045	-
Total Expenditures - National Endowment for the Humanities				22,412	-
U.S. Department of Justice -					
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus					
Office on Violence Against Women					
Project SAFE	16.525		2020-WA-AX-0008	26,980	-
Passed through the Illinois Criminal Justice Information Authority					
Victim of Crime Act	16.525	219027		43,025	-
Total	16.525			70,005	-
Total Expenditures - U.S. Department of Justice				70,005	-
Total Expenditures of Federal Awards				\$ 118,308,883	\$ -

See Notes to the Schedule of Expenditures of Federal Awards.

**City Colleges of Chicago
Community College District No. 508
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2021**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Scope of Entity

City Colleges of Chicago, Community College District No. 508 (City Colleges) is a separate taxing body created under the Illinois Public Community College Act of 1965, with boundaries coterminous with the City of Chicago. City Colleges delivers educational and student services through seven colleges, each of which is separately accredited by the North Central Association. The seven colleges are Richard J. Daley College, Harold Washington College, Kennedy-King College, Malcolm X College, Olive-Harvey College, Harry S. Truman College, and Wilbur Wright College. The Board of Trustees, appointed by the Mayor of the City of Chicago and ratified by the City Council of Chicago, is responsible for establishing the policies and procedures by which City Colleges is governed. The U.S. Department of Education has been designated as the City Colleges' cognizant agency for the audit performed 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).

Fiscal period audited: Single Audit testing procedures were performed for program transactions that occurred during the fiscal year ended June 30, 2021.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of City Colleges under programs of the federal government for the year ended June 30, 2021 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of City Colleges, it is not intended to and does not present the financial position changes in net position, or cash flows of City Colleges.

Note 3. Indirect Costs

Cost allocation: City Colleges has a plan for allocation of common and indirect costs related to grant programs in accordance with the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The indirect cost rate used to allocate amounts to grant programs during the fiscal year ended June 30, 2021 is primarily based on a federally negotiated higher education rate agreement of 53%. Because City Colleges negotiated an indirect cost rate, it cannot elect to use the 10% de minimis rate.

**City Colleges of Chicago
Community College District No. 508
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2021**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)*

Note 4. Federal Student Loan Programs

Loans made under the Federal Direct Student Loan program (Assistance Listing Number 84.268) issued to eligible students of City Colleges during the fiscal year ended June 30, 2021, are summarized as follows:

Guaranteed Loan Programs:	
Subsidized	\$ 1,438,802
Unsubsidized	<u>1,695,303</u>
Total Federal Student Loan Programs	<u>\$ 3,134,105</u>

The loan programs include subsidized and unsubsidized loans. The value of loans issued for the Federal Student Loan Program is based on disbursement amounts. The loan amounts issued during the year are disclosed on the schedule. City Colleges is responsible only for the performance of certain administrative duties with respect to the federally guaranteed student loan programs and, accordingly, balances and transactions relating to these loan programs are not included in City Colleges' basic financial statements. Therefore, it is not practicable to determine the balance of loans outstanding to students and former students of City Colleges at June 30, 2021.

Note 5. Amount of Federal Insurance in Effect During the Year

No federal insurance was received by City Colleges during the year ended June 30, 2021.

**City Colleges of Chicago
Community College District No. 508
Fiscal year ended June 30, 2021**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section 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 X No
 Significant deficiency(ies) identified? Yes X None Reported
 Noncompliance material to financial
 statements noted? Yes X No

Federal Awards

Internal control over major federal program:

Material weakness(es) identified? X Yes No
 Significant deficiency(ies) identified? Yes X None Reported

Type of auditor's report issued on compliance for the major federal program: *Qualified*, for COVID-19 Education Stabilization Fund

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? X Yes No

Identification of major program:

Assistance Listing Numbers
 84.425E, 84.425F, 84.425L, 84.425C

Names of Federal Programs or Cluster
 COVID-19 Education Stabilization Fund
 Higher Education Emergency Relief Fund (HEERF)
 COVID-19: HEERF Student Aid Portion
 COVID-19: HEERF Institutional Portion
 COVID-19: HEERF Minority Serving Institution
 COVID-19: Governor's Emergency Education Relief Fund (GEER)

**City Colleges of Chicago
Community College District No. 508
Fiscal year ended June 30, 2021**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Dollar threshold used to distinguish between
type A and type B programs \$3,549,266

Auditee qualified as low-risk auditee? X Yes No

Finding 2021-001 – COVID-19 Education Stabilization Fund: Higher Education Emergency Relief Fund and Governor’s Emergency Education Relief Fund Internal Controls for Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance

Repeat Finding: No

Federal Program Title – U.S. Department of Education
COVID-19 Education Stabilization Fund
Higher Education Emergency Relief Fund (HEERF)
COVID-19: HEERF Student Aid Portion: 84.425E
COVID-19: HEERF Minority Serving Institutions (MSI): 84.425L
Governor’s Emergency Education Relief Fund (GEER)
COVID-19: GEER: 84.425C
Federal Award Year 2020-2021

Condition

City Colleges did not have sufficient documentation that internal controls were in place and operating effectively relative to the following areas:

- MSI: City Colleges did not have sufficient supporting evidence that review controls were performed over the awarding of MSI student awards nor over the determination that awards were utilized before the end of the period of performance.
- HEERF Student Aid Portion: For eight out of sixty students, City Colleges determined the students to be eligible for a HEERF award based on established criteria, however, City Colleges did not have sufficient supporting evidence that students were approved to be awarded funding nor over the determination that awards were utilized before the end of the period of performance.
- GEER: City Colleges did not have sufficient supporting evidence that review controls were performed over the awarding of GEER student awards nor over the determination that awards were utilized before the end of the period of performance.

**City Colleges of Chicago
Community College District No. 508
Fiscal year ended June 30, 2021**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Criteria

2 CFR Section 200.303 requires entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures in place to ensure the proper reviews over determination of student awards and the utilization of grant funds before the end of the period of performance.

Questioned Costs

There were no questioned costs with respect to this finding.

Cause

City Colleges did not have effective internal controls in place to ensure reviews are performed over student award determinations and the utilization of grant funds before the end of the period of performance due to the newness of the program and how quickly it was rolled out.

Effect

Without proper controls in place, the potential for improper awarding of students or utilization of funds after the period of performance could result in noncompliance with the requirements of the grant award and could result in loss of funding or other penalties.

Recommendation

We recommend City Colleges implement internal controls to ensure reviews are performed and documented over student award determinations and the utilization of grant funds before the end of the period of performance.

Views of responsible officials

We agree with this finding. See corrective action plan.

Finding 2021-002 – COVID-19 Education Stabilization Fund: Higher Education Emergency Relief Fund Reporting

Repeat Finding: No

City Colleges of Chicago
Community College District No. 508
Fiscal year ended June 30, 2021

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Federal Program Title – U.S. Department of Education
COVID-19 Education Stabilization Fund
Higher Education Emergency Relief Fund (HEERF)
COVID-19: HEERF Institutional Portion: 84.425F
COVID-19: HEERF Student Portion: 84.425E
COVID-19: HEERF Minority Serving Institutions (MSI): 84.425L
Federal Award Year 2020-2021

Condition

City Colleges did not have sufficient documentation that internal controls were in place and operating effectively relative to the following areas:

- HEERF Student Reporting: City Colleges did not have sufficient supporting evidence that review controls were performed over student reports prior to submission.
- HEERF Annual Report: City Colleges did not have sufficient supporting evidence that review controls were performed over annual reports prior to submission.
- HEERF Reporting: City Colleges did not have controls in place to appropriately track reporting deadlines.

City Colleges did not publicly post certain required reports accurately or on a timely basis. The following instances of noncompliance were identified:

Required Reports not Submitted

- HEERF I Student Portion: None of the required 7 campus first quarter reports for the period of July 1, 2020 through September 30, 2020 were submitted.
- HEERF I Student Portion: None of the required 7 campus third quarter reports for the period of January 1, 2021 through March 31, 2021 were submitted.
- HEERF II Student Portion: None of the required 7 campus fourth quarter reports for the period of April 1, 2021 through June 30, 2021 were submitted.
- HEERF III Student Portion: City Colleges did not submit the required fourth quarter report for the period of April 1, 2021 through June 30, 2021 for Malcolm X.

Inaccurate Reports

- HEERF I Student Portion: City Colleges posted a report on July 29, 2020 for Malcolm X which did not reconcile to the underlying expense detail as of the date of the report. The difference was \$46,746.
- HEERF I Student Portion: City Colleges posted a report on August 28, 2020 for Malcolm X which did not reconcile to the underlying detail as of the date of the report. The difference was \$298,000.

City Colleges of Chicago
Community College District No. 508
Fiscal year ended June 30, 2021

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

- The Annual Report 2020: City Colleges posted the annual report for Daley College on February 1, 2021 which did not reconcile to the underlying expense detail for total annual expenditures. The total difference was \$426,872.
- The Annual Report 2020: City Colleges posted the annual report for Kennedy King College on February 4, 2021 which not reconcile to underlying expense detail for total student expenditures due to a figure incorrectly reported for student count. The total difference was \$62,229.
- HEERF I MSI Portion: The first quarter report for the period of July 1, 2020 through September 30, 2020 did not reconcile to underlying expense detail for each of the 7 Campuses. The total difference for all Campuses was \$386,892.
- HEERF I MSI Portion: The second quarter report for the period of October 1, 2020 through December 31, 2020 did not reconcile to underlying expense detail for each of the 7 Campuses. The total difference for all Campuses was \$89,642.
- HEERF I MSI Portion: The fourth quarter report for the period of April 1, 2021 through June 30, 2021 did not reconcile to underlying expense detail for the Harold Washington campus. The difference was \$30,144.

Criteria

There are three components to reporting for HEERF: (1) public reporting on the (a)(1) Student Aid Portion; (2) public reporting on the (a)(1) Institutional Portion, (a)(2), and (a)(3) subprograms, as applicable; and (3) the annual report.

The institutional quarterly portion reporting requirements involve publicly posting completed forms on City College's website. The forms must be conspicuously posted on City College's primary website on the same page the reports of City College's activities as to the emergency financial aid grants to students (Student Aid Portion) are posted.

A new separate form must be posted covering aggregate amounts spend for HEERF I, HEERF II, and HEERF III funds each quarterly reporting period (September 30, December 31, March 31, June 30), concluding after an institution has expended and liquidated all (a)(1) Institutional Portion, (a)(2), and (a)(3) funds and checks the "final report" box. City Colleges must post this quarterly report form no later than 10 days after the end of each calendar quarter (October 10, January 10, April 10, July 10) apart from the first report, which was due October 30, 2020, and the report covering the first quarter of 2021, which was due July 10, 2021.

According to an electronic announcement (EA) by the Department of Education (ED) on May 6, 2020, ED required institutions that received a HEERF 18004(a)(1) Student Aid Portion award to publicly post certain information on their website no later than 30 days after award, and update that information every 45 days thereafter by posting a new report. On August 31, 2020, ED revised the EA with 85 FR 53802, which decreased the frequency of subsequent reporting from every 45 days to every calendar quarter.

**City Colleges of Chicago
Community College District No. 508
Fiscal year ended June 30, 2021**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

2 CFR Section 200.303 requires entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures in place to ensure the timely and accurate posting of reports.

Questioned Costs

There were no questioned costs with respect to this finding.

Cause

City Colleges did not have effective internal controls in place to ensure reports were posted accurately and timely due to the newness of the program and how quickly it was rolled out.

Prevalence

Frequent. 78 reports were required to be submitted in fiscal year 2021 relative to HEERF Student, Institutional, MSI and Annual reporting and 41 were either inaccurate or not submitted.

Effect

The submission of late and inaccurate reports is noncompliance with the requirements of the grant award and could result in loss of funding or other penalties.

Recommendation

We recommend City Colleges implement internal controls to ensure reports are posted accurately and timely.

Views of responsible officials

We agree with this finding. See corrective action plan.

Finding 2021-003 – Short-Term Programs

Repeat Finding: Yes (2020-005)

Federal Program Title – U.S. Department of Education
Student Financial Assistance Cluster
Federal Pell Grant Program: 84.063
Federal Award Year 2020-2021

Condition

For two out of sixteen students tested (12.5%), City Colleges improperly disbursed Pell Grants to students enrolled in short-term programs.

**City Colleges of Chicago
Community College District No. 508
Fiscal year ended June 30, 2021**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Criteria

34 CFR Section 668.8(e) states that students enrolled in short-term programs are not eligible to receive Pell or SEOG Grant funds.

Questioned Costs

The total questioned costs for this finding are \$9,518.

Cause

This was due to an oversight at the campus level. The campus was not aware that the short-term programs were only Direct Loan eligible until late into the 20-21 year upon receiving the Final FY19 Audit Determination on August 24, 2020 from the Department of Education.

Prevalence

Frequent. Two out of sixteen students selected for testing. All students enrolled in short-term programs were tested.

Effect

Noncompliance with federal regulations could result in the loss of future federal financial aid funding, or the need to return federal financial aid funding received.

Recommendation

We recommend that the College modify the automatic system packaging of awarding Pell and SEOG Grants to exclude students enrolled in short-term programs.

Views of responsible officials

We agree with this finding. See corrective action plan.

Finding 2021-004 – Short-Term Program Placement Rate

Repeat Finding: Yes (2020-006)

Federal Program Title – U.S. Department of Education
Student Financial Assistance Cluster
Federal Direct Student Loans: 84.268
Federal Award Year 2020-2021

Condition

The College cannot demonstrate compliance with the gainful employment placement rate calculation of 70% for the short-term program at a post-secondary vocational institution.

**City Colleges of Chicago
Community College District No. 508
Fiscal year ended June 30, 2021**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Criteria

For the Direct Loan Program, short-term eligible programs at a postsecondary vocational institution must be between 300 - 599 clock hours. They must have been provided for at least one year and must have a substantiated completion and placement rate of at least 70 percent for the most recently completed award year. 34 CFR Section 668.8(f) and (g) requires the college to have documentation supporting its placement rates for each student showing that the student obtained gainful employment in the recognized occupation for which he or she was trained or in a related comparable recognized occupation.

Questioned Costs

There were no questioned costs with respect to this finding.

Cause

The financial aid office did not follow up on the gainful employment of students.

Prevalence

Frequent. Sixteen out of sixteen students tested did not have sufficient support for the placement rate calculation.

Effect

Failure to calculate the placement data for each student is noncompliance with Federal regulation and could result in loss of future funding.

Recommendation

We recommend City Colleges enhance their policies and procedures to ensure that calculation of placement rates is being maintained.

Views of responsible officials

We agree with this finding. See corrective action plan.

Finding 2021-005 – Return of Title IV Funds – Enrollment Reporting

Repeat Finding: Yes (2020-001)

Federal Program Title – U.S. Department of Education
Student Financial Assistance Cluster
Federal Pell Grant Program: 84.063
Federal Award Year 2020-2021

**City Colleges of Chicago
Community College District No. 508
Fiscal year ended June 30, 2021**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Condition

Four out of sixty students tested (7%) who withdrew from City Colleges for which status changes were not properly reported to the National Student Loan Data System (NSLDS) within the 60-day requirement. The status change reports were between 95 and 256 days late. Additionally, one out of sixty students tested (2%) withdrew from City Colleges for which status changes were never reported to the National Student Loan Data System (NSLDS).

Criteria

CFR section 685.309 and 690.83(b) (2) requires City Colleges to notify the NSLDS within 30 days of a change in student status or include the change in status in a response to an enrollment reporting roster within 60 days of the student's date of determination of withdrawal.

Questioned Costs

There were no questioned costs related to testing of enrollment reporting.

Cause

The Registrar's office does not have an effective system in place to ensure all official student status changes are reported to the lender in a timely manner. Four students were reported correctly to the third-party servicer, the National Student Clearinghouse ("NSC") through the normal reporting cycle, however, the procedures called for the students' status change to be specifically pushed to the NSC. One student was not reported due to the first roster file of the semester being run after the student withdrew.

Prevalence

Frequent. Four out of sixty students selected for testing.

Effect

Failure to report status changes timely is noncompliance with Federal regulation and could result in loss of future funding.

Recommendation

We recommend City Colleges implement monitoring procedures which will promptly notify the financial aid office of any student status changes. A system of monitoring procedures and/or controls will ensure the College is reporting any status changes to the lender in a timely manner. City Colleges should implement a review process to ensure all status changes are addressed by the financial aid office.

Views of responsible officials

We agree with this finding. See corrective action plan.

**City Colleges of Chicago
Community College District No. 508
Fiscal year ended June 30, 2021**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Finding 2021-006 – Direct Loan Quality Assurance System

Repeat Finding: Yes (2020-003)

Federal Program Title – U.S. Department of Education
Student Financial Assistance Cluster
Federal Direct Student Loans: 84.268
Federal Award Year 2020-2021

Condition

During the prior year audit, it was determined that City Colleges did not have a formally documented direct loan quality assurance process. During the current fiscal year, City Colleges documented a formal direct loan quality assurance process, however, the process was not documented for the entire fiscal year. The documentation was completed in August 2020.

Criteria

34 CFR Section 685.300(b) (9) require schools to implement and document a quality assurance process to ensure that the College is complying with program requirements and meeting program objectives.

Questioned Costs

There were no questioned costs with respect to this finding.

Cause

City Colleges was not able to complete the documentation until August 2020 due to a lack of sufficient resources.

Effect

Failure to have a formally documented direct loan quality assurance process is noncompliance with federal regulations and could result in the loss of future federal financial aid funding.

Recommendation

We recommend that City Colleges refine their policies and procedures so that manuals are in place for the entire fiscal year.

Views of responsible officials

We agree with this finding. See corrective action plan.



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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021**

Identifying Number: 2020-001 Return of Title IV Funds – Enrollment Reporting

Audit Finding: CFR section 685.309 and 690.83(b) (2) requires City Colleges to notify the NSLDS within 30 days of a change in student status or include the change in status in a response to an enrollment reporting roster within 60 days of the student’s date of determination of withdrawal. Four out of sixty students tested withdrew from City Colleges for which status changes were not properly reported to the National Student Loan Data System (NSLDS).

Status: Uncorrected. Repeat finding in fiscal year 2021. See finding 2021-005.

Corrective Action Taken: An enrollment file is generated at the district level and uploaded. The Registrar’s Office and Financial Aid Office created a new process of including all applicable students within the enrollment process. Enrollment reports are uploaded quarterly into the National Student Clearinghouse (NSC) and NSC transmits them to NSLDS. The Registrar’s Office and Financial Aid Office has convened to update enrollment reporting procedures and create a reconciliation process to ensure all students are reported to NSLDS.

Identifying Number: 2020-002 – Return of Title IV Funds – Post-withdrawal Disbursements

Audit Finding: 34 CFR Section 668.22 requires City Colleges to disburse any post-withdrawal grants funds which were not credited to the student’s account no later than 45 days after City Colleges determines the student withdrew. For four out of sixty students tested, City Colleges did not complete a post-withdrawal disbursement to the student within 45 days from the student’s withdrawal date of determination.

Status: Corrected

Corrective Action Taken: The Financial Aid Office provided college wide procedural updates in the fiscal year 2020 Financial Aid Manual. The office provided a best practice training from the National Association of Student Financial Aid Administrators (NASFAA) Return to Title IV (R2T4) training courses at all the district financial aid meetings.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021 *(continued)*

Identifying Number: 2020-003 – Direct Loan Quality Assurance System

Audit Finding: 34 CFR Section 685.300(b) (9) requires schools to implement and document a quality assurance process to ensure that the College is complying with program requirements and meeting program objectives. During the prior year audit, it was determined that City Colleges did not have a formally documented direct loan quality assurance process. During the current fiscal year, City Colleges documented a formal direct loan quality assurance process, however, the process was not documented for the entire fiscal year.

Status: Uncorrected. Repeat finding in fiscal year 2021. See find 2021-006.

Corrective Action Taken: The Financial Aid Office completed the City Colleges Financial Aid Manual which disclosed the Direct Loan Quality Assurance System in August 2020. Direct Loan Quality Assurance is now updated during our bi-annual review of Financial Aid Manual.

Identifying Number: 2020-004 – Eligibility

Audit Finding: 34 CFR Section 690.11 states that a student is not entitled to receive Federal Pell Grant payments concurrently from more than one institution or from the Secretary and an institution. For one out of forty students tested, City Colleges disbursed a Pell grant subsequent to the student receiving a Pell grant at another institution.

Status: Corrected

Corrective Action Taken: The Financial Aid Office added a Pell MRR (POP-Dual Enrollment) automated error report that went out weekly to campuses and displayed students who are dual enrolled at another campus. The aid package on the student account will not disburse until resolved by a campus.

Identifying Number: 2020-005 – Short-Term Programs

Audit Finding: 34 CFR Section 668.8(e) states that students enrolled in short-term programs are not eligible to received Pell or SEOG Grant funds. For ten out of twelve students tested, City Colleges improperly disbursed Pell and SEOG Grants to students enrolled in short-term programs.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021 *(continued)*

Status: Uncorrected. Repeat finding in fiscal year 2021. See finding 2021-003.

Corrective Action Taken: The Financial Aid module system was updated to not disburse any aid other than Direct Loans for the two short term programs. The packaging parameters will be updated to ensure Pell or SEOG isn't disbursed for students in short-term programs.

Identifying Number: 2020-006 – Short-Term Program Placement Rate

Audit Finding: For the Direct Loan Program, short-term eligible programs at a postsecondary vocational institution must be between 300 - 599 clock hours. They must have been provided for at least one year and must have a substantiated completion and placement rate of at least 70 percent for the most recently completed award year. 34 CFR Section 668.8(f) and (g) requires the college to have documentation supporting its placement rates for each student showing that the student obtained gainful employment in the recognized occupation for which he or she was trained or in a related comparable recognized occupation. The College did not have sufficient documentation to support the placement rate calculation for each student enrolled in a short-term program at a post-secondary vocational institution.

Status: Uncorrected. Repeat finding in fiscal year 2021. See finding 2021-004.

Corrective Action Taken: Moving forward, City Colleges will no longer have short-term programs that are Title IV approved.



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CORRECTIVE ACTION PLANS

Finding 2021-001 – COVID-19 Education Stabilization Fund: Higher Education Emergency Relief Fund and Governor’s Emergency Education Relief Fund Internal Controls for Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance.

Condition

City Colleges did not have sufficient documentation that internal controls were in place and operating effectively relative to the following areas:

- **MSI:** City Colleges did not have sufficient supporting evidence that review controls were performed over the awarding of MSI student awards nor over the determination that awards were utilized before the end of the period of performance.
- **HEERF Student Aid Portion:** For eight out of sixty students, City Colleges determined the students to be eligible for a HEERF award based on established criteria, however, City Colleges did not have sufficient supporting evidence that students were approved to be awarded funding nor over the determination that awards were utilized before the end of the period of performance.
- **GEER:** City Colleges did not have sufficient supporting evidence that review controls were performed over the awarding of GEER student awards nor over the determination that awards were utilized before the end of the period of performance.

Cause

City Colleges did not have effective internal controls in place to ensure reviews are performed over student award determinations and the utilization of grant funds before the end of the period of performance due to the newness of the program and how quickly it was rolled out.

Corrective Action Taken or Planned

Effective immediately, all review and approvals will be documented by either ink signature, electronic signature or email approval.

Contact Person: Richard Hayes AVC, Financial Aid and Aretha Tharps, District Director, Student Financial Aid.

Anticipated Completion Date: November 2021.

CORRECTIVE ACTION PLANS *(Continued)*

Finding 2021-002 – COVID-19 Education Stabilization Fund: Higher Education Emergency Relief Fund Reporting

Condition

City Colleges did not have sufficient documentation that internal controls were in place and operating effectively relative to the following areas:

- HEERF Student Reporting: City Colleges did not have sufficient supporting evidence that review controls were performed over student reports prior to submission.
- HEERF Annual Report: City Colleges did not have sufficient supporting evidence that review controls were performed over annual reports prior to submission.
- HEERF Reporting: City Colleges did not have controls in place to appropriately track reporting deadlines.

City Colleges did not publicly post certain required reports accurately or on a timely basis. The following instances of noncompliance were identified:

Required Reports not Submitted

- HEERF I Student Portion: None of the required 7 campus first quarter reports for the period of July 1, 2020 through September 30, 2020 were submitted.
- HEERF I Student Portion: None of the required 7 campus third quarter reports for the period of January 1, 2021 through March 31, 2021 were submitted.
- HEERF II Student Portion: None of the required 7 campus fourth quarter reports for the period of April 1, 2021 through June 30, 2021 were submitted.
- HEERF III Student Portion: City Colleges did not submit the required fourth quarter report for the period of April 1, 2021 through June 30, 2021 for Malcolm X.

Inaccurate Reports

- HEERF I Student Portion: City Colleges posted a report on July 29, 2020 for Malcolm X which did not reconcile to the underlying expense detail as of the date of the report. The difference was \$46,746.
- HEERF I Student Portion: City Colleges posted a report on August 28, 2020 for Malcolm X which did not reconcile to the underlying detail as of the date of the report. The difference was \$298,000.
- The Annual Report 2020: City Colleges posted the annual report for Daley College on February 1, 2021 which did not reconcile to the underlying expense detail for total annual expenditures. The total difference was \$426,872.

CORRECTIVE ACTION PLANS *(Continued)*

- The Annual Report 2020: City Colleges posted the annual report for Kennedy King College on February 4, 2021 which not reconcile to underlying expense detail for total student expenditures due to a figure incorrectly reported for student count. The total difference was \$62,229.
- HEERF I MSI Portion: The first quarter report for the period of July 1, 2020 through September 30, 2020 did not reconcile to underlying expense detail for each of the 7 Campuses. The total difference for all Campuses was \$386,892.
- HEERF I MSI Portion: The second quarter report for the period of October 1, 2020 through December 31, 2020 did not reconcile to underlying expense detail for each of the 7 Campuses. The total difference for all Campuses was \$89,642.
- HEERF I MSI Portion: the fourth quarter report for the period of April 1, 2021 through June 30, 2021 did not reconcile to underlying expense detail for the Harold Washington campus. The difference was \$30,144.

Cause

City Colleges did not have effective internal controls in place to ensure reports were posted accurately and timely due to the newness of the program and how quickly it was rolled out.

Corrective Action Taken or Planned

The Department of Ed has given the institution the authorization to amend prior quarterly and annual reports. Effective immediately processing will be delayed at quarter end to allow additional time to accumulate required data, review reports and post to website. Additionally, staff has been hired to monitor Department of Education announcements and compliance with report filing and accuracy.

Contact Person: Richard Hayes AVC, Financial Aid and Aretha Tharps, District Director, Student Financial Aid.

Anticipated Completion Date: March 2022.

Finding 2021-003 – Short-Term Programs

Condition

For two out of sixteen students tested (12.5%), City Colleges improperly disbursed Pell Grants to students enrolled in short-term programs.



CORRECTIVE ACTION PLANS *(Continued)*

Cause

This was due to an oversight at the campus level.

Corrective Action Taken or Planned

City Colleges will return the Pell Grant & SEOG Grant of the students who received the Title IV Aid in Error. The funds were returned November 12, 2021.

Contact person: Richard Hayes – Associate Vice Chancellor-Financial Aid & Scholarships.
Anticipated completion date: November 2021.

Finding 2021-004 – Short-Term Program Placement Rate

Condition

The College cannot demonstrate compliance with the gainful employment placement rate of 70% calculation for the students enrolled in a short-term program at a post-secondary vocational institution.

Cause

The financial aid office did not follow-up on the gainful employment of students.

Corrective Action Plan:

City Colleges currently has two short term programs:

- Computer Numerical Machining (Daley College, Wright College)
- Cosmetology Teacher Training 500 HR BC (Truman College)

City Colleges will no longer have short-term programs moving forward. Computer Numerical Machining will be discontinued, and Cosmetology Teacher Training 500 HR Program is no longer an FA Approved program (as of September 27, 2021) per the Recertification Application completed by Truman College.

Contact person: Richard Hayes – Associate Vice Chancellor-Financial Aid & Scholarships.
Anticipated completion date: December 31, 2021.

CORRECTIVE ACTION PLANS *(Continued)*

Finding 2021-005 – Return of Title IV Funds – Enrollment Reporting

Condition

Four out of sixty students tested (7%) withdrew from City Colleges for which status changes were not properly reported to the National Student Loan Data System (NSLDS) within the 60-day requirement. The status change reports were between 95 and 256 days late. Additionally, one out of sixty students tested (2%) withdrew from City Colleges for which status changes were never reported to the National Student Loan Data System (NSLDS).

Cause

The financial aid office does not have an effective system in place to ensure all official student status changes are reported to the lender in a timely manner. Four students were reported correctly to the third-party servicer, the National Student Clearinghouse (“NSC”) through the normal reporting cycle, however, the procedures called for the students’ status change to be specifically pushed to the NSC. One student was not reported due to the first roster file of the semester being run after the student withdrew.

Corrective Action Plan:

The enrollment reporting functions are housed in the college’s registrar office and separate from financial aid. An enrollment file is generated at the district level and uploaded quarterly. The Registrar’s Office & Financial Aid Office has convened to update its enrollment reporting procedures and create a reconciliation process to ensure all students are reported to NSLDS.

Contact person: Richard Hayes – Associate Vice Chancellor-Financial Aid & Scholarships and Laura Clark – District Director, Academic Systems & OIT.

Anticipated completion date: March 2022.

Finding 2021-006 – Direct Loan Quality Assurance System

Condition

During the prior year audit, it was determined that City Colleges did not have a formally documented direct loan quality assurance process. During the current fiscal year, City Colleges documented a formal direct loan quality assurance process, however, the process was not documented for the entire fiscal year. The documentation was completed in August 2020.



CORRECTIVE ACTION PLANS *(Continued)*

Corrective Action Plan:

Direct Loan Quality Assurance was implemented for Aid Year, starting August 2020 and not Fiscal Year, starting July 2020. All FA Manuals and policies will go through a bi-annual review to ensure timely updates.

Cause

City Colleges was not able to complete the documentation until August 2020 due to a lack of sufficient resources.

Contact person: Richard Hayes – Associate Vice Chancellor-Financial Aid & Scholarships.
Anticipated completion date: Completed.

Please contact us if you would like additional copies of the Single Audit Act Supplementary Financial and Compliance Report for the year ended June 30, 2021:
[http://www.ccc.edu/departments/Pages/Annual-Finance-and-Budget-Reports/A-133-Single Audit Report](http://www.ccc.edu/departments/Pages/Annual-Finance-and-Budget-Reports/A-133-Single-Audit-Report).

For further information or to learn about our educational, operational and employment opportunities, please visit the CCC website at <http://www.ccc.edu>.

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