

Report No. 2017-002  
July 2016

**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 Kathy Stich, CPA.

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# FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM

## SUMMARY

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This operational audit focused on the administration of the Florida Bright Futures Scholarship Program (Program) by Florida's public universities and colleges (institutions) for the fiscal years ended June 30, 2014, and June 30, 2015, and included a follow-up on findings noted in our report No. 2014-159. Our operational audit disclosed the following:

**Finding 1:** Six of the 40 institutions did not have effective procedures to ensure that Program funds were timely returned to the Florida Department of Education (FDOE) for courses dropped by students and courses from which students withdrew.

**Finding 2:** The procedures at 4 of the 40 institutions were not effective to ensure that undisbursed Program funds were timely returned to the FDOE.

**Finding 3:** Students who received Florida Gold Seal Vocational Scholars (GSVS) awards at an institution used GSVS awards, contrary to State law, to pay for programs other than technical degree education, career certificate, or applied technology programs.

## BACKGROUND

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The Florida 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, the Florida Medallion Scholarship, and the Florida Gold Seal Vocational Scholarship.

For the 2013-14 fiscal year, Florida's 11 public universities and 28 public colleges disbursed Program awards totaling \$269,760,554 to 139,769 students, with the amounts disbursed by the universities and colleges totaling \$237,608,151 and \$32,152,403, respectively. For the 2014-15 fiscal year, Florida's 12 public universities and 28 public colleges disbursed Program awards totaling \$228,565,586 to 116,739 students, with the amounts disbursed by the universities and colleges totaling \$208,645,765 and \$19,919,821, respectively. The \$41 million reduction in the amount of Program awards disbursed and the 23,030 decrease in the number of participating students from the 2013-14 fiscal year to the 2014-15 fiscal year may both be attributed, in part, to more rigorous eligibility requirements (e.g., higher required exam scores) for the 2014-15 fiscal year.

Scholarship award amounts are set in the General Appropriations Act each year and recipients receive a fixed cost per credit hour based on award level, institution type, and credit type. The Florida Department of Education (FDOE) determines the eligibility of students based on general criteria for Program awards and specific criteria for the 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

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

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. **EXHIBIT A** to this report provides a summary of the advances and disbursements reported by each institution for the 2013-14 and 2014-15 fiscal years.

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 moneys for disbursement to the 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 to the student. Any moneys not disbursed to eligible students must be returned to the FDOE within 60 days after the end of the regular registration period. Also, 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 has withdrawn after the end of the drop and add period. The institutions are also required to report disbursements, enrolled hours, earned hours, and grade point averages to the FDOE.

## ***FINDINGS AND RECOMMENDATIONS***

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### **Finding 1: Return of Funds**

State law<sup>2</sup> requires an institution to make a refund to the FDOE within 30 days after the end of a semester of any Program funds received for 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. For each of the 2013-14 and 2014-15 fiscal years, the institutions returned to the FDOE Program funds totaling approximately \$3 million for courses dropped by students and courses from which students withdrew.

As part of our audit, we evaluated the timeliness of the institutions' refunds to the FDOE. Our tests disclosed that most of the 40 institutions timely returned funds to the FDOE as required; however, 6 institutions did not have effective procedures to ensure that Program funds were returned to the FDOE within the 30-day timeline. Table 1 identifies the 6 institutions, the semesters for which the Program funds were received, the amounts untimely returned, and, for each applicable semester, the number of days late.

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<sup>2</sup> Section 1009.53(5)(a), Florida Statutes.

**Table 1  
Untimely Return of Program Funds**

No.	Institution	Fall 2013		Spring 2014		Summer 2014 <sup>a</sup>		Fall 2014		Spring 2015		Summer 2015 <sup>a</sup>	
		Days		Days		Days		Days		Days		Days	
		Amount	Late	Amount	Late	Amount	Late	Amount	Late	Amount	Late	Amount	Late
1	Florida Polytechnic University <sup>b</sup>	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$31,785	15	\$ -	-
2	University of Florida	-	-	-	-	28,806	449	-	-	-	-	28,099	144
3	University of South Florida	92,587	16	-	-	-	-	-	-	-	-	-	-
4	Palm Beach State College	-	-	20,938	6 to 101	-	-	-	-	-	-	-	-
5	Pasco-Hernando State College	11,847	23	-	-	-	-	1,071	143	-	-	-	-
6	State College of Florida, Manatee-Sarasota	12,831	45	-	-	-	-	9,575	55	-	-	-	-

<sup>a</sup> Section 1009.215, Florida Statutes, only authorizes University of Florida students in a student enrollment pilot program to receive Program awards for the summer term.

<sup>b</sup> No students attended Florida Polytechnic University during the 2013-14 fiscal year.

In response to our inquiries, personnel at the 6 institutions indicated that the delayed returns occurred due to staff changes at 1 institution and because of procedural difficulties, such as system programming errors, at the other 5 institutions. The University of South Florida was noted in a similar finding in our report No. 2014-159.

**Recommendation: Management at the applicable institutions should enhance procedures to ensure that Program funds are timely returned to the FDOE for courses dropped by a student or courses from which a student has withdrawn after the end of the drop and add period.**

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

State law<sup>3</sup> requires an institution receiving Program funds to return any undisbursed advances to the FDOE within 60 days after the end of regular registration for the respective semester. The institutions refunded to the FDOE undisbursed advances totaling \$7 million for the 2013-14 fiscal year and \$2 million for the 2014-15 fiscal year.

Our tests disclosed that, although most of the 40 institutions timely returned undisbursed Program funds to the FDOE when required, 4 institutions did not have effective procedures to ensure that undisbursed Program funds were returned within the 60-day time frame. Table 2 identifies the 4 institutions, the semesters for which the Program funds were received, the amounts untimely returned, and, for each applicable semester, the number of days late.

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

**Table 2**  
**Untimely Return of Undisbursed Program Advances**

No.	Institution	Fall 2013		Spring 2014		Spring 2015	
		Amount	Days Late	Amount	Days Late	Amount	Days Late
1	University of South Florida	\$261,117	22	\$ -	-	\$ -	-
2	Broward College	-	-	-	-	4,194	11
3	Hillsborough Community College	-	-	47,053	9	-	-
4	Seminole State College of Florida	72,150	70	22,053	91	5,373	58

As similarly disclosed in Finding 1, personnel at the institutions indicated that the delayed returns occurred due to staff changes at 1 institution and because of procedural difficulties, such as not understanding the 60-day requirement, at the other 3 institutions. The Seminole State College of Florida was noted in a similar finding in our report No. 2014-159.

**Recommendation: Management at the applicable institutions should implement or enhance procedures to ensure that undisbursed Program funds are timely returned to the FDOE.**

**Finding 3: Student Eligibility**

State law<sup>4</sup> establishes the award amounts for the Florida Gold Seal Vocational Scholars (GSVS) award. Students who were initially eligible for that award in the 2012-13 academic year and thereafter may earn a GSVS award for a maximum of 72 credit hours in a technical degree education or a career certificate program or a maximum of 60 hours in an applied technology program.

As part of our audit, we evaluated the Program awards process at the 40 institutions. We found that the institutions had established controls that generally promoted the proper award of Program funds. However, we also found that Seminole State College of Florida (SSCF) controls over student eligibility for GSVS awards could be enhanced. Specifically, our tests of the eligibility of 22 SSCF students awarded GSVS funds totaling \$21,752 disclosed that, contrary to State law, 11 of the students used GSVS awards totaling \$6,420 to pay for programs (e.g., associate of arts) other than technical degree education, career certificate, or applied technology. During the 2013-14 and 2014-15 fiscal years, the SSCF disbursed GSVS awards totaling \$48,536 to 88 students.

In response to our inquiries, SSCF personnel indicated that these errors occurred because SSCF procedures did not ensure that GSVS award recipients enroll in qualifying programs or that GSVS funds are refunded to the FDOE if not used for those programs. Subsequent to our inquiry, SSCF personnel conducted a review for the 2013-14 and 2014-15 fiscal years and identified 8 additional students awarded GSVS funds totaling \$4,451 who used the awards to pay for programs other than technical degree education, career certificate, or applied technology. As a result of our tests and the SSCF review, SSCF returned GSVS funds totaling \$10,871 to the FDOE.

**Recommendation: The SSCF should establish procedures to ensure that GSVS award recipients enroll in qualifying programs. If a student uses GSVS awards for other than a qualifying program, the SSCF should promptly refund the GSVS funds to the FDOE.**

<sup>4</sup> Section 1009.536(4)(c), Florida Statutes.

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

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The public universities and colleges had taken corrective actions for findings included in previous audit reports of the institutions' administration of the Florida Bright Futures Scholarship Program, except as noted in Findings 1 and 2 and shown in Table 3.

**Table 3**  
**Institutions Also Noted in Previous Audit Report Findings**

<b>Institution</b>	<b>Finding</b>	<b>Audit Report No. 2014-159 Finding No.</b>	<b>Audit Report No. 2012-090</b>
University of South Florida	1	1	Not Applicable
Seminole State College	2	2	Not Applicable

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

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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 11 universities and 28 colleges for the fiscal year ended June 30, 2014, and by the State's 12 universities and 28 colleges for the fiscal year ended June 30, 2015.

We conducted this operational audit from August 2015 to April 2016 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. 2014-159.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

Our 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 the selection and examination of records and transactions. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of 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 256,508 students who received \$498,326,140 in Program funds during the 2013-14 and 2014-15 fiscal years, examined documentation supporting awards made for 554 students<sup>5</sup> selected from all 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 award 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 2013-14 and 2014-15 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 2013-14 and 2014-15 fiscal years to determine whether the institutions refunded to the FDOE, within 30 days after the end of the semester, funds received for courses a student had dropped or withdrawn.
- Examined institution records for the 2013-14 and 2014-15 fiscal years to determine whether each institution returned unused Program funds to the FDOE within 60 days of the last day of the drop and add period.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.

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<sup>5</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.

- 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**.

## ***AUTHORITY***

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Section 1009.53(5)(c), Florida Statutes, requires the Auditor General to conduct an operational audit of the administration of 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 report be prepared to present the results of our operational 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, 2014

No.	Institution	Advances <sup>a</sup>		Disbursements <sup>a</sup>		Disbursements Under Advances
		From Department	Awards to Students	Refunds to Department	Total Disbursements	
1	Florida Agricultural and Mechanical University	\$ 2,782,232	\$ 2,428,133	\$ 354,099	\$ 2,782,232	\$ -
2	Florida Atlantic University	12,653,899	11,993,300	658,182	12,651,482	2,417 <sup>b</sup>
3	Florida Gulf Coast University	8,791,375	8,365,516	425,859	8,791,375	-
4	Florida International University	18,684,418	18,479,524	201,474	18,680,998	3,420 <sup>b</sup>
	Florida Polytechnic University <sup>c</sup>	-	-	-	-	-
5	Florida State University	43,261,895	43,226,253	35,642	43,261,895	-
6	New College of Florida	1,983,468	1,823,601	159,867	1,983,468	-
7	University of Central Florida	45,670,391	44,913,380	757,011	45,670,391	-
8	University of Florida	61,790,754	59,884,300	1,842,858	61,727,158	63,596 <sup>b</sup>
9	University of North Florida	10,324,076	10,014,938	309,138	10,324,076	-
10	University of South Florida	31,777,417	31,208,554	568,863	31,777,417	-
11	University of West Florida	5,640,490	5,270,652	369,838	5,640,490	-
<b>11</b>	<b>Total Public State Universities</b>	<b>243,360,415</b>	<b>237,608,151</b>	<b>5,682,831</b>	<b>243,290,982</b>	<b>69,433</b>
1	Broward College	1,944,955	1,711,942	233,013	1,944,955	-
2	Chipola College	507,496	459,541	47,955	507,496	-
3	College of Central Florida	1,083,971	842,649	241,322	1,083,971	-
4	Daytona State College	1,235,824	1,068,580	167,244	1,235,824	-
5	Eastern Florida State College	1,607,363	1,305,299	302,064	1,607,363	-
6	Edison State College	1,034,408	860,725	173,683	1,034,408	-
7	Florida Gateway College	329,207	304,113	25,094	329,207	-
8	Florida Keys Community College	74,727	60,228	14,499	74,727	-
9	Florida State College at Jacksonville	1,807,443	1,550,011	257,432	1,807,443	-
10	Gulf Coast State College	732,255	643,130	89,125	732,255	-
11	Hillsborough Community College	2,043,653	1,756,338	287,315	2,043,653	-
12	Indian River State College	1,392,158	1,247,044	145,114	1,392,158	-
13	Lake-Sumter State College	674,633	613,617	61,016	674,633	-
14	Miami Dade College	3,523,496	3,075,941	447,555	3,523,496	-
15	North Florida Community College	151,052	121,600	29,452	151,052	-
16	Northwest Florida State College	664,642	595,139	69,503	664,642	-
17	Palm Beach State College	1,617,097	1,468,647	148,450	1,617,097	-
18	Pasco-Hernando State College	1,019,228	898,026	121,202	1,019,228	-
19	Pensacola State College	1,003,285	878,298	124,987	1,003,285	-
20	Polk State College	898,033	805,453	92,580	898,033	-
21	St. Johns River State College	734,920	683,291	51,629	734,920	-
22	St. Petersburg College	1,965,387	1,738,360	227,027	1,965,387	-
23	Santa Fe College	2,344,195	2,146,633	196,743	2,343,376	819 <sup>b</sup>
24	Seminole State College of Florida	1,558,978	1,478,193	80,785	1,558,978	-
25	South Florida State College	266,553	237,819	28,734	266,553	-
26	State College of Florida, Manatee-Sarasota	1,162,774	1,039,560	123,214	1,162,774	-
27	Tallahassee Community College	1,799,741	1,545,472	253,197	1,798,669	1,072 <sup>b</sup>
28	Valencia College	3,572,413	3,016,754	555,659	3,572,413	-
<b>28</b>	<b>Total Public State Colleges</b>	<b>36,749,887</b>	<b>32,152,403</b>	<b>4,595,593</b>	<b>36,747,996</b>	<b>1,891</b>
<b>39</b>	<b>Total</b>	<b>\$ 280,110,302</b>	<b>\$ 269,760,554</b>	<b>\$ 10,278,424</b>	<b>\$ 280,038,978</b>	<b>\$ 71,324</b>

Notes: <sup>a</sup> Amounts reported by institutions as of December 31, 2014.

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

<sup>c</sup> No students attended this University during the 2013-14 fiscal year.

**SUMMARY OF FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM  
ADVANCES AND DISBURSEMENTS BY STATE UNIVERSITY AND COLLEGE**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

No.	Institution	Advances <sup>a</sup>	Disbursements <sup>a</sup>			Disbursements Under Advances
		From Department	Awards to Students	Refunds to Department	Total Disbursements	
1	Florida Agricultural and Mechanical	\$ 1,849,316	\$ 1,713,375	\$ 135,941	\$ 1,849,316	\$ -
2	Florida Atlantic University	9,037,586	8,795,149	242,206	9,037,355	231 <sup>b</sup>
3	Florida Gulf Coast University	6,907,914	6,610,137	297,345	6,907,482	432 <sup>b</sup>
4	Florida International University	14,694,497	14,401,960	291,919	14,693,879	618 <sup>b</sup>
5	Florida Polytechnic University	538,484	505,929	32,555	538,484	-
6	Florida State University	39,697,740	39,452,649	243,370	39,696,019	1,721 <sup>b</sup>
7	New College of Florida	1,926,986	1,785,474	141,512	1,926,986	-
8	University of Central Florida	39,385,409	39,365,186	20,223	39,385,409	-
9	University of Florida	58,760,879	57,095,462	1,611,975	58,707,437	53,442 <sup>b</sup>
10	University of North Florida	8,473,289	8,233,158	240,131	8,473,289	-
11	University of South Florida	27,006,774	26,621,419	385,355	27,006,774	-
12	University of West Florida	4,214,784	4,065,867	148,917	4,214,784	-
<b>12</b>	<b>Total Public State Universities</b>	<b>212,493,658</b>	<b>208,645,765</b>	<b>3,791,449</b>	<b>212,437,214</b>	<b>56,444</b>
1	Broward College	1,120,367	1,041,208	79,159	1,120,367	-
2	Chipola College	374,373	366,936	7,437	374,373	-
3	College of Central Florida	603,252	549,017	54,235	603,252	-
4	Daytona State College	723,163	722,347	816	723,163	-
5	Eastern Florida State College	955,854	852,182	103,672	955,854	-
6	Florida Gateway College	225,940	218,667	7,273	225,940	-
7	Florida Keys Community College	39,117	35,028	4,089	39,117	-
8	Florida SouthWestern State College (Formerly Edison State College)	610,424	581,273	29,151	610,424	-
9	Florida State College at Jacksonville	1,014,411	969,711	44,700	1,014,411	-
10	Gulf Coast State College	453,227	427,932	25,295	453,227	-
11	Hillsborough Community College	1,018,434	959,164	59,270	1,018,434	-
12	Indian River State College	867,727	825,913	41,814	867,727	-
13	Lake-Sumter State College	452,893	430,164	22,729	452,893	-
14	Miami Dade College	1,801,537	1,734,460	67,077	1,801,537	-
15	North Florida Community College	88,383	80,798	7,585	88,383	-
16	Northwest Florida State College	393,442	376,214	17,228	393,442	-
17	Palm Beach State College	911,440	848,989	61,695	910,684	756 <sup>b</sup>
18	Pasco-Hernando State College	611,343	587,603	23,740	611,343	-
19	Pensacola State College	492,418	477,857	14,561	492,418	-
20	Polk State College	558,626	541,869	16,757	558,626	-
21	St. Johns River State College	494,473	463,392	31,081	494,473	-
22	St. Petersburg College	1,215,351	1,154,299	61,052	1,215,351	-
23	Santa Fe College	1,539,641	1,483,286	56,355	1,539,641	-
24	Seminole State College of Florida	927,610	918,463	9,147	927,610	-
25	South Florida State College	165,388	155,841	9,547	165,388	-
26	State College of Florida, Manatee-Sarasota	604,730	578,043	26,687	604,730	-
27	Tallahassee Community College	1,006,631	936,254	70,377	1,006,631	-
28	Valencia College	1,803,358	1,602,911	200,447	1,803,358	-
<b>28</b>	<b>Total Public State Colleges</b>	<b>21,073,553</b>	<b>19,919,821</b>	<b>1,152,976</b>	<b>21,072,797</b>	<b>756</b>
<b>40</b>	<b>Total</b>	<b>\$233,567,211</b>	<b>\$228,565,586</b>	<b>\$ 4,944,425</b>	<b>\$233,510,011</b>	<b>\$ 57,200</b>

Notes: <sup>a</sup> Amounts reported by institutions as of December 31, 2015.

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

# MANAGEMENT'S RESPONSE

## FLORIDA POLYTECHNIC UNIVERSITY

June 14, 2016

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

Dear Ms. Norman,

Florida Polytechnic University acknowledges the Florida Auditor General's Preliminary and Tentative Audit Findings. Please find the university's response below.

**Finding no. 1:** Six of the 40 institutions did not have effective procedures to ensure that Program funds were timely returned to the Florida Department of Education (FDOE) for courses dropped by students and courses from which students withdrew.

**Florida Polytechnic University Response:** Florida Poly concurs with the finding, and has taken corrective measures to ensure that unearned funds are returned to the Florida Department of Education by the due date set:

- FDOE due dates have been added to the shared Financial Aid calendar
- FDOE due dates have been added to all individual financial aid personnel calendars
- FDOE due dates have been added to the Bursar and Registrar calendars
- Regular announcements will be sent to Faculty and Registrar advising that unearned grades must be officially posted before the end of the semester
- The Office of Financial Aid and the Finance Department have consulted, and agreed, that unearned funds will be transmitted back to the FDOE within 24 hours of Refund Transmittal Form completion

If you should have any questions or concerns please contact Mr. Eric Callueng, Director of Financial Aid, at (863)874-8751.

Sincerely,



Dr. Randy K. Avent  
President

Office of Admissions

4700 Research Way, Lakeland, FL 33805-8531 | 1.800.585.7659 (POLY) | FLPoly.org



Office of the Vice President  
and Chief Financial Officer  
Finance and Accounting Division  
University Controller's Office  
<http://fa.ufl.edu/uco/>

207 Tigert Hall  
PO Box 113200  
Gainesville, FL 32611-3200  
352-392-1321  
352-392-4760 Fax

June 27, 2016

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

Dear Ms. Norman,

This letter is in response to your correspondence dated May 31, 2016, concerning the audit of the Florida Bright Futures Scholarship Program for the fiscal years ended June 30, 2014 and June 30, 2015. Only Finding 1 applies to the University of Florida.

**Finding 1:** Six of the 40 institutions did not have effective procedures to ensure that Program funds were timely returned to the Florida Department of Education (FDOE) for courses dropped by students and courses from which students withdrew.

**University's Response:** The University agrees with the Auditor General's finding. As a result of the finding, the UF Office for Student Financial Affairs (SFA) has implemented new procedures to electronically alert both the staff responsible for the submission and the SFA management team. Beginning 30 days prior to the required submission date, notifications will be sent on a weekly basis to staff and the management team.

Your staff's assistance is greatly appreciated.

Sincerely,

A handwritten signature in black ink that reads "Alan M. West".

Alan M. West  
Assistant Vice President and University Controller

*The Foundation for The Gator Nation*  
An Equal Opportunity Institution

cc: Dr. Kent Fuchs, President, University of Florida  
University of Florida Board of Trustees  
Dr. Joseph Glover, Provost and Sr. Vice President for Academic Affairs  
Mr. Michael V. McKee, Vice President and Chief Financial Officer  
Brian Mikell, Chief Audit Executive  
Richard Wilder, Director, Student Financial Affairs



June 13, 2016

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

Dear Ms. Norman:

Please see enclosed the University of South Florida System responses for those audit findings related to the University that are included in the 2014 and 2015 Florida Bright Futures Scholarship Program Audit prepared by your office.

If you have any questions or require additional information, please contact Jennifer Condon, University Controller, at 813-974-6061.

Sincerely,

A handwritten signature in blue ink, appearing to read "Nick J. Trivunovich", written over a circular stamp.

Nick J. Trivunovich  
Vice President for Business and Finance

Enclosure

Copy to: Dr. Judy Genshaft  
John Long  
Dr. Ralph Wilcox  
Dr. Paul Dosal  
Jennifer Condon  
Debra Gula

OFFICE OF THE USF SYSTEM VICE PRESIDENT OF BUSINESS & FINANCE  
University of South Florida • 4202 East Fowler Avenue, CGS401 • Tampa, FL 33620  
[www.system.usf.edu](http://www.system.usf.edu)

University of South Florida  
Response to Preliminary and Tentative Finding of the 2014/2015 Florida Bright Futures Scholarship  
Program Audit  
Conducted by the Auditor General's Office

**Return of Funds**

**Finding No. 1:** Six of the forty institutions did not have effective procedures to ensure that Program funds were timely returned to the Florida Department of Education (FDOE) for courses dropped by students and courses for which students withdrew.

**Recommendation:** Management at the applicable institutions should enhance procedures to ensure that Program refunds are timely returned to the FDOE for courses dropped by a student or courses from which a student has withdrawn after the end of the drop and add period.

**Management's Response:** University Scholarships & Financial Aid Services has enhanced the monitoring report tools and procedures used to identify courses dropped/withdrawn that were paid for with Bright Futures funds. The enhanced monitoring is used before, during and after each term to timely return funds.

Implementation Date: January 1, 2015  
Responsible Party: Billie Jo Hamilton, 813/974-3039

**Return of Undisbursed Advances**

**Finding No. 2:** The procedures at four of the forty institutions were not effective to ensure that undisbursed Program funds were timely returned to the FDOE.

**Recommendation:** Management at the applicable institutions should implement or enhance procedures to ensure that undisbursed Program funds are timely returned to the FDOE.

**Management's Response:** The University Controller's Office has enhanced procedures for processing and monitoring timely return of funds for all State of Florida programs, including Bright Futures, addressing the end of term requirement and end of year reconciliation deadlines.

Implementation Date: January 1, 2015  
Responsible Party: Jennifer Condon, 813/974-7696



Office of Student Financial Services  
Willis Holcombe Center  
110 and 225 East Las Olas Blvd.  
Fort Lauderdale, FL 33301

June 30, 2016

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

RE: Administration of the Florida Bright Futures Scholarship Program  
Fiscal Years Ended June 30, 2014 and June 30, 2015

State Auditor Norman:

Contained in this letter is the written statement of explanation concerning the finding, including the proposed corrective action.

**Explanation of the Finding**

Broward College is listed under Finding 2: Return of Undisbursed Advances for the Operational Audit of the Florida Bright Futures Scholarship Program for the Fiscal Years Ended June 30, 2014 and June 30, 2015. Finding 2 cites that "state law requires an institution receiving Program funds to return any undisbursed advances to the FDOE within 60 days after the end of regular registration for the respective semester". Broward College was found to have returned \$4,194 for the Spring 2015 semester 11 days late when it requested a return of funds on May 21, 2015, and generated a check dated May 27, 2015.

**Summary:**

Broward College understands that it misclassified the refund as "unused" funds, when the refunds were in fact for withdrawn students. This was a system error, and this has been corrected.

If you have any questions, please contact either Marielena DeSanctis, Vice-President of Student and Academic Affairs or Theresa Cowan, Associate Vice-President of Financial Aid.

Sincerely,

Marielena P. DeSanctis, Ph.D.  
Vice-President, Student and Academic Affairs



hccfl.edu

## Hillsborough Community College

June 21, 2016

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

Dear Ms. Norman,

Please find our response to the preliminary and tentative findings related to the audit of Florida Bright Futures Scholarship for the fiscal years ended June 30, 2014 and June 30, 2015.

**Finding:** Procedures at 4 of the 40 institutions were not effective to ensure that undisbursed program funds were timely returned to the FDOE.

**Recommendation:** Management at the applicable institutions should implement or enhance procedures to ensure that undisbursed Program funds are timely returned to the FDOE.

**Response:** Hillsborough Community College concurs with this finding. The College has enhanced our procedures to ensure that funds are returned to FDOE by the required timeframe.

Please feel free to contact Al Erdman, Vice President for Administration and CFO with any questions at 813-253-7015, or at [ardman2@hccfl.edu](mailto:ardman2@hccfl.edu).

Sincerely,

Dr. Ken Atwater  
College President

Cc: District Board of Trustees  
Mr. Al Erdman  
Dr. Kenneth Ray

---

Dr. Gwendolyn W. Stephenson District Administration Center • 39 Columbia Drive, Tampa, FL 33606

June 15, 2016

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

Dear Ms. Norman:

On May 31, 2016, we received the preliminary and tentative audit findings and recommendations for an operational audit of the administration of The Florida Bright Futures Scholarship Program by Florida's Public Universities and Colleges of Palm Beach State College for the Fiscal Years Ended June 30, 2014 and June 30, 2015. The recommendations identified in the audit will be used to improve the operations of the College in the future.

Our response to the findings are attached. Please contact Mr. Richard A. Becker, Vice President of Administration and Business Services, at (561)-868-3137, if additional information is needed.

Sincerely,



Ava L Parker, J.D.  
President

Attachment

cc: District Board of Trustees  
Richard A. Becker  
Diana Garza

**Palm Beach State College Response to the Auditor General's Audit of The Florida  
Bright Futures Scholarship Program by Florida's Public Universities and Colleges of  
Palm Beach State College for the Fiscal Years Ended June 30, 2014 and June 30, 2015**

**Florida Bright Future Scholarship Program**

**Return of Funds**

**Finding:** State law requires an institution to make a refund to the FDOE within 30 days after the end of a semester of any Program funds received for 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. For each of the 2013-14 and 2014-15 fiscal years, the institutions returned to the FDOE Program funds totaling approximately \$3 million for courses dropped by students and courses from which students withdrew.

As part of our audit, we evaluated the timeliness of the institutions' refunds to the FDOE. Our tests disclosed that most of the 40 institutions timely returned funds to the FDOE as required; however, 6 institutions did not have effective procedures to ensure that Program funds were returned to the FDOE within the 30-day timeline. Table 1 identifies the 6 institutions, the semesters for which the Program funds were received, the amounts untimely returned, and, for each applicable semester, the number of days late.

**Response:** State law requires an institution to make a refund to the FDOE within 30 days after the end of a semester of any Program funds received for courses dropped by a student or courses from which a student has withdrawn after the end of the drop add period. Institutions are required to submit a year-end audit by June 30.

The College administered 1,029 Bright Future awards, totaling approximately \$675,010.00. Due to a procedural error, Palm Beach State College submitted the spring 2014 end of term audit with the year-end audit. This mistake resulted in a 6 day delay in returning spring term funds in the amount of \$20,794 to the Office of Student Financial Aid (OSFA), the division within the Florida Department of Education responsible for administering Bright Futures. The spring term 2014 refund was due to OSFA by 6/6/2014, 30 days after the end of the term. Bright Futures funds are distributed to students fall and spring term. A year-end reconciliation is due by June 30 each year. Palm Beach State College in error, submitted the spring refund and the year-end reconciliation on 6/12/2014. This resulted in the spring 2014 refund being 6 days after the 6/6/14 due date and the year-end reconciliation 18 days before the 6/30/14 due date.

In addition, one student was not reported due to a unique system programming error. A spring 2014 refund in the amount of \$144 was submitted to OSFA for this student on 9/15/2014 as soon as the error was identified, resulting in a 101 day delay.

The Palm Beach State College Office of Financial Aid has changed its protocols to ensure that the Florida Bright Futures Program refund reconciliation is submitted as soon as the spring term ends and within the 30 day regulation. The office also created additional reports to verify that all applicable students are properly identified in the automated processes.



June 22, 2016

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

Re: Preliminary and Tentative Audit Findings – Bright Futures Scholarship Program

Dear Ms. Norman:

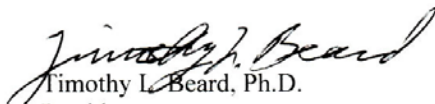
This letter is in response to the audit finding related to the operational audit of the College’s administration of the Bright Futures Scholarship Program. Below is the College’s official response:

Finding 1: Return of Funds

PHSC concurs with the audit finding. The financial aid office currently reviews a withdrawal report every week; however some students were missed due to timing of the student’s withdrawal. The MIS department has created a new comprehensive report that will identify all students who have withdrawn after the drop/add period each semester. The financial aid office will review this report at the end of each semester and continue to review the weekly reports to insure program funds are reported to the State in a timely manner.

Should you have any questions regarding our response, please feel free to contact Mr. Ken Burdzinski, Vice President of Administration and Finance, at (727) 816-3412 or at [burdzink@phsc.edu](mailto:burdzink@phsc.edu).

Sincerely,

  
Timothy L. Beard, Ph.D.  
President

c: K. Burdzinski  
R. Shanafelt

**East Campus**  
36727 Blanton Road  
Dade City, FL 33523  
352.567.6701

**North Campus**  
11415 Ponce de Leon Boulevard  
Brooksville, FL 34601  
352.796.6726

**Porter Campus  
at Wiregrass Ranch**  
2727 Mansfield Boulevard  
Wesley Chapel, FL 33543  
813.527.6615

**Spring Hill Campus**  
450 Beverly Court  
Spring Hill, FL 34606  
352.688.8798

**West Campus/District Office**  
10230 Ridge Road  
New Port Richey, FL 34654  
727.847.2727

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100 Weldon Boulevard | Sanford, FL 32773-6199 | 407.708.4722 | [seminolestate.edu](http://seminolestate.edu)

June 23, 2016

Sherrill F. Norman  
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 preliminary and tentative findings and recommendations from the operational audit of the Administration of the Florida Bright Futures Scholarship Program for the Fiscal Years Ended June 30, 2014 and June 30, 2015. In your report Finding 1 does not pertain to Seminole State College, so no response is given. Our actual and proposed corrective actions for Finding 2 and Finding 3 are detailed below:

**In response to Audit Finding 2: Return of Undisbursed Advances –**

Seminole State College has created a separate State Reporting and Refund Calendar that is now monitored by a minimum of two staff members in order to ensure that the return of funds will take place prior to the established deadlines.

**In response to Audit Finding 3: Student Eligibility –**

Effective in the Fall of 2016 Seminole State College has implemented a system change that will limit awarding of the Florida Gold Seal Scholarship to only those students who are in the correct programs.

If you have any further questions regarding this matter, please contact Judith Cooper, Associate Vice President, Financial Services, [cooperja@seminolestate.edu](mailto:cooperja@seminolestate.edu) or at (407) 708-2138.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Joseph A. Sarnovsky'.

Dr. Joseph A. Sarnovsky  
Executive Vice President/Chief Financial Officer

**Altamonte Springs | Geneva | Heathrow | Oviedo | Sanford/Lake Mary**  
A Diverse Learning Community | An Equal Access/Equal Opportunity College



## STATE COLLEGE OF FLORIDA, MANATEE-SARASOTA

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OFFICE OF THE PRESIDENT  
Carol F. Probstfeld, Ed.D.

June 15, 2016

Sherrill F. Norman, CPA  
Auditor General  
State of Florida  
3505 East Frontage Rd, Suite 350  
Tampa, FL 33607

Dear Ms. Norman:

Enclosed is our response to the Preliminary and Tentative Findings and Recommendations on our Bright Futures Scholarship Program audit for the State College of Florida, Manatee-Sarasota for the fiscal year ended June 30, 2014 and June 30, 2015.

Please let me know if you have questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Carol F. Probstfeld". The signature is written in a cursive style.

Carol F. Probstfeld, President  
State College of Florida Manatee-Sarasota

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scf.edu • Mailing Address: P.O. Box 1849, Bradenton, FL 34206 • Office Phone: 941-752-5201

SCF BRADENTON  
5840 26th Street West • 941-752-5000

SCF LAKEWOOD RANCH  
7131 Professional Parkway East • 941-363-7000

SCF VENICE  
8000 South Tamiami Trail • 941-408-1300

**RESPONSE TO THE PRELIMINARY AND TENTATIVE AUDIT FINDING AND RECOMMENDATION  
STATE COLLEGE OF FLORIDA, MANATEE-SARASOTA**

**OPERATIONAL AUDIT  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 and JUNE 30, 2015**

The following is the State College of Florida, Manatee-Sarasota response to the finding identified in the State Auditor General's Operational Audit Report for the Fiscal Year Ended June 30, 2014 and June 30, 2015.

**RESPONSE TO FINDING AND RECOMMENDATION**

**Finding No. 1: Untimely return of funds.**

Recommendation: Management should enhance procedures to ensure that Program funds are timely returned to the FDOE for courses dropped by a student or courses from which a student has withdrawn after the end of the drop and add period.

**College Response:**

The College has taken steps to ensure timely return of funds within 30 days after the end of the semester. Specifically, the Office of Financial Aid has:

- Provided training for staff specifically responsible for reviewing reports and processing re-funds
- Developed a calendar with specific dates for reconciliation and return of funds.