

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

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HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

XX 100 074 2405 007 TUITION AID GRANT PROGRAM

I. PROGRAM OBJECTIVES

The Tuition Aid Grant (TAG) program, New Jersey's principal student financial assistance program, was established in 1978 to provide financial assistance to New Jersey students attending a college or university in New Jersey. The primary objective of the program is to make higher education opportunities available to all citizens. Students may attend any approved college in New Jersey and, based upon their level of financial need, receive a grant to offset the cost of tuition. The amount of the grant varies among students and is based on several factors: the student's financial need, the amount of tuition charged by the institution, the type of institution attended (state-supported or independent), the number of eligible applicants, and the total funds appropriated for the program. Awards are renewable annually based upon financial need and academic performance.

II. PROGRAM PROCEDURES

To receive a TAG award, a student must be a resident of New Jersey for at least one year immediately prior to receiving the award and must be enrolled or plan to be enrolled as a fulltime undergraduate matriculated in a curriculum leading to a degree or certificate at an eligible New Jersey institution. The student must meet minimum standards of academic progress, as defined by the institution, and must document financial need by annually filing an approved financial aid form in accordance with established deadline dates. Funds are disbursed directly to the school on behalf of the student.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement

a. Refer to N.J.S.A. 18A:71B-18 through 22.

b. Refer to Title 9A, New Jersey Administrative Code, Chapter 9:

(1) Subchapter 2: General Provisions for Tuition Aid Grant and Garden State Scholarship Programs

(2) Subchapter 3: Tuition Aid Grant Program

2. Suggested Audit Procedures

a. Review student financial aid packages and financial accounts.

b. Test compliance with statute and regulations using a random sample.

B. ELIGIBILITY

1. Compliance Requirement

a. Refer to N.J.S.A. 18A:71B-18 through 22.

b. Refer to Title 9A, New Jersey Administrative Code, Chapter 9:

- (1) Subchapter 2.1: Undergraduate enrollment
- (2) Subchapter 2.2: Residency
- (3) Subchapter 2.3: Noncitizens and resident aliens
- (4) Subchapter 2.4: Eligibility and repayments
- (5) Subchapter 2.6: Dependent/independent student defined
- (6) Subchapter 2.7: Verification of family financial data
- (7) Subchapter 2.8: Renewal eligibility and filing
- (8) Subchapter 2.9: Award combinations and overawards
- (9) Subchapter 2.10: verification of enrollment and academic performance
- (10) Subchapter 2.11: Payments
- (11) Subchapter 2.12: Award adjustments, refunds and collections
- (12) Subchapter 2.14: Check endorsements
- (13) Subchapter 2.16: Accounting and auditing standards
- (14) Subchapter 3.1: Determination of eligibility for and value of student assistance
- (15) Subchapter 3.2: Tuition Aid Grant Award Table
- (16) Subchapter 3.3: Exercise of institutional professional judgment in the determination of family or student contribution
- (17) Subchapter 3.5: Part-time students

## 2. Suggested Audit Procedures

- a. Review student records for documentation of residency, citizenship, enrollment, and academic performance.
- b. Review student financial aid records to verify that award combinations do not exceed the total cost of attendance.
- c. Review student financial aid records to verify financial eligibility, dependent/independent status, and verification of family financial data (if applicable).
- d. Review student academic records to verify full-time enrollment when TAG credited to student account.
- e. Review institutional accounts to ensure compliance with accounting and auditing standards.

## C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

No compliance requirement.

## D. REPORTING REQUIREMENTS

### 1. Compliance Requirement

a. Refer to Title 9A, New Jersey Administrative Code, Chapter 9:

- (1) Subchapter 2.5: Student notification
- (2) Subchapter 2.10: Verification of enrollment and academic performance
- (3) Subchapter 2.13: Student's obligation to report changes in institution or financial status
- (4) Subchapter 2.16: Accounting and auditing standards

b. Refer to New Jersey Office of Management and Budget (OMB) Circular 04-04 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

- c. Refer to Federal Office of Management and Budget (OMB) Circular A-133 Audits of States, Local Government, and Non-Profit Organizations or
  - d. Refer to Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institutions Servicers (For-Profit Organizations)
2. Suggested Audit Procedures
- a. Review student financial aid records to verify compliance with student notification requirements.
  - b. Review institutional records to verify submission of Higher Education Student Assistance Authority (HESAA) reports as required.
  - c. Review institutional records to ensure compliance with accounting and auditing standards.
  - d. Review and verify Schedule of Expenditures of Federal and State Financial Assistance. Trace data to supporting documentation.
  - e. Report all noted instances of non-compliance, illegal acts, and instances in which the cumulative effect of individual immaterial instances of non-compliance could materially affect the financial statements and compliance with regulations.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

XX 100 074 2405 009 SURVIVOR TUITION BENEFITS PROGRAM

I. PROGRAM OBJECTIVES

This program provides free undergraduate tuition for children and spouses of members or officers of: a New Jersey volunteer fire company; volunteer first aid or rescue squad; municipal fire, police, county police, or park police department; the State Fire Service; the Division of State Police; or various other state employees in related law enforcement job titles, which member or officer was killed in the performance of his/her duties. Students at public colleges or universities in New Jersey have full tuition paid by the state. Students at independent institutions in New Jersey have tuition paid up to the highest tuition charged at a public institution. Students who qualified as residents at the time of the death of the parent but who subsequently moved out of state (for example, because of the relocation of the surviving parent) are eligible to receive full tuition benefits as if they had remained New Jersey residents, even if they are required to pay out-of-state tuition charges by the institution attended.

II. PROGRAM PROCEDURES

Students apply to the Authority. The Authority verifies applicant information, including the student's relationship to the deceased, the date of death (in the case of a spouse) or the date of high school graduation (in the case of a child), and that the deceased was killed in the performance of duties as a member, officer, or employee of a qualifying organization. Verification of enrollment is provided by the college or university, and payment is made directly to the institution on behalf of the student. Occasionally, initial tuition charges may already have been paid by the student, in which case, the student is reimbursed by the institution.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

Refer to N.J.S.A. 18A:71B-23-24 et seq. for general requirements of this program. Refer to Title 9A, New Jersey Administrative Code, Chapter 9, Subchapter 5: Public Tuition Benefits Program.

B. ELIGIBILITY

1. Compliance Requirement

a. Refer to N.J.S.A. 18A:71B-23-24 et seq.

b. Refer to Title 9A, New Jersey Administrative Code, Chapter 9:

- (1) Subchapter 5.1: General provisions
- (2) Subchapter 5.4: Eligible institutions
- (3) Subchapter 5.5: Undergraduate enrollment
- (4) Subchapter 5.7: Renewal
- (5) subchapter 5.8: Period of eligibility
- (6) Subchapter 5.9: Verification of enrollment and academic performance

c. Refer to Title 9A, New Jersey Administrative Code, Chapter 9, Subchapter 2: General provisions for Tuition Aid Grant and Garden State Scholarship Programs.

2. Suggested Audit Procedures

- a. Review student records for documentation of eligibility, residency, enrollment, period of eligibility, and academic performance.
- b. Review institutional accounts to ensure compliance with accounting and auditing standards.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

No compliance requirement.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to Title 9A, New Jersey Administrative Code, Chapter 9:

- (1) Subchapter 5.6 Student notification
- (2) Subchapter 5.9 Verification of enrollment and academic performance

- b. Institutions must provide information to the Authority certifying students' eligibility, enrollment, academic performance, etc.
- c. Refer to New Jersey Office of Management and Budget (OMB) Circular 04-04 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

2. Suggested Audit Procedures

- a. Verify that information has been submitted. Trace data to supporting documentation.
- b. Review and verify Schedule of Expenditures of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

XX 100 074 2405 012      PART-TIME TUITION AID  
GRANTS FOR EOF STUDENTS

I. PROGRAM OBJECTIVES

Students who are receiving an Educational Opportunity Fund (EOF) award may, under certain circumstances, receive a Tuition Aid Grant (TAG) award even if they attend college part-time. TAG program regulations generally require full-time attendance, but some EOF students are counseled to reduce their course loads to part-time because these students may not have the academic preparation to carry a full-time load, or they may have other special circumstances that call for a reduction of course work.

II. PROGRAM PROCEDURES

To receive a part-time TAG award, a student must be a resident of New Jersey for at least one year immediately prior to receiving an award, and must be enrolled or plan to be enrolled for at least six undergraduate credits as a matriculated student in a curriculum leading to a degree or certificate at an eligible New Jersey institution. The student must be receiving an award under the Educational Opportunity Fund program and must maintain minimum standards of academic progress as determined by the institution. The student must document financial need by annually filing an approved financial aid form in accordance with established deadline dates. Funds are disbursed to the school on behalf of the student.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement

a. Refer to N.J.S.A. 18A:71B-18 through 22.

b. Refer to Title 9A, New Jersey Administrative Code, Chapter 9:

- (1) Subchapter 2: General provisions for Tuition Aid Grant and Garden State Scholarship Programs
- (2) Subchapter 3: Tuition Aid Grant Program, 9A:9-3.5 Part-time students

2. Suggested Audit Procedures

Review student financial aid packages and financial accounts.

B. ELIGIBILITY

1. Compliance Requirement

a. Refer to N.J.S.A. 18A: 71B-18 through 22.

b. Refer to Title 9A, New Jersey Administrative Code, Chapter 9:

- (1) Subchapter 2.1: Undergraduate enrollment (except where provisions specifically refer to full-time enrollment).
- (2) Subchapter 2.2: Residency
- (3) Subchapter 2.3: Noncitizens and resident aliens
- (4) Subchapter 2.4: Eligibility and repayments
- (5) Subchapter 2.6: Dependent/independent student defined
- (6) Subchapter 2.7: Verification of family financial data
- (7) Subchapter 2.8: Renewal eligibility and filing

- (8) Subchapter 2.9: Award combinations and overawards
- (9) Subchapter 2.10: Verification of enrollment and academic performance (except where provisions specifically refer to full-time enrollment)
- (10) Subchapter 2.11: Payments (except that payments to eligible students shall be counted as one half of a semester).
- (11) Subchapter 2.14: Check endorsements
- (12) Subchapter 2.16: Accounting and auditing standards
- (13) Subchapter 3.1: Determination of eligibility for and value of student assistance
- (14) Subchapter 3.2: Tuition Aid Grant award table
- (15) Subchapter 3.5: Part-time students

## 2. Suggested Audit Procedures

- a. Review student financial aid records to verify financial eligibility, family financial data, dependent/independent status (if applicable), total number of payments received, and receipt of an Educational Opportunity Fund award. Verify that award combinations do not exceed the total cost of attendance.
- b. Review student records for documentation of residency, citizenship, enrollment, academic performance, and special approval for part-time status
- c. Review institutional compliance with accounting and auditing standards.

## C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

No compliance requirement.

## D. REPORTING REQUIREMENTS

### 1. Compliance Requirement

- a. Refer to Title 9A, New Jersey Administrative Code, Chapter 9:

- (1) Subchapter 2.5: Student notification
- (2) Subchapter 2.10: Verification of enrollment and academic performance
- (3) Subchapter 2.13: Student's obligation to report changes in institution or financial status
- (4) Subchapter 2.16: Accounting and auditing standards
- (5) Subchapter 3.5: Part-time students

- b. Refer to Federal Office of Management and Budget (OMB) Circular A-133 Audits of State, Local Governments, and Non-Profit Organizations or

- c. Refer to Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institutions (For-Profit Organizations)

- d. Refer to New Jersey Office of Management and Budget (OMB) Circular 04-04 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

## 2. Suggested Audit Procedures

- a. Review student financial aid records to verify compliance with student notification requirements.
- b. Review institutional records to verify submission of Higher Education Student Assistance Authority (HESAA) reports as required.

- c. Review institutional compliance with accounting and auditing standards.
- d. Review and verify Schedule of Expenditures of Federal and State Financial Assistance. Trace data to supporting documentation.
- e. Report all noted instances of non-compliance, illegal acts, and instances in which the cumulative effect of individual immaterial instances of non-compliance could materially affect the financial statements and compliance with regulations.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

XX 100 074 2405 278      GARDEN STATE  
                                 SCHOLARS PROGRAM

XX 100 074 2405 278      EDWARD J. BLOUSTEIN  
                                 DISTINGUISHED SCHOLARS  
                                 PROGRAM

XX 100 074 2405 278      URBAN SCHOLARS PROGRAM

I. PROGRAM OBJECTIVES

The objective of the three undergraduate scholarship programs -- Garden State Scholars, Edward J. Bloustein Distinguished Scholars, and Urban Scholars -- is to increase the number of high-achieving New Jersey high school students attending New Jersey colleges and universities. Award requirements vary for each of the programs, which are administered centrally by the Authority. These programs are merit-based rather than need-based.

II. PROGRAM PROCEDURES

Scholarship candidates are nominated by their high schools based upon standard academic criteria and guidelines established by the Higher Education Student Assistance Authority Board. The selection process is completed by the Authority according to criteria established for each program. High school students are identified at the end of their junior year and informed early in their senior year regarding eligibility for the merit-based scholarships. The information is also provided to New Jersey colleges and universities to assist them in recruiting these academically talented students. In order to receive the scholarship award, students must be enrolled as a full-time undergraduate at an approved New Jersey college or university. Funds are disbursed directly to the school on behalf of the student.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

Refer to N.J.S.A. 18A:71B-11 through 17 for general requirements and specific requirements unique to each scholarship program. Refer to Title 9A, New Jersey Administrative Code, Chapter 9, Subchapter 4: Garden State Scholarships.

B. ELIGIBILITY

1. Compliance Requirement

- a. Refer to N.J.S.A. 18A:71B-11 through 17 for general requirements and specific requirements unique to each scholarship program.
- b. Refer to Title 9A, New Jersey Administrative Code, Chapter 9. Subchapter 2: General provisions for Tuition Aid Grant and Garden State Scholarship Programs.
- c. Refer to Title 9A, New Jersey Administrative Code, Chapter 9, Subchapters 2 and 4 for general requirements and specific requirements unique to each scholarship program.

2. Suggested Audit Procedures

- a. Review student registration records for documentation of residency, citizenship, enrollment, and academic performance.
- b. Review student financial aid records to verify that award combinations do not exceed the total cost of attendance.
- c. Review institutional accounts to ensure compliance with accounting and auditing standards.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

No compliance requirement.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Institutions must provide payment rosters to the Authority certifying students' eligibility, enrollment, academic performance, etc.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 04-04 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

2. Suggested Audit Procedures

- a. Verify that rosters have been submitted. Trace data to supporting documentation.
- b. Review and verify Schedule of Expenditures of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

XX 100 074 2405 280      MISS NEW JERSEY EDUCATIONAL  
SCHOLARSHIP PROGRAM

I. PROGRAM OBJECTIVES

The objective of the Miss New Jersey Educational Scholarship Program is to provide an annual scholarship for the pursuit of post-secondary education to an exceptional young leader in the area of civic, cultural or charitable endeavors in the spirit of the Miss New Jersey Pageant.

II. PROGRAM PROCEDURES

Scholarship recipients are designated by the Authority in consultation with the Miss New Jersey Pageant Organization. In order to be eligible the individual must be enrolled in or accepted into a course of study leading to an initial bachelor's degree or a postgraduate degree in any New Jersey public institution of higher education. Eligibility will continue as long the recipient remains a full time student in good standing at the institution. The program is administered centrally by the Authority and funds are appropriated annually to the Authority to carry out the purposes of the program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

Refer to N.J.S.A. 18A:71B-25-27 for general requirements of this scholarship program and to Title 9A, New Jersey Administrative Code, Chapter 9, Subchapter 6: Miss New Jersey Educational Scholarship Program.

B. ELIGIBILITY

1. Compliance Requirement

a. Refer to N.J.S.A. 18A:71B-25-27 for specific requirements unique to this scholarship program.

b. Refer to Title 9A, New Jersey Administrative Code, Chapter 9:

- (1) Subchapter 6.1: Purpose and scope
- (2) Subchapter 6.2: Eligibility requirements
- (3) Subchapter 6.3: Application Procedures
- (4) Subchapter 6.4: Amount and use of the scholarship
- (5) Subchapter 6.5: Candidate approval and notification
- (6) Subchapter 6.6: Payment
- (7) Subchapter 6.7: Renewal and period of eligibility

2. Suggested Audit Procedures

a. Verify that the institution has a copy of the award letter from HESAA to the student.

b. Verify that the institution completed HESAA's Payment Authorization Form and certified the students full time enrollment status and academic progress.

c. Review institutional accounts to ensure compliance with accounting and auditing standards.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

- a. Review student registration records for documentation of eligibility, residency, enrollment and academic performance.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to New Jersey Office of Management and Budget (OMB) Circular 04-04 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

2. Suggested Audit Procedures

- a. Verify that the Payment Authorization Form has been submitted to HESAA. Trace system data to supporting documentation.
- b. Review student records for documentation of full time status and academic progress for continuing eligibility.
- c. Review and verify Schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

XX 100 074 2405 293      OUTSTANDING SCHOLAR  
RECRUITMENT PROGRAM

I. PROGRAM OBJECTIVES

The objective of the Outstanding Scholar Recruitment Program is to increase the number of high-achieving and high SAT scoring New Jersey high school students attending New Jersey colleges and universities. The program is merit-based rather than need-based.

II. PROGRAM PROCEDURES

Scholarship recipients are designated by New Jersey colleges and universities based upon the individual student's class rank and SAT score. Award values are set forth in an annual contract between the Authority and the institution. In order to be eligible for this program the institution must be currently participating in the Student Unit Record Enrollment (SURE) data collection and reporting system administered by the New Jersey Commission on Higher Education.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

Refer to N.J.S.A. 18A:71B-11 through 17 for general requirements. Refer to Outstanding Scholar Recruitment Program annual contract and the Administrative Guidelines in Attachment C-1 of the contract.

B. ELIGIBILITY

1. Compliance Requirement

a. Refer to N.J.S.A. 18A:71B-11 through 17 for general requirements and annual contract as stated in III.A. above.

b. Refer to Title 9A, New Jersey Administrative Code, Chapter 9:

- (1) Subchapter 2.1: Undergraduate Enrollment
- (2) Subchapter 2.13: Student's obligation to report changes in institution or financial status
- (3) Subchapter 2.16: Accounting and auditing standards

c. Refer to Administrative Guidelines contained in the Outstanding Scholar Recruitment Program Project Agreement signed by institution and HESAA.

2. Suggested Audit Procedures

- a. Review student registration records for documentation of enrollment and academic performance. Verify scholarship award value based on student's class rank and combined SAT score.
- b. Review institutional accounts to ensure compliance with accounting and auditing standards.
- c. Review Outstanding Scholar Recruitment Program Project Agreement for appropriate signatures and compliance with Administrative guidelines.
- d. Review student records for documentation of continuing eligibility (student must maintain a 3.0 grade point average and complete at least 24 credits each academic year).

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

Institutions are responsible for paying the full amount of the awards. State reimbursements to institutions are prorated based upon the annual State appropriation and the total requests for reimbursement.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Institutions must meet reporting requirements as defined in the annual contract with the Authority.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 04-04 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

2. Suggested Audit Procedures

- a. Review institutional compliance with accounting and auditing standards.
- b. Review and verify Schedule of Expenditures of State Financial Assistance

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

XX 100 074 2405 301      DANA CHRISTMAS SCHOLARSHIP  
FOR HEROISM

I. PROGRAM OBJECTIVES

The objective of the Dana Christmas Scholarship for Heroism is to provide recognition to an individual who performed an act of heroism prior to reaching his/her twenty-second birthday. Awards are for a one time only scholarship of up to \$10,000.

II. PROGRAM PROCEDURES

Scholarship awards will be awarded in accordance with policies and procedures established by the Authority. Awards must be used for educational expenses related to attendance at a postsecondary institution that participates in the federal student assistance programs authorized under Title IV of the "Higher Education Act of 1965".

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

Refer to Title IV of the "Higher Education Act of 1965", as amended. (20 U.S.C. s. 108711)

B. ELIGIBILITY

1. Compliance Requirement

Refer to Title IV of the "Higher Education Act of 1965", as amended. (20 U.S.C. s. 108711)

2. Suggested Audit Procedures

Review student registration records for documentation of enrollment.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

No compliance requirement.

D. REPORTING REQUIREMENTS

No compliance Requirement

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

XX 100 074 2405 313 NEW JERSEY STUDENT TUITION ASSISTANCE REWARD  
SCHOLARSHIP (NJ STARS) PROGRAM

I. PROGRAM OBJECTIVES

The objective of the NJ STARS Program is to provide access to higher education to some of the State's highest achieving high school students. The program is merit-based rather than need-based.

II. PROGRAM PROCEDURES

Students shall be notified of their eligibility for a NJ STARS scholarship by the New Jersey County College they attend and such notification will include the amount of the scholarship.

A. GENERAL PROVISIONS

1. Refer to N.J.A.C. 9A:9-2.2 Residency,
2. Refer to N.J.A.C. 9A:9-2.3 Noncitizens and resident aliens,
3. Refer to N.J.A.C. 9A:9-2.12 Award adjustments, refunds and collections,
4. Refer to N.J.A.C. 9A:9-2.14 Check endorsements,
5. Refer to N.J.A.C. 9A:9-2.15 Appeals, and
6. Refer to N.J.A.C. 9A:9-2.16 Accounting and auditing standards.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement

- a) Refer to N.J.S.A. 18A:71B-81 through 86
- b) Refer to Title 9A, New Jersey Administrative Code, Chapter 9, Subchapter 10.1 through 10.11

B. ELIGIBILITY

1. Compliance Requirement

- a) Refer to N.J.S.A. 18A:71B-81 through 86
- b) Refer to Title 9A, New Jersey Administrative Code, Chapter 9, Subchapter 10.1 through 10.11

2. Suggested Audit Procedures

Review student admissions records for documentation supporting that scholarship recipients were in the top 20% of their high school graduating class for students graduating prior to June 2009 and the top 15% of their high school graduating class beginning with June 2009.

**For students who enrolled full-time at a County College during or prior to the Fall 2008 semester**

Verify that the student:

- a) Is a New Jersey State resident,
- b) Applied for and completed applications within established timeframes for all other State and federal need-based grants & merit scholarships, which shall be applied first to tuition and approved fee charges,

- c) Received and the institution applied all other State and federal grants and scholarships to tuition and approved fee charges, before applying the NJ STARS award to the remaining balance (not to exceed 15 credits).
- d) Is enrolled in a full-time course of study (minimum of 12 credits) at their home county college,
- e) Graduated from high school in 2004 or later, and not earlier than the calendar year two years prior to the first calendar year in which the scholarship payment is to be made,
- f) Maintained continuous enrollment in a full-time course of study, unless medical or emergency leave is approved by the institution, or on active duty,
- g) If an out-of-county resident, provided proper documentation that his or her county college did not offer the curriculum or did not have an available space in the program for a period exceeding one year,
- h) Attained a cumulative grade point average (GPA) of at least 3.0 (on a 4.0 scale) prior to the start of the 3<sup>rd</sup> term of county college enrollment, and
- i) Received no more than five semesters of payments.
- j) Students dismissed for disciplinary reasons repay full amount of award received.

**Students first enrolled in a County College for Spring 2009 follow the above criteria for the Spring 2009 semester and the criteria below for Fall 2009 and subsequent terms.**

**For students who enrolled full-time in a County College after graduating from high school June 2009 and after**

Verify that the student:

- a) Is a New Jersey State resident,
- b) Attained the required score on college placement tests to verify college readiness.
- c) Applied for and completed applications within established timeframes for all other State and federal need-based grants & merit scholarships, which shall be applied first to tuition and approved fee charges,
- d) Received and the institution applied all other State and federal grants and scholarships to tuition and approved fee charges, before applying the NJ STARS award to the remaining balance (not to exceed 18 credits).
- e) Is enrolled in a full-time course of study (minimum of 12 credits maximum of 18 credits) at a N.J. county college,
- f) Graduated from high school in June 2009 or later, and not earlier than the calendar year two years prior to the first calendar year in which the scholarship payment is to be made,
- g) Maintained continuous enrollment in a full-time course of study, unless medical or emergency leave is approved by the institution, or on active duty,
- h) If an out-of-county resident, provided proper documentation that his or her county college did not offer the curriculum or did not have an available space in the program for a period exceeding one year,
- i) Attained a cumulative grade point average (GPA) of at least 3.0 (on a 4.0 scale) by the start of the third semester of county college enrollment, and
- j) Received no more than five semesters of payments.
- k) Remedial courses, if applicable, are not included in courses funded by NJSTARS
- l) Remedial courses do not exceed 2 semesters
- m) Students dismissed for disciplinary reasons repay full amount of award received

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

No compliance requirement.

D. REPORTING REQUIREMENTS

1. Compliance requirements

- a) Refer to New Jersey Office of Management and Budget (OMB) Circular 04-04-OMB Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

2. Suggested Audit Procedures

- a) Review student financial aid records to verify compliance with student notification requirements.
- b) Review institutional records to verify submission of Higher Education Student Assistance Authority (HESAA) reports as required.
- c) Review institutional records to ensure compliance with accounting and auditing standards.
- d) Review and verify Schedule of Expenditures of State Financial Assistance. Trace data to supporting documentation.
- e) Report all noted instances in which the cumulative effect of individual immaterial instances of non-compliance could materially affect the financial statements and compliance regulations.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

XX 100 074 2405 313      NEW JERSEY STUDENT TUITION ASSISTANCE REWARD  
SCHOLARSHIP II (NJ STARS II) PROGRAM

II. PROGRAM OBJECTIVES

This program offers scholarships to NJ STARS scholars who attain an associate degree at a New Jersey county college, prior to June 2009, with at least a 3.0 cumulative grade point average, and at least a 3.25 cumulative grade point average for NJSTARS scholars earning an associate degree at a New Jersey county college June 2009 and later. Scholars must be enrolled in a full-time course of study at a New Jersey four-year public institution of higher education in the academic year of study immediately following the student's attainment of an associate degree. Family income (including taxable and untaxed income) must not exceed \$250,000. The program is merit-based rather than need-based.

III. PROGRAM PROCEDURES

Students shall be notified of their eligibility for a NJ STARS II scholarship by the participating institution they attend.

A. GENERAL PROVISIONS

1. Refer to N.J.A.C. 9A:9-2.2 Residency,
2. Refer to N.J.A.C. 9A:9-2.3 Noncitizens and resident aliens,
3. Refer to N.J.A.C. 9A:9-2.12 Award adjustments, refunds and collections,
4. Refer to N.J.A.C. 9A:9-2.14 Check endorsements,
5. Refer to N.J.A.C. 9A:9-2.15 Appeals, and
6. Refer to N.J.A.C. 9A:9-2.16 Accounting and auditing standards.

IV. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement

- a) Refer to N.J.S.A. 18A:71B-86.1 through 86.7
- b) Refer to Title 9A, New Jersey Administrative Code, Chapter 9, Subchapter 11.1 through 11.9

B. ELIGIBILITY

1. Compliance Requirement

- a) Refer to N.J.S.A. 18A:71B-86.4 Eligibility for NJ STARS II; Scholarship Amounts
- b) Refer to Title 9A, New Jersey Administrative Code, Chapter 9, Subchapter 11.5 Eligibility Requirements
- c) Refer to Title 9A, New Jersey Administrative Code, Chapter 9, Subchapter 11.8 Renewal of the Scholarship

## 2. Suggested Audit Procedures

Review student admissions records for documentation supporting that all scholarship recipients received their associate degree, with at least a 3.0 cumulative grade point average, for students in the second year of County College enrollment in December 2008 and those who graduated from a County College prior to the Fall 2008 semester. All other NJ STARS students must graduate from a County College with a cumulative GPA of 3.25 or higher. Students must enroll full-time at a New Jersey four-year public institution of higher education no later than the second semester immediately following the student's attainment of an associate degree.

### **For scholars beginning enrollment at a New Jersey four-year public institution during or prior to the Fall 2008 semester**

Verify that the student:

- a) Is a New Jersey State resident,
- b) Graduated from a New Jersey county college with an associate degree as a funded or non-funded NJ STARS scholar with at least a 3.0 cumulative grade point average.
- c) Enrolled full-time in a baccalaureate degree program at a New Jersey four-year public institution of higher education no later than the second semester immediately following his or her attainment of an associate degree (May graduates must be enrolled by the Spring semester of the following year, December graduates must be enrolled by the Fall semester of the next year).
- d) Annually completed and filed a financial aid application or renewal financial aid application, within established deadlines in order to apply for all other available forms of State and Federal need-based grants and merit scholarships, and that this other State and Federal aid was applied before the institution awarded NJ STARS II funds.
- e) Maintained continuous enrollment in a full-time course of study at a participating institution unless on approved medical leave, or on active duty.
- f) Attained a cumulative grade point average (GPA) of at least 3.0 (on a 4.0 scale) by the completion of the second semester of enrollment at the participating institution, and
- g) Received no more than four semesters of payments.

### **For scholars beginning enrollment at a New Jersey four-year public institution in Spring 2009**

Verify that the student:

- a) Met the above eligibility requirements for Spring 2009 and
- b) Complied with legislative changes enacted in December 2008 and first applied to the 2009-2010 academic year. See below.

### **For scholars beginning enrollment at a New Jersey four-year institution during the 2009-2010 academic year**

Verify that the student:

- a) Is a New Jersey State resident,

- b) Graduated from a New Jersey county college with an associate degree as a funded or non-funded NJ STARS scholar with at least a 3.25 cumulative grade point average.
- c) Enrolled full-time in a baccalaureate degree program at a New Jersey four-year public institution of higher education no later than the second semester immediately following his or her attainment of an associate degree (May graduates must be enrolled by the Spring semester of the following year, December graduates must be enrolled by the Fall semester of the next year).
- d) Annually completed and filed a financial aid application or renewal financial aid application, within established deadlines in order to apply for all other available forms of State and Federal need-based grants and merit scholarships, and that this other State and Federal aid was applied before the institution awarded NJ STARS II funds.
- e) Maintained continuous enrollment in a full-time course of study at a participating institution unless on approved medical leave, or on active duty.
- f) Attained a cumulative grade point average (GPA) of at least 3.25 (on a 4.0 scale) prior to the start of the third semester of enrollment at the participating institution, and
- g) Received no more than four semesters of payments.
- h) Family income (including taxable and untaxed income) does not exceed \$250,000.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

For scholars who earned an associate degree after June 2009

1. Compliance requirements

- a) NJ STARS II is a tuition only award, except for Tuition Aid Grant (TAG) recipients who will receive NJ STARS II awards based on tuition and approved fees. The amount of the NJ STARS II award will be determined after all other State and Federal grants and scholarships are applied.
- b) Funding for NJ STARS II is shared equally between the State and the four year institution. The maximum NJ STARS II award is \$3,500 per semester based on CGPA the scholar is responsible for the balance of tuition and fees.

2. Suggested Audit Procedures

- a) Verify that the institution matched 50% of the NJ STARS II award per semester. Maximum award as follows:
  - i. GPA greater than 3.25 and less than 3.50 - State share \$1,500; Institution's match \$1,500; total award \$3,000 per semester.
  - ii. GPA of 3.5 or greater - State share \$1,750; Institution's match \$1,750; total award \$3,500 per semester.
- b) Verify that award amount to student was adjusted based on CGPA, if applicable.

D. REPORTING REQUIREMENTS

1. Compliance requirements

- a) Refer to New Jersey Office of Management and Budget (OMB) Circular 04-04-OMB Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

## 2. Suggested Audit Procedures

- a) Review student financial aid records to verify compliance with student eligibility requirements.
- b) Review institutional records to verify submission of Higher Education Student Assistance Authority (HESAA) reports as required.
- c) Review institutional records to ensure compliance with accounting and auditing standards.
- d) Review and verify Schedule of Expenditures of State Financial Assistance. Trace data to supporting documentation.
- e) Report all noted instances in which the cumulative effect of individual immaterial instances of non-compliance could materially affect the financial statements and compliance regulations.

### E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

STAFFORD STUDENT LOAN PROGRAM

This is a federal student financial assistance program and the Single Audit Compliance requirement guidance provided by the following federal agencies is applicable:

A. COGNIZANT AGENCY

Federal Student Aid (FSA)  
U.S. Department of Education  
830 First Street, NE  
Washington, DC 20202  
(202) 377-3173  
<http://www.ed.gov/about/offices/list/fsa/>

B. REGIONAL INFORMATION CONTACT POINT

Office of Inspector General  
U.S. Department of Education/OIG  
400 Maryland Avenue, SW  
Washington, DC 20202  
(917) 930-1988  
<http://www.ed.gov/about/offices/list/oig/index.html?src=mr>

C. The Federal Office of Management and Budget (OMB) has statutory responsibility for issuing policies, procedures and guidelines to implement the Single Audit Act (OMB Circular A-133). Contact:

Office of Federal Financial Management  
Office of Management and Budget  
New Executive Office Building  
Washington, DC 20503  
(202) 395-3993  
<http://www.whitehouse.gov/omb/financial/index.html>

D. The Federal Government Accountability Office (GAO) has statutory responsibility for reviewing legislation for consistency with the Single Audit Act. GAO also issues generally accepted governmental accounting standards and conducts congressionally mandated or requested reviews of federal organizations, programs, activities, and functions. Contact:

Financial Management and Assurance  
Government Accountability Office  
441 G St., NW  
Washington, DC 20548  
(212) 512-4800  
<http://gao.gov/index.html>

E. Inspectors General have statutory responsibility to carry out audits and investigations of programs and activities for the largest federal agencies. They conduct desk and quality control reviews of single audit reports, track audit findings, and monitor audit resolution. Contact: Regional Inspector General for Audit, Region II (see B. above).

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

- SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
- NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AND INSTRUCTION FOR COMPLETION

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

The auditee shall prepare the Schedule of Expenditures of State Financial Assistance for the period covered by the auditee's financial statements. At a minimum, the schedule should include all of the information listed below. For State awards received as a subrecipient, the name of the pass-through entity and the identifying number assigned by the pass-through entity must also be included in the schedule.

State Grantor Department  
 Program Title  
 State Account Number  
 Program Amount (Amount of funds Received)  
 Program Grant (Contract) Period  
 Fiscal Year Disbursements  
 Total Disbursements

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 For Year Ending June 30, 20\_\_\_\_\_

| <u>STATE GRANTOR<br/>&amp; PROGRAM TITLE</u> | <u>GRANT<br/>NUMBER</u> | <u>STATE<br/>ACCT. NO.</u> | <u>AWARD<br/>PERIOD</u> | <u>PROGRAM<br/>AMOUNT</u> | <u>FISCAL YEAR<br/>DISBURSEM'TS</u> | <u>TOTAL<br/>DISB'TS</u> |
|--|-------------------------|----------------------------|-------------------------|---------------------------|-------------------------------------|--------------------------|
|--|-------------------------|----------------------------|-------------------------|---------------------------|-------------------------------------|--------------------------|

TOTAL

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AND  
INSTRUCTIONS FOR COMPLETION

- Note 1: This Schedule was developed to show that all state-funded programs would be included in the supplementary section of the audit report.
- Note 2: All programs should be individually identified, including those completed or terminated during the audit period.
- Note 3: Award amount should include all dollars received during the audit period from the State of New Jersey, from all state agencies including, but not limited to, the Department of the Treasury, the Department of State, the Commission on Higher Education, and the Higher Education Student Assistance Authority.
- Note 4: Current year expenditures should include total amounts expended for each individual State program.
- Note 5: Include notes to the schedule that describe the significant accounting policies used in preparing schedule.
- Note 6: Include, in either the schedule or a note to the schedule, the loans or loan guarantees outstanding at year-end.