

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

STATE AID/GRANT COMPLIANCE SUPPLEMENT

TABLE OF CONTENTS

NJCFS ACCOUNT/GRANT NUMBER	PROGRAM
FY FUND AGY ORG APU	HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY
	GRANTS IN AID - FUNDED
XX 100 074 2405 007	TUITION AID GRANT PROGRAM
XX 100 074 2405 007	SUMMER TUITION AID GRANT PROGRAM
XX 100 074 2405 009	SURVIVOR TUITION BENEFITS PROGRAM
XX 100 074 2405 012	PART-TIME TUITION AID GRANTS FOR EOF STUDENTS
XX 100 074 2405 313	NEW JERSEY STUDENT TUITION ASSISTANCE REWARD SCHOLARSHIP (NJ STARS) PROGRAM
XX 100 074 2405 313	NEW JERSEY STUDENT TUITION ASSISTANCE REWARD SCHOLARSHIP II (NJ STARS II) PROGRAM
XX 100-074-2405-316	NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST (NJBEST)
XX 100-074-2405-331	NEW JERSEY GOVERNORS INDUSTRY VOCATIONS SCHOLARSHIP (NJGIVS)
XX 100-074-2405-332	COMMUNITY COLLEGE OPPORTUNITY GRANT PROGRAM
XX 100-074-2405-334	PAY IT FORWARD PROGRAM
XX 100-074-2405-345	GARDEN STATE GUARANTEE (GSG) PROGRAM

GRANTS IN AID - UNFUNDED

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
XX 100 074 2405 280	MISS NEW JERSEY EDUCATIONAL SCHOLARSHIP PROGRAM
XX 100 074 2405 293	OUTSTANDING SCHOLAR RECRUITMENT PROGRAM
XX 100 074 2405 301	DANA CHRISTMAS SCHOLARSHIP FOR HEROISM

APPENDIX

SCHEDULE OF EXPENDITURES OF  
STATE AWARD

NOTES TO THE SCHEDULE OF  
EXPENDITURES OF STATE  
AWARDS AND INSTRUCTIONS FOR  
COMPLETION

## HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

XX 100 074 2405 007 TUITION AID GRANT PROGRAMS

### 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 including 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 as a full-time (or part-time for students enrolled at a county college) 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 Requirements

- a. Refer to N.J.S.A. 18A:71B-1 through 71B-10, and B18 through B-22.
- b. [Refer to Title 9A, New Jersey Administrative Code, Chapter 9: Subchapter 2.16: Accounting and auditing standards](#)

##### 2. Suggested Audit Procedures

- a. Review institutional accounts to ensure compliance with accounting and auditing standards.
- b. Verify records of receipts and disbursements of TAG funds are maintained and reconciled in accordance with generally accepted accounting principles.
- c. Verify that any TAG funds not disbursed to eligible students are timely returned to HESAA.

## B. ELIGIBILITY

### 1. Compliance Requirements

- a. Refer to N.J.S.A. 18A:
  - i. 71B-1 through 71B-10;
  - ii. 71B-18 through 71B-22.
- b. Refer to Title 9A, New Jersey Administrative Code, Chapter 9:
  - i. [Subchapter 2: General Provisions for Tuition Aid Grant and Garden State Scholarship Programs](#)
  - ii. [Subchapter 3: Tuition Aid Grant Program](#)

### 2. Suggested Audit Procedures

Perform appropriate sampling in accordance with generally accepted auditing standards.

- a. Review student records for documentation of New Jersey residency and eligible citizenship status.
- b. Review student records to verify student met satisfactory academic performance standards.
- c. Review student financial aid records to verify that award combinations do not exceed the total cost of attendance.
- d. Review student financial aid records to determine financial eligibility, dependency status, and verification of family financial data (if a student file was selected for federal verification, ensure that verification was completed prior to disbursing any State awards).
- e. Review student academic records to verify student was enrolled full-time (or part-time enrollment for county college students) when TAG was credited to student accounts;

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

No compliance requirement.

## D. REPORTING REQUIREMENTS

### 1. Compliance Requirements

- a. [Refer to Title 9A, New Jersey Administrative Code, Chapter 9:](#)
  - i. Subchapter 2.5: Student notification
  - ii. Subchapter 2.10: Verification of enrollment and academic performance
  - iii. Subchapter 2.16: Accounting and auditing standards
- b. Refer to [New Jersey Office of Management and Budget \(OMB\) Circular 15-08 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.](#)
- c. Refer to Federal Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

## 2. Suggested Audit Procedures

- a. Review student financial aid records to verify compliance with student notification requirements.
- b. Verify that required reports have been completed. Trace data to supporting documentation.
- 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 007 SUMMER TUITION AID GRANT PROGRAM

I. PROGRAM OBJECTIVES

The Summer Tuition Aid Grant program is a continuation of the traditional TAG program. Summer TAG awards help reduce students' financial barriers to taking additional classes during summer terms after the traditional fall/spring academic year. Summer coursework allows many students to accelerate their studies, earning a degree faster and taking on less overall student loan debt.

II. PROGRAM PROCEDURES

Students may be eligible to receive Summer TAG while enrolled in at least six credit hours during a summer term, provided that they received a TAG award in the immediately prior fall and/or spring term, and their summer courses are in the same undergraduate program at the same institution at which the student enrolled during the preceding academic year.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirements

- a. Refer to N.J.S.A. 18A:71B-1 through 71B-10, and B18 through B-22.
- b. [Refer to Title 9A, New Jersey Administrative Code, Chapter 9: Subchapter 2.16: Accounting and auditing standards](#)

2. Suggested Audit Procedures

- a. Review institutional accounts to ensure compliance with accounting and auditing standards.
- b. Verify records of receipts and disbursements of Summer TAG funds are maintained and reconciled in accordance with generally accepted accounting principles.
- c. Verify that any Summer TAG funds not disbursed to eligible students are timely returned to HESAA.

B. ELIGIBILITY

1. Compliance Requirements

- a. Refer to N.J.S.A. 18A:
  - i. 71B-1 through 71B-10;
  - ii. 71B-18 through 71B-22.
- b. Refer to Title 9A, New Jersey Administrative Code, Chapter 9:
  - i. [Subchapter 2: General Provisions for Tuition Aid Grant and Garden State Scholarship Programs](#)
  - ii. [Subchapter 3: Tuition Aid Grant Program](#)

## 2. Suggested Audit Procedures

Perform appropriate sampling in accordance with generally accepted auditing standards.

- a. Review student records for documentation of New Jersey residency and eligible citizenship status.
- b. Review student records to verify student met satisfactory academic performance standards.
- c. Review student financial aid records to verify that award combinations do not exceed the total cost of attendance.
- d. Review student financial aid records to determine financial eligibility, dependency status, and verification of family financial data (if a student file was selected for federal verification, ensure that verification was completed prior to disbursing any State awards).
- e. Review student academic records to verify student was enrolled in at least 6 credit hours during the summer term when Summer TAG was credited to student accounts;
- f. Verify student received a TAG award in the immediately prior fall and/or spring term, and their summer courses are in the same undergraduate program at the same institution at which the student enrolled during the preceding academic year

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

No compliance requirement.

## D. REPORTING REQUIREMENTS

### 1. Compliance Requirements

- a. [Refer to Title 9A, New Jersey Administrative Code, Chapter 9:](#)
  - i. Subchapter 2.5: Student notification
  - ii. Subchapter 2.10: Verification of enrollment and academic performance
  - iii. Subchapter 2.16: Accounting and auditing standards
- b. Refer to [New Jersey Office of Management and Budget \(OMB\) Circular 15-08 Single Audit Policy for Recipients of Federal Grants, StateGrants and State Aid.](#)
- c. Refer to Federal Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards

### 2. Suggested Audit Procedures

- a. Review student financial aid records to verify compliance with student notification requirements.

- b. Verify that required reports have been completed. Trace data to supporting documentation.
- 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 a New Jersey firefighter, emergency service worker or law enforcement officer that died in the line of duty. The award provides students with free tuition at any public institution of higher education in New Jersey and pays for enrollment at participating independent institutions in New Jersey. The award amount cannot exceed the highest tuition charged at a New Jersey public institution. Awards are renewable. Scholarships depend on available funding.

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, date of high school graduation, 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

1. Compliance Requirements

- a. Refer to N.J.S.A. 18A:71B-23 & 71B-24
- b. Refer to [Title 9A, New Jersey Administrative Code, Chapter 9, Subchapter 5: Survivor Tuition Benefits Program.](#)

2. Suggested Audit Procedures

- a. Review institutional accounts to ensure compliance with accounting and auditing standards.
- b. Verify records of receipts and disbursements of award funds are maintained and reconciled in accordance with generally accepted accounting principles.
- c. Verify that any award funds not disbursed to eligible students are timely returned to HESAA.

B. ELIGIBILITY

1. Compliance Requirements

- a. Refer to N.J.S.A. 18A:71B-23 & B-24
- b. Refer to Title 9A, New Jersey Administrative Code, Chapter 9, Subchapter 5: Survivor Tuition Benefits Program

2. Suggested Audit Procedures

- a. Review student records to verify that student was enrolled on a least a half-time basis in an undergraduate degree program and met institutional satisfactory academic progress requirements.

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

No compliance requirement.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to [New Jersey Office of Management and Budget \(OMB\) Circular 15-08 Single Audit Policy for Recipients of Federal Grants, StateGrants and State Aid.](#)

2. Suggested Audit Procedures

- a. Review institutional accounts to ensure compliance with accounting and auditing standards.
- b. Review and verify Schedule of Expenditures of Federal and State FinancialAssistance. 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 (unless the student is enrolled at a county college), 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

For EOF students 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 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 Requirements

- a. Refer to N.J.S.A. 18A:71B-1 through B-10, and B-18 through B-22.
- b. Refer to [Title 9A, New Jersey Administrative Code, Chapter 9: Subchapter 2.16: Accounting and auditing standards](#)

2. Suggested Audit Procedures

- a. Review institutional accounts to ensure compliance with accounting and auditing standards.
- b. Verify records of receipts and disbursements of TAG funds are maintained and reconciled in accordance with generally accepted accounting principles.
- c. Verify that any TAG funds not disbursed to eligible students are timely returned to HESAA.

B. ELIGIBILITY

1. Compliance Requirements

- a. Refer to N.J.S.A.\_18A: 71B-18 through 22.
- b. [Refer to Title 9A, New Jersey Administrative Code, Chapter 9: Subchapters 2 & 3](#)

## 2. Suggested Audit Procedures

Perform appropriate sampling in accordance with generally accepted auditing standards.

- a. Review student records for documentation of New Jersey residency and eligible citizenship status.
- b. Review student records to verify student met satisfactory academic performance standards.
- c. Review student financial aid records to verify that award combinations do not exceed the total cost of attendance.
- d. Review student financial aid records to determine financial eligibility, dependency status, and verification of family financial data (if a student file was selected for federal verification, ensure that verification was completed prior to disbursing any State awards).
- e. Verify that the student was enrolled part-time when part-time TAG was credited to the student's account.

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

No compliance requirement.

## D. REPORTING REQUIREMENTS

### 1. Compliance Requirements

- a. [Refer to Title 9A, New Jersey Administrative Code, Chapter 9:](#)
  - i. Subchapter 2.5: Student notification
  - ii. Subchapter 2.10: Verification of enrollment and academic performance
  - iii. Subchapter 2.16: Accounting and auditing standards
- b. Refer to Federal Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards
- c. Refer to [New Jersey Office of Management and Budget \(OMB\) Circular 15-08 Single Audit Policy for Recipients of Federal Grants, StateGrants and State Aid.](#)

### 2. Suggested Audit Procedures

- a. Review student financial aid records to verify compliance with student notification requirements.

- b. Verify that required reports have been completed. Trace data to supporting documentation.
- 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 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

New Jersey residents who rank in the top 15.0% of their class at the end of either their junior or senior year of high school may be eligible to receive an NJ STARS award for attendance at their home county college. Students may attend another New Jersey county college only if their desired program of study is not offered at the county college where they reside or is oversubscribed for at least one year. Students must apply for all forms of state and federal (if applicable) need-based grants and merit scholarships and submit any requested documentation to complete or verify application data within established State deadlines.

The NJ STARS award covers the cost of tuition, less any State and/or federal grants and scholarships, for up to 18 credit hours per semester. Students may be eligible to receive an NJ STARS award for up to 5 semesters of continuous full-time enrollment in a degree program.

Students shall be notified of their eligibility for a NJ STARS scholarship by the participating institution they attend. Grants are paid directly to the schools on behalf of the student.

III.    COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A.    TYPES OF SERVICES ALLOWED OR DISALLOWED

1.    Compliance Requirements

- a.    Refer to N.J.S.A. 18A:71B-81 through 71B-86
- b.    [Refer to Title 9A, New Jersey Administrative Code, Chapter 9, Subchapter 10](#)

2.    Suggested Audit Procedures

- a.    Review institutional accounts to ensure compliance with accounting and auditing standards.
- b.    Verify records of receipts and disbursements of NJ STARS funds are maintained and reconciled in accordance with generally accepted accounting principles.
- c.    Verify that any NJ STARS funds not disbursed to eligible students are timely returned to HESAA.

B. ELIGIBILITY

1. Compliance Requirements

- 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

2. Suggested Audit Procedures

Perform appropriate sampling in accordance with generally accepted auditing standards.

Verify that the student:

- a. Is a New Jersey State resident.
- b. Demonstrated college readiness.
- c. Was ranked in the top 15.0% of their high school graduating class in either their junior or senior year.
- d. Is enrolled in a full-time course of study (minimum of 12 credits) at a N.J. county college.
- e. Enrolled in a full-time course of study no later than the fifth semester following high school graduation.
- f. Maintained continuous full-time enrollment in an approved degree program unless medical or emergency leave is approved by the institution, or on active duty.
- g. 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.
- h. Had all other state and federal grants and scholarships applied to tuition charges before applying the NJ STARS award to the remaining balance; NJ STARS covers tuition charges ONLY (no fees) for up to eighteen (18) credits.

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 15-08 Single Audit Policy for Recipients of Federal Grants, StateGrants and State Aid.](#)

- b. Refer to Federal Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards
- c. Refer to Title 9A, New Jersey Administrative Code, Chapter 9,
  - i. Subchapter 2.16 Accounting & Auditing Standards
  - ii. Subchapter 10.9 Student Notification

## 2. Suggested Audit Procedures

- a. Review student financial aid records to verify compliance with student notification requirements.
- b. Verify that required reports have been completed. Trace data to supporting documentation.
- 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 313      NEW JERSEY STUDENT TUITION ASSISTANCE REWARD  
SCHOLARSHIP II (NJ STARS II) PROGRAM

I.      PROGRAM OBJECTIVES

NJ STARS II provides funding for successful NJ STARS scholars who transfer to a New Jersey four-year public or private college or university that participates in the TAG program to earn a bachelor's degree. The program is merit-based rather than need-based.

II.     PROGRAM PROCEDURES

This program offers scholarships to NJ STARS scholars who attain an associate degree at a New Jersey county college with at least a 3.25 cumulative grade point average. Students must be NJ STARS recipients or non-funded scholars (tuition and approved fees fully covered by other State and/or Federal aid) during the semester of county college graduation. Scholars must be enrolled in a full-time course of study each semester at a New Jersey four-year institution that participates in the TAG program. Family income (including taxable and untaxed income) must not exceed \$250,000. Students must apply for all forms of State and federal (if applicable) need-based grants and merit scholarships and submit any requested documentation to complete or verify application data within established State deadlines.

The NJ STARS II award will be based on tuition only, except for Tuition Aid Grant 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 to these charges. NJ STARS II awards are not to exceed \$1250 per semester of which 100% of the award is covered by the State.

Students shall be notified of their eligibility for a NJ STARS II scholarship by the participating institution they attend. Grants are paid directly to the schools for up to four consecutive semesters, excluding summer sessions.

III.    COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A.    TYPES OF SERVICES ALLOWED OR DISALLOWED

1.    Compliance Requirements

- 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

2.    Suggested Audit Procedures

- a.    Review institutional accounts to ensure compliance with accounting and auditing standards.
- b.    Verify records of receipts and disbursements of NJ STARS II funds are maintained and reconciled in accordance with generally accepted accounting principles.

- c. Verify that any NJ STARS II funds not disbursed to eligible students are timely returned to HESAA.

## B. ELIGIBILITY

### 1. Compliance Requirements

- 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](#)

### 2. Suggested Audit Procedures

Perform appropriate sampling in accordance with generally accepted auditing standards.

Verify that the student:

- a. Is a New Jersey State resident.
- b. Graduated from a New Jersey county college with an associate degree with at least a 3.25 cumulative grade point average.
- c. Had family income (including taxable and untaxed income) that did not exceed \$250,000.
- d. Enrolled full-time (minimum 12 credits per semester) in a baccalaureate degree program at a New Jersey four-year institution of higher education no later than the second semester immediately following his or her attainment of an associate degree.
- e. Maintained continuous full-time enrollment in an approved degree program unless medical or emergency leave is approved by the institution, 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.
- g. Had all other State and federal grants and scholarships applied to charges before applying the NJ STARS II award to the remaining balance.

Verify that the NJ STARS II award:

- a. Did not to exceed \$1250 per semester.
- b. Was applied to tuition only, except for Tuition Aid Grant (TAG) recipients who will receive NJ STARS II awards based on tuition and approved fees.
- c. Was determined after all other State and Federal grants and scholarships were applied.

## 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 15-08 Single Audit Policy for Recipients of Federal Grants, StateGrants and State Aid.](#)
- b. Refer to Federal Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards
- c. Refer to [Title 9A, New Jersey Administrative Code, Chapter 9,](#)
  - i. Subchapter 2.16 Accounting & Auditing Standards
  - ii. Subchapter 11.6 Student Notification

##### 2. Suggested Audit Procedures

- a. Review student financial aid records to verify compliance with student notification requirements.
- b. Verify that required reports have been completed. Trace data to supporting documentation.
- 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 316

NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST  
(NJBEST)

I. PROGRAM OBJECTIVES

New Jersey Better Educational Savings Trust (NJBEST) is 529 college savings program that provides Federal and State tax benefits to participants.

II. PROGRAM PROCEDURES

New Jersey residents with adjusted gross incomes of \$75,000 or less may be eligible for a one-time grant of up to \$750 matched dollar-for-dollar of the initial deposit into an NJBEST account for new accounts and for new beneficiaries.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirements

- a. Refer to N.J.S.A. 18A:71B-35 through 71B-41.
- b. [Refer to Title 9A, New Jersey Administrative Code, Chapter 9: Subchapter 2.16: Accounting and auditing standards](#)

2. Suggested Audit Procedures

- a. Verify records of receipts and disbursements of award funds are maintained and reconciled in accordance with generally accepted accounting principles.

B. ELIGIBILITY

1. Compliance Requirement

- a. Refer to [New Jersey Administrative code §§ 9A:10-7.1 – 9A:10-7.22](#): Policy Governing New Jersey Better Education Savings Trust (NJBEST) Program

2. Suggested Audit Procedures

- a. Review account records for documentation of eligibility for the matching grant:
  - i. Account owners must apply online on the Authority's website within one year of opening their NJBEST account.
  - ii. Account owner's household adjusted gross income is equal to or greater than \$ 0 and does not exceed \$ 75,000.
    - a) Applicants must submit their Internal Revenue Service tax return transcripts for the year prior to the application year to verify income.
    - b) If no tax returns were filed for the year requested, account owners may provide the Authority with documented proof, received through a Federal or State agency, of taxable

and/or untaxed income, including, but not limited to, an IRS tax and wage transcript, receipt of unemployment insurance benefit payments, child support, alimony, welfare payments, Social Security benefits, SSI, or one benefit from any of the following Federal programs: SNAP, TANF, WIC, or housing assistance.

- iii. The NJBEST 529 College Savings Plan account remains open and maintains up to \$ 750.00 of the initial contribution for a minimum of three years following initial contribution into the contributor's account, or the matching grant funds will be forfeited back to the Authority.
- iv. Match contributions are made into no more than one account per beneficiary.
- v. The account owner must be a New Jersey resident.

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

##### 1. Compliance Requirement

- a. Refer to New Jersey Administrative code §§ 9A:10-7.22

##### 2. Suggested Audit Procedures

- a. Upon the opening of the NJBEST account, verify that the NJBEST Investment Manager timely deposits and tracks NJBEST matching grant funds received into an escrow account.
- b. Verify the matching grant (along with any earned interest) is transferred from the escrow account to the account holders name once all requirements have been satisfied (see Eligibility section B)2.a.iii above.
  - i. Verify any funds in escrow that do not meet the requirements are returned to the State.

#### D. REPORTING REQUIREMENTS

##### 1. Compliance Requirement

- a. Refer to [New Jersey Office of Management and Budget \(OMB\) Circular 15-08 Single Audit Policy for Recipients of Federal Grants, StateGrants and State Aid.](#)

##### 2. Suggested Audit Procedures

- a. Verify that required reports have been completed. Trace data to supporting documentation.
- b. Review institutional compliance with accounting and auditing standards.
- c. Review and verify Schedule of Expenditures of Federal and State Financial Assistance. Trace data to supporting documentation.

- d. 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 331

NEW JERSEY GOVERNORS INDUSTRY VOCATIONS  
SCHOLARSHIP (NJ-GIVS)

I. PROGRAM OBJECTIVES

The objective of the Governors Industry Vocations Scholarship is to assist low-income women and minority students pursuing a certificate or degree program in a construction-related field.

II. PROGRAM PROCEDURES

The scholarship is funded by the New Jersey Schools Development Authority and administered by HESAA. Students apply to the Authority where eligibility is determined. The scholarship provides up to \$2,000 a year or up to the cost of tuition, less any federal, state, or institutional aid. Payment is sent directly to the school after classes have begun and HESAA has received confirmation of enrollment from the institution. The award is renewable for one year depending on the availability of funds. Renewal students must continue to meet all eligibility requirements and complete a new application.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirements

- a. [https://www.hesaa.org/Documents/NJ-GIVS\\_program.pdf](https://www.hesaa.org/Documents/NJ-GIVS_program.pdf)
- b. HESAA Grants & Scholarships Policies and Procedures Manual

2. Suggested Audit Procedures

- a. Review institutional accounts to ensure compliance with accounting and auditing standards.
- b. Verify records of receipts and disbursements of award funds are maintained and reconciled in accordance with generally accepted accounting principles.
- c. Verify that any award funds not disbursed to eligible students are timely returned to HESAA.

B. ELIGIBILITY

1. Compliance Requirements

- a. [https://www.hesaa.org/Documents/NJ-GIVS\\_program.pdf](https://www.hesaa.org/Documents/NJ-GIVS_program.pdf)
- b. HESAA Grants & Scholarships Policies and Procedures Manual

2. Suggested Audit Procedures

- a. Review student's institutional records to verify that student was enrolled in an eligible program and met satisfactory academic progress requirements.

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

No compliance requirement.

D. REPORTING REQUIREMENTS

1. Compliance requirement

- a. Refer to [New Jersey Office of Management and Budget \(OMB\) Circular 15-08 Single Audit Policy for Recipients of Federal Grants, StateGrants and State Aid.](#)

2. Suggested Audit Procedures

- a. Verify that required reports have been completed. Trace data to supporting documentation.
- b. Review institutional compliance with accounting and auditing standards.
- c. Review and verify Schedule of Expenditures of Federal and State Financial Assistance. Trace data to supporting documentation.
- d. 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 332      COMMUNITY COLLEGE OPPORTUNITY GRANT PROGRAM

I. PROGRAM OBJECTIVES

The purpose of these grants is to increase the total number of students obtaining a high-quality postsecondary education credential Statewide by removing the financial barriers to attendance.

II. PROGRAM PROCEDURES

The grants shall be awarded to eligible students who are enrolled for a minimum of six credits per semester at a New Jersey county college and who have not already earned a post-secondary degree. The program will pay the costs of tuition and approved educational fees (not already covered by other available grants applied to the student's account) for New Jersey residents with an annual adjusted gross income (AGI) between \$0 and \$65,000. For New Jersey residents with AGIs between \$65,001 and \$80,000 CCOG will pay up to half of the maximum CCOG award available at the college. For New Jersey residents with AGIs between \$80,001 and \$100,000 CCOG will pay up to one-third of the maximum CCOG award available at the institution.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirements

- a. Refer to N.J.S.A. 18A:71B-112-116
- b. [Refer to Title 9A, New Jersey Administrative Code, Chapter 9, Subchapter 9: Community College Opportunity Grant Program.](#)

2. Suggested Audit Procedures

- a. Review institutional accounts to ensure compliance with accounting and auditing standards.
- b. Verify records of receipts and disbursements of CCOG funds are maintained and reconciled in accordance with generally accepted accounting principles.
- c. Verify that any CCOG funds not disbursed to eligible students are timely returned to HESAA.

B. ELIGIBILITY

1. Compliance Requirements

- a. Refer to N.J.S.A. 18A:71B-112-116 et seq.
- b. Refer to Title 9A, New Jersey Administrative Code, Chapter 9, Subchapter 9: Community College Opportunity Grant Program

## 2. Suggested Audit Procedures

Perform appropriate sampling in accordance with generally accepted auditing standards.

- a. Review student records for documentation the following eligibility requirements were met:
  - i. New Jersey Residency;
  - ii. Enrollment in a county college for a minimum of 6 credits per semester;
  - iii. Achieve the minimum level of academic success;
  - iv. Be within the Adjusted Gross Income (AGI) limitations established by the State.
  
- b. Review student financial aid records to verify that award combinations do not exceed the total cost of attendance.

## 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 15-08 Single Audit Policy for Recipients of Federal Grants, StateGrants and State Aid.](#)
- b. Refer to Federal Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards
- c. Refer to [Refer to Title 9A, New Jersey Administrative Code, Chapter 9, Subchapter 9.8](#) Student Notification

### 2. Suggested Audit Procedures

- a. Review student financial aid records to verify compliance with student notification requirements.
- b. Verify that required reports have been completed. Trace data to supporting documentation.
- 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 334 NEW JERSEY PAY IT FORWARD PROGRAM

I. PROGRAM OBJECTIVES

The New Jersey Pay It Forward Program provides zero-interest, no-fee loans for participants to enroll in high-quality job training, especially those who may not have the savings to pay for training or the credit history for a loan. Participants pay no upfront costs and receive living stipends and supportive services including access to emergency aid funds and mental health counseling to help them succeed.

After completing training, if participants earn above a minimum salary, they pay back their loans through monthly repayments of 10% of their discretionary income for up to five years. If they do not earn more than this minimum salary, they pay nothing. Participants also do not have to pay back their living stipends or cost of supportive services.

II. PROGRAM PROCEDURES

Students apply to the Training Provider (being an educational institution approved by the Pay It Forward Program). The Training Provider determines applicant eligibility and refers eligible participants to the loan Originator. The participant formally applies for a loan with the Originator who will disburse approved funding to the Training Provider. Participants with qualifying discretionary incomes post-program make repayments to a loan servicer and those repayments are then used to support additional students. Pay It Forward NJ, LLC funds the program (through corporate and state funding) and is administered by a Program Manager who is subject to the oversight of State agencies.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirements

- a. Refer to Outcomes-Based Loan Program Governance Agreements
- b. Refer to Request for Proposals for Program Manager NJ Pay It Forward Program

*These documents are available from HESAA upon request.*

B. ELIGIBILITY

1. Compliance Requirement - Training Provider

- a. Refer to Outcomes-Based Loan Program Governance Agreements - Article III Agreement Terms

2. Suggested Audit Procedures

- a. Review borrower records for documentation of eligibility, which requires all of the following criteria:

- i. Enrollment in an Eligible Program.
  - ii. Authorized to work in the United States.
  - iii. Aged 18 or older.
  - iv. No degree attained higher than the equivalent of a US Bachelor's degree.
  - v. A resident of NJ or NJ Dreamer status.
- b. Review borrower records for documentation that one of the additional eligibility criteria were also met:
  - i. Individual's annualized income is equal to or below \$65,000;
  - ii. Individual has received within the past six months TANF, SNAP, SSI or other public assistance;
  - iii. Veteran status; OR
  - iv. Formerly incarcerated or involved in the criminal justice system.
- c. Review documentation supporting that selected students were provided a financial counseling session advising of the repayment obligation (including refund policy) and Student Bill of Rights.
- d. Review documentation for evidence that the original loan amount was less than or equal to the Training Provider's maximum cost of attendance minus any aid or other loans received by the Borrower.

### C. ADMINISTRATION

#### 1. Compliance Requirements - Program Manager

- a. Refer to Request for Proposals for Program Manager NJ Pay It Forward Program:
  - i. 5.1 Creating and Administering the Fund
  - ii. 5.5 Administering the Loans

#### 2. Suggested Audit Procedures

- a. Review financial records for evidence that:
  - i. State funding deposits are adequately tracked (state funding should not be commingled with outside funds).
  - ii. Disbursements for wraparound services, stipends, and loans are adequately tracked.
  - iii. State funding was not used for administrative costs.
  - iv. Loans are properly adjusted for participant withdrawals from the eligible program.
    - a) If a borrower withdraws prior to completing 60% of the course hours, the borrower will be entitled to a pro rata reduction in the face value of the loan proportional to the percent of course hours completed prior to withdrawal.
    - b) If a borrower withdraws after completing 60% of the course hours, the borrower will not be entitled to a refund or reduction in the face value of the loan except in cases where existing

- training provider policies or state regulations require such a refund to be issued.
- v. Repayments of Pay It Forward loans from participants are adequately tracked.
  - b. Review for adequate oversight of sub-contractors (i.e., loan origination and servicing, accounting, etc.).
    - i. Verify the Program Manager periodically reviews sub-contractors for:
      - a) Compliance with contract terms;
      - b) Applicable laws and regulations; and
      - c) Performance metrics.
    - c. Review records to ensure compliance with accounting and auditing standards.

#### D. REPORTING REQUIREMENTS

##### 1. Compliance Requirements

- a. Refer to New Jersey Office of Management and Budget (OMB) Circular 15-08 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.
- b. Outcomes-Based Loan Program Governance Agreements:
  - i. Article III Agreement Terms, Article C Data and Reporting
  - ii. Article VII General Obligations of Training Provider

##### 2. Suggested Audit Procedures

- a. Verify that required financial reports have been completed. Trace data to supporting documentation.
- b. Review and verify Schedule of Expenditures of Federal and State Financial Assistance. Trace data to supporting documentation.
- c. Review records to verify the following reports were delivered by the Training Provider to Pay It Forward NJ, LLC/ the Program Manager.
  - i. Borrower Intake and Enrollment (monthly)
  - ii. Borrower Enrollment and Outcome Data Report (monthly)
  - iii. A summary copy of its true and correct unaudited financial statements on a quarterly basis.

#### E. SPECIAL TESTS AND PROVISIONS

##### 1. Compliance Requirement - Program Manager

- a. Refer to Outcomes-Based Loan Program Governance Agreements - Article III Agreement Terms, Schedule A - Governance

##### 2. Suggested Audit Procedures

- a. Verify that Pay It Forward NJ, LLC/ the Program Manager scheduled regular meetings with the Operating Committee to review and advise on the operation of the program.

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

XX 100 074 2405 345 GARDEN STATE GUARANTEE PROGRAM

I. PROGRAM OBJECTIVES

The Garden State Guarantee (GSG) is New Jersey's promise to make a college degree more accessible and affordable. By reducing out-of-pocket costs for students and families, New Jersey is limiting the amount of debt that residents must borrow to attend an in-state, public college or university.

II. PROGRAM PROCEDURES

New Jersey residents who attend an in-state, public, four-year institution and have an annual adjusted gross income (AGI) within limitations determined by the State will pay a reduced net price of tuition and fees during their third and fourth years of study. GSG covers the cost of tuition and fees that are not already covered by federal and state financial aid or other scholarships. Students must be enrolled full-time (at least 12 credits per semester) and must be working toward completing their first Bachelor's degree.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement

- a. <https://www.hesaa.org/Pages/NJCollegePromise.aspx>

2. Suggested Audit Procedures

- a. Review institutional accounts to ensure compliance with accounting and auditing standards.
- b. Verify records of receipts and disbursements of award funds are maintained and reconciled in accordance with generally accepted accounting principles.
- c. Verify that any award funds not disbursed to eligible students are timely returned to HESAA.

B. ELIGIBILITY

1. Compliance Requirement

- a. <https://www.hesaa.org/Pages/NJCollegePromise.aspx>

- b. Refer to the annual New Jersey Appropriations Handbook (Higher Educational Services section).

2. Suggested Audit Procedures

- a. Review student records to verify that the student:
  - i. Was enrolled full-time (at least 12 credits) at a New Jersey public four-year college or university.



- ii. Met institutional satisfactory academic progress requirements.
- iii. Did not yet earn a bachelor's degree.
- iv. Is within the Adjusted Gross Income (AGI) limitations established by the State.

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

Garden State Guarantee funds are contingent on the institution's maintenance of efforts, whereby the institution's aggregate amount of institutional financial aid awarded in each adjusted gross income range\* of students in the current academic year\* must be at least within 5% of the average per-student amounts of institutional financial aid awarded in the comparative baseline year\*.

The institution shall report to the Higher Education Student Assistance Authority, at an individual student unit-record level, the amount of federal, State, and institutional financial aid granted to each undergraduate student according to a schedule determined by the Authority.

*\*Ranges and years as specified in the Appropriations Handbook.*

1. Compliance requirements

- a. Refer to the annual New Jersey Appropriations Handbook (Higher Educational Services section).

2. Suggested Audit Procedures

- a. Verify that required reports have been completed. Trace data to supporting documentation.

D. REPORTING REQUIREMENTS

1. Compliance requirements

- a. Refer to [New Jersey Office of Management and Budget \(OMB\) Circular 15-08 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid](#).
- b. Refer to Federal Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards

2. Suggested Audit Procedures

- a. Review student financial aid records to verify compliance with student notification requirements.
- b. Verify that required reports have been completed. Trace data to supporting documentation.
- 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

***\*These programs are not currently funded.\****

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

1. Compliance Requirements

- a. Refer to N.J.S.A. 18A:71B-1 through 71B-17.
- b. [Refer to Title 9A, New Jersey Administrative Code, Chapter 9: Subchapter 2.16: Accounting and auditing standards](#)

2. Suggested Audit Procedures

- a. Review institutional accounts to ensure compliance with accounting and auditing standards.
- b. Verify records of receipts and disbursements of award funds are maintained and reconciled in accordance with generally accepted accounting principles
- c. Verify that any award funds not disbursed to eligible students are timely returned to HESAA.

## B. ELIGIBILITY

### 1. Compliance Requirements

- 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 Requirements

- a. Refer to [New Jersey Office of Management and Budget \(OMB\) Circular 15-08 Single Audit Policy for Recipients of Federal Grants, StateGrants and State Aid.](#)
- b. Refer to Federal Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards
- c. Refer to [Title 9A, New Jersey Administrative Code, Chapter 9, Subchapter 2.16](#)

### 2. Suggested Audit Procedures

- a. Verify that required reports have been completed. Trace data to supporting documentation.
- b. Review institutional compliance with accounting and auditing standards.
- c. Review and verify Schedule of Expenditures of Federal and State Financial Assistance. Trace data to supporting documentation.

- d. 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 280 MISS NEW JERSEY EDUCATIONAL SCHOLARSHIP PROGRAM

***\*This program has not been funded since prior to 2005.\****

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

1. Compliance Requirements

- a. Refer to N.J.S.A. 18A:71B-25 through B-27
- b. [Refer to Title 9A, New Jersey Administrative Code, Chapter 9: Subchapter 2.16: Accounting and auditing standards](#)

2. Suggested Audit Procedures

- a. Review institutional accounts to ensure compliance with accounting and auditing standards.
- b. Verify records of receipts and disbursements of award funds are maintained and reconciled in accordance with generally accepted accounting principles.
- c. Verify that any award funds not disbursed to eligible students are timely returned to HESAA.

B. ELIGIBILITY

1. Compliance Requirements

- 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, Subchapter 6: Miss New Jersey Educational Scholarship Program](#)

## 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 student's 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

No compliance requirement.

## D. REPORTING REQUIREMENTS

### 1. Compliance Requirements

- a. Refer to [New Jersey Office of Management and Budget \(OMB\) Circular 15-08 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.](#)
- b. Refer to Federal Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

### 2. Suggested Audit Procedures

- a. Verify that required reports have been completed. Trace data to supporting documentation.
- b. Review institutional compliance with accounting and auditing standards.
- c. Review and verify Schedule of Expenditures of Federal and State Financial Assistance. Trace data to supporting documentation.
- d. 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 293      OUTSTANDING SCHOLAR RECRUITMENT PROGRAM

***\*This program is not currently funded.\****

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

1. Compliance Requirements

- a. Refer to N.J.S.A. 18A:71B-1 through 17
- b. [Refer to Title 9A, New Jersey Administrative Code, Chapter 9: Subchapter 2.16: Accounting and auditing standards](#)
- c. Refer to Outstanding Scholar Recruitment Program annual contract and the Administrative Guidelines in Attachment C-1 of the contract.

2. Suggested Audit Procedures

- a. Review institutional accounts to ensure compliance with accounting and auditing standards
- b. Verify records of receipts and disbursements of award funds are maintained and reconciled in accordance with generally accepted accounting principles.
- c. Verify that any award funds not disbursed to eligible students are timely returned to HESAA.

B. ELIGIBILITY

1. Compliance Requirements



- a. Refer to N.J.S.A. 18A:71B-1 through 17 for general requirements and annual contract as stated in III.1.c above.
- b. Refer to Title 9A, New Jersey Administrative Code, Chapter 9
- 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 award. State reimbursements to institutions are prorated based upon the annual State appropriation and the total requests for reimbursement.

## D. REPORTING REQUIREMENTS

### 1. Compliance Requirements

- a. Refer to [New Jersey Office of Management and Budget \(OMB\) Circular 15-08 Single Audit Policy for Recipients of Federal Grants, StateGrants and State Aid.](#)
- b. Refer to Federal Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards

### 2. Suggested Audit Procedures

- a. Verify that required reports have been completed. Trace data to supporting documentation.
- b. Review institutional compliance with accounting and auditing standards.
- c. Review and verify Schedule of Expenditures of Federal and State Financial Assistance. Trace data to supporting documentation.

- d. 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 301      DANA CHRISTMAS SCHOLARSHIP FOR HEROISM

***\*This program is not currently funded.\****

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

1. Compliance Requirements

- a. Refer to Title IV of the "Higher Education Act of 1965", as amended. (20 U.S.C. s. 108711)
- b. [Refer to Title 9A, New Jersey Administrative Code, Chapter 9: Subchapter 2.16: Accounting and auditing standards](#)

2. Suggested Audit Procedures

- a. Review institutional accounts to ensure compliance with accounting and auditing standards.
- b. Verify records of receipts and disbursements of award funds are maintained and reconciled in accordance with generally accepted accounting principles.
- c. Verify that any award funds not disbursed to eligible students are timely returned to HESAA.

B. ELIGIBILITY

1. Compliance Requirement

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

2. Suggested Audit Procedures

- a. Review student registration records for documentation of enrollment.

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 15-08 Single Audit Policy for Recipients of Federal Grants, StateGrants and State Aid.](#)
- b. Refer to Federal Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards

2. Suggested Audit Procedures

- a. Verify that required reports have been completed. Trace data to supporting documentation.
- b. Review institutional compliance with accounting and auditing standards.
- c. Review and verify Schedule of Expenditures of Federal and State Financial Assistance. Trace data to supporting documentation.
- d. 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

APPENDIX

- 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 sub-recipient, 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  
Grant Number/State Account Number  
Program Grant (Contract) Period  
Program Amount (Amount of Funds Received)  
Fiscal Year Disbursements  
Total Disbursements

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

<u>STATE GRANTOR &amp; PROGRAM TITLE</u>	<u>GRANT NUMBER</u>	<u>AWARD PERIOD</u>	<u>AMOUNT RECEIVED</u>	<u>FISCAL YEAR DISBURSEMENTS</u>	<u>TOTAL DISBURSEMENTS</u>
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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 loan or loan guarantees outstanding at year-end.