

MONTCALM
COMMUNITY
COLLEGE



Year Ended
June 30, 2024

Single Audit Act
Compliance

Rehmann

MONTCALM COMMUNITY COLLEGE

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INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

February 3, 2025

Board of Trustees
Montcalm Community College
Sidney, Michigan

We have audited the financial statements of the business-type activities of **Montcalm Community College** (the "College"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated November 7, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on those financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Rehmann Lobson LLC



MONTCALM COMMUNITY COLLEGE

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2024

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Education				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grant Program	84.007	Direct	P007A232049	\$ 63,260
Federal Work Study Program	84.033	Direct	P033A232049	23,924
Federal Pell Grant Program	84.063	Direct	P063P231644	2,050,500
Federal Pell Grant Program - Administration Fees	84.063	Direct	P063Q231644	3,080
Federal Direct Loan Program	84.268	Direct	P268K241644	1,187,070
Total Student Financial Assistance Cluster				<u>3,327,834</u>
Career and Technical Education - Basic Grants to States:				
Perkins Local Leadership	84.048A	MDE	243250	9,200
Perkins Local Annual	84.048A	MDE	243510	107,369
Total Career and Technical Education - Basic Grants to States				<u>116,569</u>
Total U.S. Department of Education				<u>3,444,403</u>
U.S. Department of Treasury				
COVID-19 - State and Local Fiscal Recovery Funds				
Michigan Reconnect Age Expansion	21.027	MiLEAP	REC21_Montcalm FY 24	56,804
Academic Catch-Up	21.027	MCCA	SLFRP0127	92,739
60 by 30 - ADN to BSN Completion Grant	21.027	LEO	N/A	436,167
Total U.S. Department of Treasury				<u>585,710</u>
U.S. Department of Labor				
H-1B One-Workforce Grant	17.268	GRCC	HG-35916-21-60-A-26	84,212
Total Expenditures of Federal Awards				<u>\$ 4,114,325</u>

See notes to schedule of expenditures of federal awards.

MONTCALM COMMUNITY COLLEGE

Notes to Schedule of Expenditures of Federal Awards

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of *Montcalm Community College* (the "College") under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the net position, changes in net position, or cash flows of the College.

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the College's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, or other applicable guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

2. 10% DE MINIMIS COST RATE

For purposes of charging indirect costs to federal awards, the College has elected not to use the 10 percent de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

3. PASS-THROUGH AGENCIES

The College receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
GRCC	Grand Rapids Community College
LEO	Michigan Department of Labor and Education Opportunity
MCCA	Michigan Community College Association
MDE	Michigan Department of Education
MiLEAP	Michigan Department of Lifelong Education, Advancement, and Potential



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

November 7, 2024

Board of Trustees
Montcalm Community College
Sidney, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of **Montcalm Community College** (the "College"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 7, 2024.

Report on Internal Control Over Financial Reporting

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

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



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Montcalm Community College's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

A handwritten signature in black ink that reads "Rehmann Robson LLC". The signature is written in a cursive, flowing style.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

February 3, 2025

Board of Trustees
Montcalm Community College
Sidney, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of **Montcalm Community College** (the "College"), with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2024. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Independent Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.



Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the College's federal programs.

Independent Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-002 through 2024-007. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Independent Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-007 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Rehmann Loborn LLC

MONTCALM COMMUNITY COLLEGE

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? X yes none reported

Type of auditors' report issued on compliance for each major program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 X yes no

Identification of major programs:

Assistance Listing Number

Name of Federal Program or Cluster

84.007, 84.033, 84.063, 84.268
21.027

Student Financial Assistance Cluster
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

 \$ 750,000

Auditee qualified as low-risk auditee?

 X yes no

MONTCALM COMMUNITY COLLEGE

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

2024-001 – Preparation of Schedule of Expenditures of Federal Awards (SEFA)

Finding Type. Significant Deficiency in Internal Control over Financial Reporting.

Criteria. The Uniform Guidance requires the College to identify all federal awards received and expended and the federal programs under which they were received. The schedule must list individual federal programs by federal agency, the pass-through entity and identifying number assigned to the pass-through entity, the total federal awards expended for each individual federal program and the assistance listing number, the total amount provided to subrecipients from each federal program, the loan or loan guarantee programs, and notes to the schedule. In addition, the College is required to "prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements which must include the total Federal awards expended in accordance with the Uniform Guidance."

Condition. While management was able to provide us with a partially complete schedule of expenditures of federal awards during audit fieldwork, the expenditures for certain grants were excluded and amounts recorded for certain grants did not match the College's accounting records.

Cause. The College's internal controls did not identify the necessary elements to prepare a complete and reconciled SEFA.

Effect. The College's SEFA preparation process did not ensure all federal grants were reported on the SEFA and did not detect significant variances in the originally reported expenditure amounts on the SEFA. These omissions and errors resulted in several revisions to the SEFA during the audit process.

Recommendation. The College should evaluate its processes to ensure that the SEFA is prepared in accordance with the Uniform Guidance and reconciled to its accounting records.

View of Responsible Officials. Management agrees with this finding.

MONTCALM COMMUNITY COLLEGE

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2024-002 – Return of Title IV (R2T4) Calculation

Finding Type. Immaterial Noncompliance/Significant Deficiency in Internal Control over Compliance (Special Tests and Provisions).

Programs. Student Financial Assistance Cluster; U.S. Department of Education; Assistance Listing Numbers 84.007, 84.033, 84.063, and 84.268; Award Numbers P007A232049, P033A232049, P063P231644, P063Q231644 and P268K241644.

Criteria. The Code of Federal Regulations, 34 CFR 668.22(f)(2)(i), states that scheduled breaks of at least five consecutive days are excluded from the total number of calendar days in the period of enrollment and the number of calendar days completed in that period.

Condition. During our testing of four students with Return of Title IV amounts, we noted that the College did not exclude the correct amount of days for scheduled breaks of five days or more in both the fall 2023 and spring 2024 terms.

Cause. Incorrect break days were used in the preparation of refund calculation due to an error in the entering of the College's academic schedule information into the PowerFAIDS system.

Effect. As a result of this condition, the students' return of funds calculation was not done correctly and the return of funds back to the federal government was for the incorrect amount.

Questioned Costs. No costs are required to be questioned as the amounts did not exceed the reporting threshold.

Recommendation. We recommend the College review the Return of Title IV requirements and implement procedures to ensure the Return of Title IV calculations are using the correct amount of term days and are completed accurately.

View of Responsible Officials. Management agrees with this finding and has prepared a Corrective Action Plan.

MONTCALM COMMUNITY COLLEGE

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

2024-003 – Timeliness of Status Change Reporting

Finding Type. Immaterial Noncompliance/Significant Deficiency in Internal Control over Compliance (Special Tests & Provisions).

Programs. Student Financial Assistance Cluster; U.S. Department of Education; Assistance Listing Numbers 84.007, 84.033, 84.063, and 84.268; Award Numbers P007A232049, P033A232049, P063P231644, P063Q231644 and P268K241644.

Criteria. The Code of Federal Regulations, 34 CFR 685.309 requires that enrollment status changes for students be reported to the National Student Loan Data System (NSLDS) within 30 days of the College determining the change or on the next scheduled enrollment roster transmission report if the next scheduled enrollment roster transmission report is within 60 days of the College determining the status change. Regulations require the status to include an accurate effective date.

Condition. It was noted during our testing of 13 students with status changes, two instances of late reporting of status changes. Both of these instances were fall graduates whose status change was not reported within the required timeframe.

Cause. The College does not have policies and procedures in place to ensure a student's status change is reported to the NSLDS in a timely manner.

Effect. As a result of this condition, the NSLDS had incorrect records of the enrollment status of students.

Questioned Costs. No costs were required to be questioned as a result of this finding inasmuch as our testing did not reveal any unallowed costs.

Recommendation. We recommend the College reviews the status change reporting requirements and implement procedures to ensure that the status changes are being reported to the NSLDS in a timely manner.

View of Responsible Officials. Management agrees with this finding and has prepared a Corrective Action Plan.

MONTCALM COMMUNITY COLLEGE

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

2024-004 – Fiscal Operations Report and Application to Participate (FISAP) Reporting

Finding Type. Immaterial Noncompliance/Significant Deficiency in Internal Control over Compliance (Reporting).

Programs. Student Financial Assistance Cluster; U.S. Department of Education; Assistance Listing Numbers 84.007, 84.033, 84.063, and 84.268; Award Numbers P007A232049, P033A232049, P063P231644, P063Q231644 and P268K241644.

Criteria. The Code of Federal Regulations, 34 CFR 675.19(b)(3) states that accurate information be populated and submitted on the Fiscal Operations Report and Application to Participate (FISAP).

Condition. It was noted during our testing of the FISAP that the College did not have support for one of the eight key line items identified in the compliance supplement as critical information.

Cause. The College does not have policies and procedures in place to ensure information reported on the FISAP was accurate.

Effect. The College is not in compliance with the Department of Education requirements that state the FISAP must be accurately reporting information.

Questioned Costs. No costs were required to be questioned as a result of this finding inasmuch as our testing did not reveal any unallowed costs.

Recommendation. We recommend the College review their policies and procedures surrounding FISAP reporting.

View of Responsible Officials. Management agrees with this finding and has prepared a Corrective Action Plan.

MONTCALM COMMUNITY COLLEGE

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

2024-005 – Pell Grant Calculation

Finding Type. Immaterial Noncompliance/Significant Deficiency in Internal Control over Compliance (Eligibility).

Programs. Student Financial Assistance Cluster; U.S. Department of Education; Assistance Listing Number 84.063; Award Numbers P063P231644 and P063Q231644.

Criteria. The Uniform Guidance states that the College must determine the maximum scheduled award a student would receive based on their Expected Family Contribution (EFC) and Cost of Attendance (COA) using the payment schedule provided by the U.S. Department of Education. Students must be awarded on the basis of a COA comprised of allowable costs assessed to all students carrying the same academic workload. COA must be prorated for students who are attending less than an academic year, or who are less than full-time in a term based program.

Condition. One student out of the twenty five Pell grants tested was found to be under awarded based on the enrollment status and cost of attendance.

Cause. This condition was caused by insufficient review of the COA and EFC data being used by the College in determining the Pell Grant amount for students.

Effect. As a result of this condition, the College was exposed to an increased risk that incorrect information would be used to determine students' Pell Grant award amounts.

Questioned Costs. No costs are required to be questioned as the amounts did not exceed the reporting threshold.

Recommendation. We recommend the College implement procedures to ensure the COA and EFC used to calculate each student's Pell Grant is updated for each academic year and reviewed by an independent official.

View of Responsible Officials. Management agrees with this finding and has prepared a Corrective Action Plan.

MONTCALM COMMUNITY COLLEGE

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

2024-006 – Common Origination and Disbursement (COD) Reporting

Finding Type. Immaterial Noncompliance/Significant Deficiency in Internal Control over Compliance (Reporting).

Programs. Student Financial Assistance Cluster; U.S. Department of Education; Assistance Listing Numbers 84.063 and 84.268; Award Numbers P063P231644, P063Q231644 and P268K241644.

Criteria. The Department of Education requires the College to report the disbursement dates and amounts to the Common Origination and Disbursement (COD) system within 15 days of disbursing Pell (34 CFR 690.83(b)(2) and Direct Loan (34 CFR 685.309) funds to a student. In addition, per the Uniform Guidance 2 CRF 200.303, nonfederal entities receiving federal awards are required to establish and maintain internal controls designed to reasonable ensure compliance with federal laws, regulations, and program compliance requirements.

Condition. During our testing of COD reporting, we identified one of 40 disbursements was not reported to COD within 15 days of the disbursement date.

Cause. The College did not have proper procedures in place to identify COD reporting errors and fix them within a timely manner.

Effect. A lack of timely reporting may prevent the College and other schools from having the most accurate student information which may lead to over awards.

Questioned Costs. No costs were required to be questioned as a result of this finding inasmuch as our testing did not reveal any unallowed costs.

Recommendation. We recommend that the College evaluate and enhance its procedures and policies around reporting disbursements to COD to ensure that student information is reported accurately and timely.

View of Responsible Officials. Management agrees with this finding and has prepared a Corrective Action Plan.

MONTCALM COMMUNITY COLLEGE

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

2024-007 – Procurement, Suspension and Debarment

Finding Type. Immaterial Noncompliance/Significant Deficiency in Internal Control over Compliance (Procurement, Suspension and Debarment).

Program. COVID-19 - Coronavirus State and Local Fiscal Recovery Funds; U.S. Department of Treasury; Assistance Listing Number 21.027, All Award Numbers

Criteria. 2 CFR Section 200.214 requires non-federal entities to follow suspension and debarment regulations outlined in 2 CFR part 180. When a nonfederal entity enters into a covered transaction with an entity at a lower tier, the nonfederal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction.

Condition. During our testing of disbursements, it was noted that the College did not follow their procurement policy for purchases over the micro purchase threshold and there is no procedure in place to determine whether vendors are suspended or debarred.

Cause. The College did not have a procedure in place to require documentation be maintained that the search for suspension and debarment associated with procurement transactions in excess of the \$25,000 threshold had been performed prior to procurement.

Effect. Certain vendors could be used that are considered suspended or debarred by the federal government resulting in noncompliance.

Questioned Costs. No costs are required to be questioned as a result of this finding, inasmuch as none of the vendors involved were actually suspended or debarred.

Recommendation. We recommend that the College implement a policy over suspension and debarment review to ensure they are maintaining compliance and controls over verifying or contracting with vendors that are allowable, and to follow their procurement policy when entering into purchases greater than the micro purchase threshold.

View of Responsible Officials. Management agrees with this finding and has prepared a Corrective Action Plan.



MONTCALM COMMUNITY COLLEGE

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2024

2023-001 Cost of Attendance Calculation

Two students out of the 40 tested had an incorrect COA recorded in PowerFAIDS. The error was isolated to the population of students enrolled half-time at the College. The College determined that they did not properly update COA for the year. Subsequent to initial testing, the College adjusted the COA for the halftime students whose COA was not updated. This matter was corrected in the current year. A similar matter was noted in the current year, but due to a different cause.

