

UNIVERSITY OF NEVADA, LAS VEGAS  
EXCESS CREDIT FEE  
Internal Audit Report  
January 1, 2016 through December 31, 2016

GENERAL OVERVIEW

The University of Nevada, Las Vegas (UNLV) implemented the Excess Credit Fee (ECF) starting in the Fall 2014 semester. The fee was adopted by the Board of Regents (BOR) and applies to all Nevada System of Higher Education (NSHE) colleges and universities. The policy states, “An Excess Credit Fee shall be charged to a student who has attempted credits equal to 150 percent of the credits required for the student’s program of study. The fee will be charged in all terms after passing the threshold number of credits until a degree is awarded to the student.” UNLV utilizes a Tuition and Fee Appeals Committee which performs student appeal reviews, including the ECF.

During the audit period, the ECF was placed on accounts of approximately 200 students for the Spring 2016 semester, 150 students for the Summer 2016 semester, and 200 students for the Fall 2016 semester.

SCOPE OF AUDIT

The Internal Audit Department has completed a review of the UNLV Excess Credit Fee for the period of January 1, 2016 through December 31, 2016.

Our review was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors, and included tests of the accounting records and other auditing procedures, as necessary. The tests included, but were not necessarily limited to these areas.

1. Reviewing BOR and UNLV policies and procedures.

2. Discussing how students are flagged by the student information system to be charged the ECF.
3. Testing student accounts for appropriate notifications and correctly assessed charges.
4. Reviewing the student appeals process and documentation to determine if a review was performed and completed forms were in compliance with NSHE policy.
5. Testing expenditures incurred from ECF accounts to determine whether the expenditures were allowable under Board of Regents policy.

In our opinion, we can be reasonably assured that the UNLV Excess Credit Fee is being applied in a satisfactory manner. However, implementation of the following recommendations would further improve operations.

## EXCESS CREDIT FEE APPEALS

### General Process

Board of Regents policy requires institutions to establish a process through which students subject to the ECF may file an appeal and request a waiver from the fee. We reviewed the UNLV Tuition and Fees Manual, BOR related policies, and the appeals process. We noted the following.

1. Credits attempted at an institution outside of NSHE that do not meet the degree requirements for the student's program of study are subject to exclusion during the administrative review. During the appeals removal of credits recalculation, we noted there is no differentiation between NSHE and outside NSHE transfer credits. Additionally, we noted if the transfer credits do not apply at UNLV, 50 percent of the

transfer credits completed are included in the attempted credit recalculation. This process is stated in UNLV's manual.

In accordance with BOR policy, we recommend excluding credits attempted outside NSHE that do not meet the degree requirements for the student's program of study. We recommend including NSHE transfer credits in the attempted credit recalculation. We recommend updating the UNLV Tuition and Fee Appeals Manual to be consistent with BOR exclusion requirements.

**Institution Response:**

**We agree with this recommendation.**

- **Detailed corrective action taken, including what will be done to avoid the identified issues in the future, and when these measures will be in place:**

**The Tuition and Fee Appeals Manual has been updated and re-distributed to members of the Tuition and Fee Appeals Committee. These changes have been in place since the October 11, 2017 appeals meeting.**

- **How compliance and performance will be measured and documented for future audit, management and performance review:**

**Compliance of this change is now documented on the "notes" section of the appeal form and also the Tuition and Fee Appeals Manual. The manual now has a section on compliance. Our policy is the same as NSHE. The committee will also meet at the end of each Fall and Spring term to review any NSHE or institutional policy changes that may impact this fee calculation.**

- **Who will be responsible and may be held accountable in the future if repeat or similar observations are noted:**

**The Chair of the Tuition and Fee Appeals Committee will be responsible for repeat or similar noted observations.**

**We respectfully request that this item be closed.**

2. The UNLV manual states "students will only be granted Excess Credit Fee removal for the current semester and the semester immediately prior." Per additional discussion and

review of the appeal form, approval is made for more than the semesters listed in the manual. Additionally, we noted UNLV's written policy does not address the administrative review process.

We recommend updating the UNLV Tuition and Fee Appeals Manual to include the items noted.

**Institution Response:**

**We agree with this recommendation.**

- **Detailed corrective action taken, including what will be done to avoid the identified issues in the future, and when these measures will be in place:**

**The Tuition and Fee Appeals Manual has been updated to state “Approved, Students will be granted a removal of excess credit fee for current semester and future semesters as determined by recalculation of threshold. This recalculation is based on the student’s program of study at the time of the appeal. Submission for current term appeal must be done by the published deadline on the NSHE appeal form.” Also, the heading on the section “Excess Credit Fee Appeals” now includes the words “Administrative Review Process.” Our policy is the same as NSHE.**

- **How compliance and performance will be measured and documented for future audit, management and performance review:**

**Compliance and performance will be measured by the Chair of the committee. This will include at a minimum a monthly review of all approvals once the accounts are coded with service indicators that impact the reversal of this fee.**

- **Who will be responsible and may be held accountable in the future if repeat or similar observations are noted:**

**The Chair of the Tuition and Fee Appeals Committee will be responsible for repeat or similar noted observations.**

**We respectfully request that this item be closed.**

## STUDENT ACCOUNT TESTING

We reviewed a sample of 54 students charged the Excess Credit Fee during our audit period. A review of accounts in the student information system was then performed to determine whether the 150 percent credit threshold calculations and charged amounts were accurate. The following exceptions were noted.

1. On five occasions, notifications informing students who were approaching the 150 percent credit threshold were not sent prior to the start of the semester the ECF was charged.

We recommend sending notifications to students who are approaching the 150 percent credit threshold in accordance with BOR policy.

### Institution Response:

**We agree with this recommendation.**

- **Detailed corrective action taken, including what will be done to avoid the identified issues in the future, and when these measures will be in place:**

**Warning notifications are being sent at a lower credit threshold amount and at broader intervals to capture all students in accordance with policy. There were five students, when the fee was first put into place Fall 2014, that were missed.**

- **How compliance and performance will be measured and documented for future audit, management and performance review:**

**Notifications have been added to a master notifications calendar being managed by two separate units in the Registrar's Office. These units will serve as back-up to each other to ensure notifications are sent according to policy. Notifications are recorded under the Communications Center in MyUNLV, as well as, on a Google sheet maintained by the Registrar's Office.**

- **Who will be responsible and may be held accountable in the future if repeat or similar observations are noted:**

**Notifications are a joint effort between the MyUNLV Technical Team (responsible for calculations and the actually triggering of a notification) and the Registrar's Office (responsible for updating the communication and requesting that it be sent).**

**We respectfully request that this item be closed.**

2. On eight occasions, the ECF was charged to the student's account before the ECF threshold was reached. Of the eight students, seven had programs of study exceeding the standard number of credits required for a bachelor's degree. BOR policy requires the ECF calculation to be based on the actual number of credits required for a student's program of study.

We recommend calculating the ECF threshold in accordance with established policy.

**Institution Response:**

**We agree with this recommendation.**

- **Detailed corrective action taken, including what will be done to avoid the identified issues in the future, and when these measures will be in place:**

**UNLV will implement a modification that will assist in the identification of majors requiring more than the standard 120 units and consider this in the ECF calculation. This will be procured, tested, and implemented by the fourth quarter 2017.**

- **How compliance and performance will be measured and documented for future audit, management and performance review:**

**Student financials functional leads will cross examine the unit calculation between the equation engine ECF, custom query, and ECF custom advising field to ensure non-standard majors are correctly identified. If errors are found, tickets will be created in footprints for adjustment of the configuration.**

- **Who will be responsible and may be held accountable in the future if repeat or similar observations are noted:**

**The identification and request for correction if similar occurrences are observed is a shared responsibility between Student Financials and the Office of the Registrar.**

**We expect to have this recommendation fully implemented by 12/31/2017.**

3. For the Summer 2016 term, we noted tuition was charged at the Fall 2016 semester per credit registration fee, but the ECF was charged at 50 percent of the Spring 2016 semester per credit registration fee.

We recommend greater care be taken to ensure the ECF charge is set correctly in the student information system.

**Institution Response:**

**We agree with this recommendation.**

- **Detailed corrective action taken, including what will be done to avoid the identified issues in the future, and when these measures will be in place:**

**Due to staff turnover in the Student Financials Analyst position, this item was not tested and validated thoroughly. This oversight caused 139 students to be under-billed (net of any reversed ECF charges) for the summer 2016 term in the amount of \$3,086. The fee amount was corrected going forward. An additional internal control was assigned to the Student Financials analysts and the Assistant Controller of Student Accounts to validate the correct amount for the Excess Credit fee for summer 2017 based on the Fall 2017 rates.**

- **How compliance and performance will be measured and documented for future audit, management and performance review:**

**Compliance and performance will be measured by reviewing fee queries prior to the start of registration for each term. This item is documented on a department folder with term rollover and testing documents including testing scripts with student examples.**

- **Who will be responsible and may be held accountable in the future if repeat or similar observations are noted:  
The Assistant Controller of Student Accounts will be responsible for repeat or similar noted observations.**

**We respectfully request that this item be closed.**

4. On one occasion, we noted a student reached the ECF threshold and was charged for the Spring 2016 semester, but the charge was reversed a year and a half later. Additionally, we noted the Fall 2016 semester ECF was charged and reversed. The reversals were not documented in the student's account and no appeals were on file. No additional explanation could be provided.

We recommend performing additional research regarding the details of the reversals. We recommend greater care be taken to ensure fee removals be appropriately documented.

**Institution Response:**

**We agree with this recommendation.**

- **Detailed corrective action taken, including what will be done to avoid the identified issues in the future, and when these measures will be in place:**

**We found that the reversal was done by a system function known as “T-calc”. The fee in this instance was reversed because the student no longer met the criteria to be charged. The timing of when this fee was reversed had to do with MyUNLV tuition calculation system functionality. The maximum number of semesters allowed calculating tuition at any given time is set at three.**

**The reversal was not done manually. Had someone tried to reverse the charge manually, the system knows that there is no waiver (service indicator) on the account and T-calc will re-post the fee almost immediately. Manual actions also include a “QCK” code with the employee NSHE ID under the detailed transactions link in MyUNLV for audit purposes.**

**Analysts in both the Student Financials and Registrar's Office will continue to collaborate in reviewing the SQL for this fee.**

- **How compliance and performance will be measured and documented for future audit, management and performance review:  
Additional audit queries are being developed to identify this type of fee reversal to ensure it is being done by either committee approval or due to a change in the attempted credit calculation criteria.**

- **Who will be responsible and may be held accountable in the future if repeat or similar observations are noted:**

**This cross functional area will have a shared responsibility between the Registrar's Office and the Student Accounts Office technical analysts.**

**We respectfully request that this item be closed.**

### ECF APPEALS TESTING

A sample of 27 ECF appeal files was reviewed for use of the common form, inclusion of an academic plan, and performance of a credit calculation. During this review, we noted three students with errors in the threshold recalculation for the number of credits allowed before the ECF would be charged. UNLV personnel acknowledged there was an error in the spreadsheet. The error was in favor of the student and would not have made a difference in the three student's appeals.

We recommend performing the credit threshold calculation in accordance with Board policy. We recommend maintaining the "Calculating New Threshold" documentation with the student's appeal file.

#### **Institution Response:**

**We agree with this recommendation.**

- **Detailed corrective action taken, including what will be done to avoid the identified issues in the future, and when these measures will be in place:**

**In accordance with the Board policy, the threshold calculation is performed using a spreadsheet, "Calculating New Threshold." The error noted in the three students' calculation was due to a formula error in the spreadsheet. The formula was updated with the correct values on June 22, 2017 during the audit period.**

- **How compliance and performance will be measured and documented for future audit, management and performance review:**

**A copy of the "Calculating New Threshold" spreadsheet is now saved for each appeal. A copy of the calculation spreadsheet has been added to the**

**appeal packet as of the September 6, 2017 Tuition and Fee Appeals Committee meeting. The spreadsheet is kept as a Google Shared document that is accessed only by Tuition and Fee Appeal Committee members. The physical appeal forms and accompanying spreadsheet are filed with the Student Accounts Office.**

- **Who will be responsible and may be held accountable in the future if repeat or similar observations are noted:**

**The Chair of the Tuition and Fee Appeals Committee will be responsible for repeat or similar observations.**

**We respectfully request that this item be closed.**

## STATEMENT OF REVENUES AND EXPENDITURES

The statement of revenues and expenditures provided below is based on the activity of two self-supporting accounts for ECF revenue. The revenue and expenditure information was obtained from the financial accounting system and is provided for informational purposes only.

	Self- Supporting Accounts	Total
Balance, January 1, 2016	<u>\$ 285,589</u>	<u>\$ 285,589</u>
Transfers-In	<u>543,578</u> <sup>1</sup>	<u>543,578</u>
Revenues		
Tuition & Fees Unrestricted	<u>257,989</u>	<u>257,989</u>
Total Revenue	<u>257,989</u>	<u>257,989</u>
Transfers-Out	<u>543,578</u> <sup>1</sup>	<u>543,578</u>
Expenditures		
General Operations	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Balance, June 30, 2016	<u>\$ 543,578</u>	<u>\$ 543,578</u>
Balance, July 1, 2016	<u>\$ 543,578</u>	<u>\$ 543,578</u>
Transfers-In	<u>-</u>	<u>-</u>
Revenues		
Tuition & Fees Unrestricted	<u>182,399</u>	<u>182,399</u>
Total Revenue	<u>182,399</u>	<u>182,399</u>
Transfers-Out	<u>585,000</u> <sup>2</sup>	<u>585,000</u>
Expenditures		
General Operations	<u>8,357</u>	<u>8,357</u>
Total Expenditures	<u>8,357</u>	<u>8,357</u>
Balance, December 31, 2016	<u>\$ 132,620</u>	<u>\$ 132,620</u>

1 Transfer of all funds from old ECF account into new ECF account.

2 This amount consisted of a transfer out to a self-supporting academic advising account.

## OTHER

The following was noted during this review; however, it is the responsibility of the NSHE Office of Academic and Student Affairs.

Policies addressing application of the ECF have been established in the Board of Regents Handbook and the NSHE Procedures and Guidelines Manual. During a review of the policies the following exceptions were noted.

1. The NSHE Procedures and Guidelines Manual identifies certain course credits that are subject to exclusion through the administrative review process. The policies give institutions the option of performing the administrative review prior to imposing the fee (before an appeal is filed) to confirm the number of credits required for a student's program of study or to exclude the above mentioned credits.

We recommend the above policy be updated to require that the administrative review be performed before students file an appeal to help ensure the fee is correctly applied to student accounts.

### **System Administration Response**

- **Detailed corrective action taken, including what will be done to avoid the identified issues in the future, and when these measures will be in place.**  
The NSHE Office of Academic and Student Affairs will bring forward an amendment to the NSHE Procedures and Guidelines Manual requiring that the administrative review of credits included in the Excess Credit Fee calculation must be performed before students are charged the fee to ensure that the fee is correctly applied to student accounts.
- **How compliance and performance will be measured and documented for future audit, management and performance review.**  
If approved, the amendment will be codified by the Board staff within the NSHE Procedures and Guidelines Manual. Compliance will be determined in future internal audits.
- **Who will be responsible and may be held accountable in the future if repeat or similar observations are noted.**  
This should not occur if the amendments are approved and codified in the NSHE Procedures and Guidelines Manual.

2. The NSHE Procedures and Guidelines Manual and Board of Regents Handbook provide a list of course credits that are subject to exclusion through the administrative review/appeals process. We noted the language used in the two documents is inconsistent in that the procedures and guidelines manual states the “credits are subject to exclusion” while the handbook provides that institutions “may exclude” the course credits. We also noted the exclusion lists do not include audit and non-transferrable course credits.

We recommend the language used to describe the exclusion list be reviewed and revised so that it is consistent in both documents that the defined credits shall be removed in the administrative review and subsequent appeals process. We also recommend audit and non-transferrable course credits be added to the exclusion lists. We recommend proposed revisions to the policies mentioned in items one and two be appropriately submitted and approved by the Chancellor’s Cabinet and/or Board of Regents, as necessary.

#### **System Administration Response**

- **Detailed corrective action taken, including what will be done to avoid the identified issues in the future, and when these measures will be in place.**  
The NSHE Office of Academic and Student Affairs will bring forward an amendment to the Board of Regents Handbook and NSHE Procedures and Guidelines Manual that ensures both documents are consistent and clearly require that the defined list of credits, including audit and non-transferrable course credits, must be removed in the administrative review and subsequent appeals process
- **How compliance and performance will be measured and documented for future audit, management and performance review.**  
If approved by the Board of Regents, the amendment will be codified by the Board staff within the Board of Regents Handbook and the NSHE Procedures and Guidelines Manual. Compliance will be determined in future internal audits.
- **Who will be responsible and may be held accountable in the future if repeat or similar observations are noted.**  
This should not occur if the amendments are approved and codified in the Board of Regents Handbook and the NSHE Procedures and Guidelines Manual.

The Internal Audit Department appreciates the assistance and cooperation received from the UNLV staff during this review.

Las Vegas, Nevada  
September 26, 2017

/-----SIGNATURE ON FILE-----/

Stefania Pacheco  
Senior Internal Auditor

/-----SIGNATURE ON FILE-----/

Eric Wilber  
Senior Internal Auditor

/-----SIGNATURE ON FILE-----/

Lauren Tripp  
Internal Audit Manager

/-----SIGNATURE ON FILE-----/

Joseph Sunbury  
Chief Internal Auditor



**AUDIT:** Excess Credit Fees

**AUDIT PERIOD:** 01/01/2016 – 12/31/2016

**NUMBER OF FINDINGS:** 7

**NUMBER OF RECOMMENDATIONS IMPLEMENTED:** 6

Nbr	Finding	Agree	Implemented	Est Date of Completion
1	Credits transferring in from other institutions need to be calculated at the proper amounts	X	Yes	
2	Tuition & Fee Appeals Manual needs to be updated	X	Yes	
3	Notifications need to be sent to students approaching the credit threshold	X	Yes	
4	ECF threshold needs to be calculated in accordance with established policy	X	No	12/31/2017
5	ECF charge not set correctly	X	Yes	
6	Fee removals not properly documented	X	Yes	
7	Credit thresholds not calculated correctly	X	Yes	