



June 11, 2021

Richard Cordray
Chief Operating Officer
Department of Education, Office of Federal Student Aid
830 First Street, NE
Union Center Plaza
Washington, DC 20202

We write to you today on behalf of the National Association of College and University Business Officers (NACUBO) and the National Association of Student Financial Aid Administrators (NASFAA).

NACUBO is a nonprofit professional organization representing chief administrative and financial officers at more than 1,600 colleges and universities across the country. NACUBO works to advance the economic vitality, business practices, and support of higher education institutions in pursuit of their missions.

NASFAA is the only national, nonprofit association with a primary focus on information dissemination, professional development, and legislative and regulatory analysis related to federal student aid programs authorized under Title IV of the Higher Education Act of 1965, as amended. NASFAA's membership consists of more than 28,000 student financial assistance professionals at nearly 3,000 colleges, universities, and career schools across the country. NASFAA member institutions serve nine out of every 10 undergraduates in the United States.

An urgent issue has come to our attention that, if included in the 2021 Office of Management and Budget (OMB) Compliance Supplement, will severely impact colleges and universities. As higher education institutions and their students return to campuses following the height of the COVID-19 pandemic, we respectfully ask that new requests for the single audit cycle are delayed until 2022.

A 2021 report¹ from the Department of Education's Office of the Inspector General on improper payments indicated that the Department of Education needs to demonstrate improvement in reducing improper payments in the Direct Lending Program. We have learned that the Department of Education Office of Federal Student Aid (FSA) intends to use colleges' and universities' single audit as a vehicle to address this issue by requesting a change in audit sampling protocol in the 2021 OMB Compliance Supplement. As we understand it, the proposed change in audit sampling would involve migrating from standard unbiased sampling approaches—used for decades by external auditors to test for program compliance—to random sampling.

¹<https://www2.ed.gov/about/offices/list/oig/auditreports/fy2021/a21ga0014.pdf>

The timing of such a change could place an enormous burden on colleges and universities and their staff members. An immediate implementation of this new audit sampling methodology functionally means for colleges and universities that student financial services (SFS) departments will be inundated with new and unplanned audit requests in late Summer and early Fall 2021, right as they are at the height of their crucial fall semester student-support work: providing bills to students and families, facilitating internal and external communications, coordinating remaining Higher Education Emergency Relief Fund aid payments for students in need, and ensuring that students with high financial need have successfully fulfilled all registration and retention criteria. For many SFS professionals, this will be the first semester in over a year that they and their institutions will be returning to full on-campus operations due to the COVID-19 pandemic, further exacerbating the burden of this immediate sampling change.

As a result, NACUBO and NASFAA again respectfully request that FSA delay new requests related to the single audit cycle until 2022. The unanticipated and sizeable burdens this change will place on our institutions now will negatively impact how effectively our institutions can serve their students at a time when heightened care for their entire campus communities is most in need.

We welcome future discussions and collaboration with you on this topic. Please feel free to reach out to Susan Menditto, senior director of accounting policy, (202.861.2542, smenditto@nacubo.org) and Karen McCarthy, director of policy analysis, (202.785.0453, mccarthyk@nasfaa.org) to discuss this important issue further.

Sincerely,



Susan Whealler Johnston
President and CEO
NACUBO



Justin Draeger
President and CEO
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