Audit of Creighton University's Administration of Its Federal TRIO Projects

FINAL AUDIT REPORT

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ED-OIG/A07-80027
March 2000

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U.S. Department of Education
Office of Inspector General
Western Area - Kansas City Office

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UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF INSPECTOR GENERAL

MAR 3 1 2000

THE INSPECTOR GENERAL

ED Audit Control Number A07-80027

Father Michael G. Morrison, S.J., President
Creighton University
2500 California Plaza
Omaha, Nebraska 68178

Dear Father Morrison:

Enclosed is our audit report entitled *Audit of Creighton University's Administration of Its Federal TRIO Projects*. The report incorporates the comments you provided in response to the draft audit report. If you have any additional comments or information that you believe may have a bearing on the resolution of this audit, you should send them directly to the following Education Department official, who will consider them before taking final Departmental action on the audit.

Lee Fritschler, Assistant Secretary
for Postsecondary Education
U.S. Department of Education
1990 K Street, Room 6114
Washington, D.C. 20006

Office of Management and Budget Circular A-50 directs Federal agencies to expedite the resolution of audits by initiating timely action on the findings and recommendations contained therein. Therefore, receipt of your comments within 30 days would be greatly appreciated.

In accordance with the Freedom of Information Act (5 U.S.C. §552), reports issued by the Office of Inspector General are available, if requested, to members of the press and the general public to the extent information contained therein is not subject to the exemptions of the Act.

Please refer to the above audit control number in all correspondence relating to this report.

Sincerely,

Lorraine Lewis
Inspector General

Enclosure

Cc: Greg Jahn, General Counsel, Creighton University

Audit of Creighton University's Administration of Its Federal TRIO Projects

Table of Contents

Audit of Creighton University's Administration of Its Federal TRIO Projects

Executive Summary

We found that Creighton University did not always administer its Federal TRIO projects in accordance with Federal regulations. Specifically, Creighton University failed to assure that it:

- could support that services were rendered to the number of participants reported to the Department of Education as served by its Upward Bound, Upward Bound Math and Science, and Talent Search projects;

- filled, or filled timely, key positions in the administration of its TRIO projects in accordance with Federal regulations;

- obtained U.S. Department of Education approval before making changes in project scope, objectives, and key personnel; and

- adhered to management controls in the areas of accounting for travel expenses, reconciling budgets to actual expenditures, documenting student citizenship, and inventory controls.

Creighton University was not able to provide documentation of services to the number of participants it was funded to serve in its Upward Bound and Upward Bound Math and Science projects during the 1996-97 and 1997-98 budget years, nor was it able to support the numbers of participants it reported to the U.S. Department of Education for those years. We recommend that the Assistant Secretary for Postsecondary Education reduce the 1996-97 and 1997-98 Upward Bound funds and 1996-97 Upward Bound Math and Science funds awarded to Creighton University by amounts that are proportionate to the numbers of participants for whom the University was funded but could not document having provided required services. The University should also be required to refund $69,381, which is the amount of grant funds received in excess of the revised award amounts. (See Exhibit 2.)

Based on our analysis of randomly selected samples of participant files, Creighton University was not able to support that appropriate services were provided to 680 of the 850 individuals its Talent Search project was funded to serve in the 1996-97 budget year and 530 of the 850 individuals the project was funded to serve in the 1997-98 budget year. Creighton University's administration of the Talent Search project was so deficient that recovery of the entire amount of

1996-97 and 1997-98 Talent Search grant funds received by Creighton University ($303,018 as of February 10, 2000) is appropriate.

In addition, to ensure that Creighton University complies with Federal regulations and to improve the administration of its current and future TRIO projects, we recommend that the Assistant Secretary for Postsecondary Education require Creighton University to:

1. Develop and follow specific written policies and procedures for the administration of its TRIO projects, including policies and procedures to ensure that:

    - An individual's participation in a project during the summer and academic year are properly documented.
    - Reports to the U.S. Department of Education are supported by documentation maintained by Creighton University.
    - Only those students who continue their participation for the minimum time required by Federal regulation are counted as participants.

2. Obtain approval from the U.S. Department of Education before undertaking any of the following actions with regard to its TRIO projects:

    - Extending the project period of a grant beyond the project period end date specified in the most recent revision of the Grant Award Notification.
    - Carrying forward grant funds that the grantee has not obligated in a budget period.
    - Making cumulative transfers among direct-cost budget categories that exceed 10 percent of the approved budget for an award period.

3. Improve its management controls to ensure that its TRIO personnel:

    - Follow institutional travel policies and procedures.
    - Reconcile actual expenditures and revenues to the project budgets on a monthly basis.
    - Properly document all eligibility elements to ensure that students participating in the TRIO projects meet all Federal requirements.
    - Follow institutional policies and procedures for safeguarding equipment purchased with Federal funds.

We further recommend that the Assistant Secretary for Postsecondary Education monitor Creighton University's adherence to the requirement that it obtain Department of Education approval before making changes to the scope, objectives, or key personnel of its TRIO projects.

Creighton University officials did not agree with all of our findings and recommendations. The full text of Creighton's response is provided as Appendix B.

Audit Results

We found that Creighton University did not always administer its Federal TRIO projects in accordance with Federal regulations found in Title 34 Code of Federal Regulations (CFR).[1] Creighton University failed to assure that it: (1) could support that services were rendered to the number of participants reported to the U.S. Department of Education (Department) as served by its Upward Bound, Upward Bound Math and Science, and Talent Search projects; (2) filled, or filled timely, key positions in the administration of its TRIO projects in accordance with Federal regulations; (3) obtained Department approval before making changes in project scope, objectives, and key personnel; and (4) adhered to management controls in the areas of accounting for travel expenses, reconciling budgets to actual expenditures, documenting student citizenship, and inventory controls.

Finding No. 1 – Creighton Could Not Support Services to TRIO Participants

Creighton University could not support that services were provided to the number of participants it reported to the Department for the Upward Bound, Upward Bound Math and Science, and Talent Search projects for the 1996-97 and 1997-98 budget years. Our analysis of a randomly selected sample of student files indicated that Creighton University did not document that it had served the number of students reported to the Department and the number of participants for which the projects had been funded. We recommend that the Assistant Secretary for Postsecondary Education reduce the 1996-97 and 1997-98 Upward Bound funds and 1996-97 Upward Bound Math and Science funds awarded to Creighton University by amounts that are proportionate to the numbers of participants for whom the University was funded but could not document having provided required services and the entire amount of the funds awarded for the Talent Search projects for budget years 1996-97 and 1997-98.

[1] The regulations applicable to the various TRIO programs are: 34 CFR §642 - Training Program for Federal TRIO Programs; 34 CFR §643 - Talent Search; 34 CFR §645 - Upward Bound and Upward Bound Math and Science; and 34 CFR §646 - Student Support Services.

TRIO Regulations

Student Eligibility: For an individual to be eligible to participate in TRIO projects, he or she must meet citizenship or residency requirements. For Upward Bound and Upward Bound Math and Science projects, the individual must also be: (1) a potential first-generation college student or a low-income individual; (2) have a need for academic support in order to pursue successfully a program of education beyond high school; and (3) at the time of initial selection, have completed the eighth grade but not entered the twelfth grade and be at least 13 years old but not older than 19. Individuals participating in a Talent Search project must have completed five years of elementary education or be at least 11 years of age but not more than 27 years of age.

Number of Students to be Served: According to program regulations, an Upward Bound project must serve at least 50 participants. However, Creighton's approved grant application for Upward Bound funding for the years covered by our audit committed the University to serve 75 students during each of the funding years, beginning July 1. An Upward Bound Math and Science project must serve at least 50 participants. However, Creighton's application, which was approved by the Department, stated that Creighton officials would identify and select 40 high school students by July 30 of each year. A Talent Search project must serve a minimum of 600 students per year. Creighton's approved Talent Search grant application for budget periods 1997 and 1998 stated that Creighton officials would serve 850 students annually.

Participation Requirements: To participate in a TRIO project, a student must meet the eligibility requirements specified above and meet the definition of a "participant." In addition, in Upward Bound and Upward Bound Math and Science projects, students must be "… determined by the project director to be committed to the project, as evidenced by being allowed to continue in the project for at least—(i) Ten days in a summer component if the individual first enrolled in an Upward Bound project's summer component; or (ii) Sixty days if the individual first enrolled in an Upward Bound project's academic year component." To be identified as a participant in a Talent Search project, an individual must receive "… project services designed for his or her age or grade level." TRIO program officials interpret this Talent Search requirement to mean that to be counted as a participant a student must receive service at least twice in an award year.

Documentation Requirements: Program regulations require that student participation be documented. Under Title 34 CFR Sections 643.32(c) (Talent Search) and 645.43(c) (Upward Bound and Upward Bound Math and Science), a grantee institution shall maintain records on each student participant that includes, among other things, documentation of the services provided to the student. According to TRIO program officials, examples of documentation to

support that services were provided to program participants include attendance records, counseling notes, field trip records, participant progress reports, and client contact forms.

Results of Sample Reviews

Talent Search Program: For budget year 1996-97, we randomly selected 40 of 850 students on a participant list for that year that was provided to us by Creighton officials. For budget year 1997-98, we selected 40 of 853 students on the participant list provided by Creighton. Our analysis of the files for these students indicated that most did not contain documentation to support participation in the project. The results are summarized below.

- **Talent Search 1996-97:** Only eight of the 40 student files we sampled contained documentation of services received sufficient to meet the definition of a participant (i.e., receiving service at least twice during the award period). Based on the sample results, we estimate that Creighton only had documentation supporting the participation of 170 students in the project. Thus, Creighton's records do not support either the number of participants that it was required to serve by regulation (600) or the number of participants that it reported to the Department as served (850).

- **Talent Search 1997-98:** Only 15 of the 40 student files we sampled contained documentation of services received sufficient to meet the definition of a participant. Based on the sample results, we estimate that Creighton only had documentation supporting the participation of 320 students in the project. Thus, Creighton's records do not support either the number of participants that it was required to serve by regulation (600) or the number of participants that it reported to the Department as being served (850).

Based on our review, we concluded that Creighton could not support that it provided services to the number of students it was required to serve for the 1996-97 and 1997-98 budget periods. TRIO Program officials informed us that, had Creighton reported the actual number of students that it could support as served, it could have jeopardized its continued funding. Creighton University records showed that, as of February 10, 2000, it had received $119,759 of the $201,329 it was awarded for the 1996-97 budget period and $183,259 of the $209,382 it was awarded for the 1997-98 budget period. Because the University's documentation of services provided to participants in the Talent Search project was so deficient, we believe recovery of all grant funds received is appropriate.

Upward Bound Program: For budget year 1996-97, we randomly selected 30 of 75 students on the 1996-97 participant list that was provided to us by Creighton officials. For budget year 1997-98, we randomly selected 30 students from the participant list of 93 provided by Creighton. The results of this review are summarized below.

- **Upward Bound 1996-97:** Twenty-two of the 30 student files we sampled contained documentation of participation in either the summer or academic year sufficient to meet the definition of a participant. Based on these results, we estimate that 55 of the total 75 students listed for 1996-97 had documentation supporting their participation in the project. Although most of the files contained documentation to support student participation in the project, our analysis indicates that Creighton's records do not support either the number of participants that it was funded to serve (75) or the number of participants that it reported to the Department as served (81). For the 1996-97 budget period, the number of participants documented as served was 20 (27 percent) below the 75 participants approved and funded by the Department.

- **Upward Bound 1997-98:** Nineteen of the 30 student files we sampled contained documentation of participation in either the summer or academic year sufficient to meet the definition of a participant. Based on these results, we estimate that 59 of the total 93 students listed for 1997-98 had documentation supporting their participation in the project. Although most of the files contained documentation to support student participation in the project, our analysis indicates that Creighton's records do not support either the number of participants that it was required to serve (75) or the number of participants that it reported to the Department as served (76). For the 1997-98 budget period, the number of participants documented as served was 16 (21 percent) below the 75 participants approved and funded by the Department.

Based on our review, we concluded that Creighton could not support that it provided services to the number of students it was funded to serve or the number of participants that it reported to the Department as served for the 1996-97 and 1997-98 budget periods. TRIO Program officials informed us that, had Creighton reported the actual number of students that it could support as served, it could have affected future funding. Creighton University records showed that, as of February 10, 2000, it had received $299,547 of the $350,429 it was awarded for the 1996-97 budget period and $313,513 of the $364,446 it was awarded for the 1997-98 budget period. As discussed in the Recommendations section of this report, the Assistant Secretary for Postsecondary Education should reduce the 1996-97 and 1997-98 Upward Bound grant funds awarded to Creighton University by amounts that are proportionate to the numbers of participants for whom the University was funded but could not document having provided

required services. The Assistant Secretary for Postsecondary Education should then require Creighton University to refund $69,381, which is the amount of 1996-97 and 1997-98 Upward Bound grant funds that the University has drawn down in excess of the revised award amounts.

Upward Bound Math and Science Program: For budget year 1996-97, we selected all 41 students on the participant list that was provided to us by Creighton officials. For budget year 1997-98, we randomly selected 30 students from the participant list of 72 provided by Creighton. We found that most of the files for these students contained documentation to support student participation in the project. The results of this review are summarized below.

- **Upward Bound Math and Science 1996-97:** Thirty-one of the 41 student files for this year contained documentation of participation in either the summer or academic year sufficient to meet the definition of a participant. Thus, Creighton's records do not support that services were provided to the 40 participants approved and funded by the Department.

- **Upward Bound Math and Science 1997-98:** Twenty-two of the 30 student files we sampled contained documentation of participation in either the summer or academic year sufficient to meet the definition of a participant. Based on the sample results, we estimate that 53 of the total 72 students listed for 1997-98 had documentation supporting their participation in the project. The estimated 53 students documented as having received services exceeds the 40 participants approved by the Department. Therefore, we have not recommended that the Assistant Secretary reduce the Upward Bound Math and Science grant funds for this budget year.

Based on our review, we concluded that Creighton could not support that it provided services to the 40 students it was funded to serve or the number of participants that it reported to the Department as served for the 1996-97 budget period. TRIO Program officials informed us that, had Creighton reported the actual number of students that it could support as served, it could have affected future funding. Creighton University records showed that, as of February 10, 2000, it had received $167,856 of the $226,686 it was awarded for the 1996-97 budget period and $151,155 of the $235,753 it was awarded for the 1997-98 budget period. As discussed in the Recommendations section of this report, the Assistant Secretary for Postsecondary Education should reduce the 1996-97 Upward Bound Math and Science grant funds awarded to Creighton University by amounts that are proportionate to the numbers of participants for whom the University was funded but could not document having provided services. We have not recommended a cash refund related to the 1996-97 Upward Bound Math and Science project as

Creighton University drew down 74 percent of the grant funds available ($167,856 of $226,686) to serve 78 percent of the participants (31 of 40).

Initial Response Provided by Creighton on Our Student File Reviews

During the course of our work at Creighton University, we provided preliminary results of our student file reviews to Creighton University. Creighton officials responded on November 19, 1998, by providing us with information indicating their position as to each student's eligibility for a project and receipt of services (Appendix A). However, Creighton's November 19, 1998, response did not substantiate its position regarding the number of project participants in the years covered by our review.

According to its November 19, 1998, response, Creighton officials counted some students as participants in the 1997 Upward Bound Math and Science project because they had received summer 1996 informational packets. We did not consider 1996 informational packets as evidence that the student participated in the Upward Bound Math and Science project during the 1996-97 budget period, which began November 1, 1996. Creighton officials counted other students as eligible for Upward Bound and Upward Bound Math and Science based on grade reports. However, Creighton University officials provided no documentation with its November 19, 1998 response to show whether a counselor had met with a student regarding his grade report or whether the student participated in any other project activities.

To document participation in the Talent Search project, Creighton included mailings of newsletters and fliers as documentation of services provided. Based on discussions with Department program officials, we did not consider mailings to students as "services" for the purpose of documenting participation.

Creighton University Response to the Draft Audit Report and Auditor Comments

Creighton University's January 14, 2000, response to the draft report refers to additional documentation that Creighton provided for our review on December 22, 1999, subsequent to the issuance of the draft report. This was documentation that Creighton officials did not provide to the auditors during their fieldwork, nor did Creighton provide it in its November 1998 response to our preliminary results. Creighton officials offered no explanation for not providing, during the course of our audit, the additional records we had requested to document student participation.

Based on the additional records made available to us in December 1999, for the 1996-97 Upward Bound project, we revised the number of students who had documentation supporting their participation in the program, as reported in our draft report from 3 of 30 students sampled, to 22 of the 30 students sampled. In the January 2000 response, the University acknowledged the revised numbers, but disagreed with the concept of a pro-rata return of funds because the projected number of 55 students served met the minimum 50 required by regulations. To support its position, the University noted, correctly, that OIG had stated in its draft audit report that no costs would be questioned for the 1997-98 Upward Bound project since the required minimum number of students were served for that year.

In our draft report, we questioned the total amount the University received for the 1996-97 Upward Bound project. The documentation the school had provided, during our fieldwork and in its November 1998 response to our preliminary results was so inadequate that the existence of a viable project was questionable. However, the additional information supplied in December 1999 supported significantly more participants than the numbers cited in the draft report. The issue is no longer whether Creighton had functioning Upward Bound and Upward Bound Math and Science projects during the years audited but whether it had met the terms of its grant awards. The regulations in 34 CFR 645.43(a) state, "In each budget period, Regular Upward Bound projects shall serve between 50 and 150 participants…." However, since the amount of a grant award is based on the number of individuals an applicant proposes to serve, we calculated reductions to grant awards based on the number of students served as compared to the number the University proposed to serve in its grant application. In addition, while we had not recommended a recovery of funds for the Upward Bound 1997-98 budget period in our draft report, we have re-evaluated this action after discussions with the TRIO program staff. TRIO officials informed us that, in determining the amount of a grant award, the Department considers the number of participants the project plans to serve. A TRIO project serving 50 participants would receive less than a similar TRIO project serving 75 participants. Therefore, we also applied this pro-rata formula to the Upward Bound 1997-98 budget period.

For the 1996-97 Upward Bound Math and Science project, we revised the number of students who had documentation supporting their participation in the program, as reported in our draft report from 9 of 41 students, to 31 of the 41 students. We have not recommended a cash refund related to the 1996-97 Upward Bound Math and Science project as Creighton University drew down 74 percent of the grant funds available ($167,856 of $226,686) to serve 78 percent of the participants (31 of 40). The University noted that there were an additional six students who should have been considered eligible based on various records. However, we did not consider these records as acceptable documentation because they lacked signatures, they did not

document that services had been provided for the minimal 60 days, or the services that were documented were provided outside of the budget period being reviewed.

The University also disagreed with our findings and recommendations for the 1996-97 and the 1997-98 Talent Search projects. The University indicated that its disagreement with us was due to our differing interpretations of the program regulations in 34 CFR 643. The main differences involve the provision that an individual must receive project services to be counted as a participant:

> *The University contends that Sec. 643.7 (b)(2) does not specify a minimum number of services, and that one instance … during the award year is sufficient to meet the definition of participant. The University contends that its Needs Assessment Process contains an element of counseling and qualifies as a service under Sec. 643.4 (e) and (k). The University also contends that newsletters and other communications when considered as one aggregate service (i.e. Information Service) qualify as a service under Sec. 643.4 (k).*

We disagree with the University that "one instance" of service is sufficient to meet the definition of a participant. The regulations in 34 CFR 643.7(b)(2) define "participant" as an individual who receives project services. The Department interprets the plural form of the word "services" to mean that an individual must be provided at least two services to be counted as a project participant. University officials claimed in their response, "The OIG audit team agreed that there has not been any official clarifications, guidance, or instructions provided to the grantees… regarding the proper determination of a participant." Creighton officials' interpretation of our comments is incorrect. We did state in our December 1999 meeting that, to our knowledge, the Department had not informed grantees in writing about a minimum number of services that must be provided to a student for the student to be counted as a project participant. However, we noted that the Department had assured us that they routinely instruct the TRIO community at workshops and conferences (e.g., workshops for potential applicants and workshops for new project directors) about all aspects of participant counts, including the minimum number of services.

We also disagree with the University that mailings should be considered as a service in defining project participation. To support their position, University officials suggested that an official with the Council on Educational Opportunity (CEO) agreed with their view on mailings. When asked, this CEO official denied making any statement indicating that mailings could be counted as a service in documenting project participation. We maintain that a mailing may inform an individual about a service but unless a recipient of the mailing avails her/himself of the service,

s/he has not received the service. Furthermore, mailing a flyer does not ensure that the addressee will read it before throwing it away, or, for that matter, even receive it. In our opinion, a "service" that does not involve an active response on the part of the intended recipient cannot be used to identify the recipient as a participant in any activity. Yet, Creighton University used mailings as a significant portion of its documentation for supporting its project participation figures.

The University's documentation for project participation stands in contrast to its Talent Search grant proposal, which notes, "*While students may have the ability and unrefined skills to succeed in school, they may still be missing essential counseling and assistance with academic skills, career awareness, motivation, and financial aid.*" We have listed below examples of services to increase academic skills that were proposed by Creighton in its Talent Search grant application and approved by the Department. Similar activities were planned for career and financial aid awareness.

- *Outreach Advisors will discuss grades, study habits, and test taking preparation with participants.*
- *Outreach Advisors will discuss general academic strengths and weaknesses and provide participants with tips for academic success during individual counseling and/or workshops at target schools and community agencies.*
- *Outreach Advisors will discuss implications for academic progress with participants, and offer six postsecondary and jobsite visitations annually….*
- *The Vocational Coordinator will make transportation arrangements, coordinate the activity as well as make arrangements for project participants.*

….

- *Tutors will assist participants improve their academic grades….*
- *Outreach Advisors will assist participants develop short and long term educational goals through the IEP during individual sessions or in workshops.*
- *Time management, study skills and test-taking workshops will be conducted by Outreach Advisors twice each year.*

….

- *Workshops and individual counseling on postsecondary admissions applications will be provided to participants.*
- *ETS will sponsor ACT/SAT preparatory workshops for participants each year.*

In our opinion, the University's Talent Search proposals would not have received favorable reviews if mailings had been identified as a primary method for providing to students counseling, academic assistance, career awareness, motivation, and assistance in applying for financial aid.

Finally, we disagree with the University that the Needs Assessment Form checklists constitute documentation of a service. We consider needs assessment to be a procedure for determining if a student needs one or more of the services provided by a project. The University maintained the process may include some counseling but admitted that summaries of what happened during the 1996-97 and 1997-98 assessment meetings were not provided on the forms. The University also acknowledged that the needs assessment checklists were not signed or dated by the counselor. The checklists do not identify the nature of the service provided, who may have provided the service, whether the service was provided within the budget period in question, or even whether a counselor had met with the student in making the assessment. Because the University's documentation of services provided to participants in the Talent Search project was so deficient, we believe recovery of all the grant funds is appropriate.

Recommendations

We recommend that the Assistant Secretary for Postsecondary Education reduce the 1996-97 and 1997-98 Upward Bound and 1996-97 Upward Bound Math and Science grant awards to Creighton University by amounts that are proportionate to the numbers of participants for whom the University was funded but could not document having provided services. (See Exhibit 2.)

In addition, we recommend that the Assistant Secretary for Postsecondary Education require Creighton University to:

1. Refund $372,399, which represents the total of:

    - The amounts for the Upward Bound project for budget years 1996-97 and 1997-98, recorded as received by Creighton University as of February 10, 2000, that are in excess of the award amounts as adjusted based on the numbers of participants the University could not document as having provided required services, which totals to $69,381; and

    - The entire amount of Talent Search funds received by Creighton University for budget years 1996-97 and 1997-98 ($303,018).

2. Develop and follow specific written policies and procedures for the TRIO projects' administration, including policies and procedures to ensure that:

   - An individual's participation in a project during the summer and academic year are properly documented.

   - Reports to the U.S. Department of Education are supported by documentation maintained by Creighton University.

   - Only those students who continue their participation for the minimum time required by Federal regulation are counted as participants.

Finding No. 2 - Changes in Project Scope Were Not Reported to the Department

Contrary to Federal regulations, Creighton University did not always obtain U.S. Department of Education approval before making changes to the scope, objectives, or key personnel of its TRIO projects. Although recent regulatory changes reduced the administrative burden for grantees and provided more flexibility in planning and implementing project activities, grantees are still required to obtain Department approval prior to making changes in project scope, objectives, or key personnel. Changes to key personnel may have been a contributing factor in Creighton's inability to serve the number of students approved by the Department.

Expanded Authority Regulations

On July 28, 1997, the Department of Education amended Part 75 of the Education Department General Administrative Regulations (EDGAR) to provide "Expanded Authorities" to discretionary grant recipients. This amendment reduced regulatory and administrative burden and allowed grantees more flexibility in planning and implementing project activities. The new provisions permit grantees to do the following without seeking prior Department approval:

- Extend a grant at the end of its project period for a period of up to one year.
- Carry funds over from one budget period to the next.
- Obligate funds up to 90 days before the effective date of the grant award.
- Transfer funds between direct cost line items.

Nonetheless, grantees still must request prior approval for a number of program and budget related changes. The regulations in 34 CFR §74.25 clarify that recipients must obtain prior approval from the Department for the following:

- Change in the scope or the objectives of a project (even if there is no associated budget revision requiring prior written approval).
- Change in key personnel specified in the application or award document.
- Absence by the approved project director or principal investigator for more than three months or a 25 percent reduction in time devoted to a project.

Key Personnel Changes Not Reported to the Department

Creighton University TRIO officials did not request approval from the U.S. Department of Education for key personnel changes. Officials from Creighton University submitted grant proposals to the Department that outlined key personnel positions for implementation and oversight of all of its TRIO projects. However, we found that several of the key positions were never filled or remained vacant for more than the three months allowed by Department regulations. We identified the exceptions listed below:

- **Talent Search:** The project director position remained vacant for five months. Once the position was filled, the time allocated for the position decreased from the proposed 100 percent to 50 percent. In addition, the grant proposed three counselor positions. These positions have become vacant several times throughout the course of the grant. One position remained vacant for 11 months. In November 1998, two of the counselor positions again became vacant.

- **Upward Bound:** The project director position remained vacant for eight months prior to being filled. In addition, the assistant director position became vacant in August 1997 and still had not been filled at the time of our review.

- **Upward Bound Math and Science:** In October 1998, an assistant director position was created and filled. A Creighton official informed us that the creation of this position resulted in the elimination of the academic advisor position, four instructors and four tutors for the academic year, sixteen summer tutors and a decrease in the supply expense account. In addition to the elimination of positions, the tutoring sessions were reduced from four days to two days a week. Approval from the Department was not requested for this change in scope.

- **Training Program:** During the first year of the grant (1996-97), the project director position was budgeted at 50 percent time charged to the project for a 12-month period at $20,000. However, this position was never filled in the first year. The individual hired as the project director for the 1997-98 year held a bachelor's degree, which did not meet the qualifications outlined in the grant. According to the grant document, the project director is required to hold a master's degree as well as have at least five year's work experience with TRIO projects.

- **Student Support Services:** The grant document shows that the project director position will be charged 100 percent to the project. However, in 1998, the time devoted to the Student

Support Services grant was reduced to 50 percent time charged to the project, without notifying the Department of the change.

Expenditures Significantly Less Than Amounts Awarded

The significant changes in project scope and unfilled key positions resulted in $643,649, or 15 percent of the total amount awarded, not being drawn down or expended as of February 10, 2000. If managed effectively, amounts of unexpended funding such as this could mean the difference between failure and success for a large number of students. Because of the problems identified regarding changes in key personnel and project scope, as well as Creighton's inability to support the numbers of project participants that it reported to the Department, Creighton should be restricted in its use of the Expanded Authority provisions.

According to Attachment Z of Grants Policy Bulletin #19, issued by the Grants Policy and Oversight Staff, on January 27, 1998,[2] the discretion provided to grantees under the Expanded Authority provisions may be limited under certain circumstances. One such circumstance is "… where the Department has designated a grantee as 'high-risk,' or is making an award to a grantee that has historically exhibited great difficulty complying with statutory, regulatory, or administrative requirements. Some of the considerations that discretionary grant teams might take into account in making such a determination would include, but are not limited to, instances where a grantee:

- Has frequent turnover in key personnel and/or the person(s) managing grant projects is (are) not familiar with federal statutes or ED regulations; and

- Does not have a strong financial management system or a sound knowledge of cost principles and consistently proposes using grant funds for unallowable costs and activities…."

Creighton University Response to the Draft Audit Report and Auditor Comments

Creighton University agreed with our findings regarding its failure to report changes in project scope and key personnel to the Department.

[2] Grants Policy and Oversight Staff, Office of the Chief Financial Officer, U.S. Department of Education

Recommendations

We recommend that the Assistant Secretary for Postsecondary Education monitor Creighton University's adherence to the requirement that it obtain Department approval before making changes to the scope, objectives, or key personnel of its TRIO projects.

We further recommend that the Assistant Secretary for Postsecondary Education require Creighton University to obtain approval from the U.S. Department of Education before undertaking any of the following actions with regard to its TRIO projects:

1. Extending the project period of a grant beyond the project period end date specified in the most recent revision of the Grant Award Notification.

2. Carrying forward grant funds that the grantee has not obligated in a budget period.

3. Making cumulative transfers among direct-cost budget categories that exceed 10 percent of the approved budget for an award period.

Finding No. 3 – Improvements in Management Controls Are Needed

We found that Creighton University did not always follow its own management controls in the areas of accounting for travel expenses, reconciling budgets to actual expenditures, documenting student citizenship, and inventory controls. Internal management controls, when followed, help safeguard assets, ensure the reliability of accounting data, promote efficient operations, and ensure compliance with established policies.

Creighton Officials Did Not Follow the University's Policy and Procedures Regarding Travel

Creighton University budgeted approximately $316,000 for travel for all of its TRIO projects during budget years 1996-97 and 1997-98. Our review of invoices and Travel Expense Reports showed that Creighton officials did not always follow the University's policy and procedures regarding travel. This resulted in Creighton's TRIO projects being charged for unallowable travel costs. While the aggregate of the unallowable travel costs we found was not material in relation to the total travel amounts budgeted, it indicates that Creighton did not adhere to management control procedures that protect program interests.

OMB Circular A-21, *Cost Principles for Educational Institutions*, states that travel costs may be charged to a Federal grant "… to the extent such costs do not exceed charges normally allowed by the institution in its regular operations as a result of an institutional policy…. " Creighton's travel policy states that employees will be reimbursed for reasonable meal expenses incurred while on out-of-town business. More specifically, the policy states that Travel Expense Reports must be submitted to the Controller's Office within seven working days of the traveler's return to campus.

We reviewed a sample of payments made from TRIO grant funds. We found the following examples of questionable travel practices:

- Lodging and meal costs incurred for more days than the training sessions were scheduled.
- Lodging and meal costs incurred by Creighton staff for local training held in Omaha.

- Claimed reimbursement for meals that were provided at no cost to participants attending training workshops.

- Group meals for which the participants had already received individual cash advances.

- Cash advances for which there were no Travel Expense Reports or any other documentation showing actual expenses.

- Cash advances for which no receipts could be found to document required refunds (e.g., several instances where fewer students went on a trip than were estimated).

Reconciliation of Budgets to Actual Expenditures Would Improve Project Administration

Our review of Creighton's accounting records showed that TRIO officials did not always follow sound fiscal management practices. Creighton's grant proposals for these projects stated that the program director would reconcile on a monthly basis TRIO expenditures and encumbrances to budget line-item status. We found that Creighton officials did not perform these monthly reconciliations. We found no evidence of any reconciliation of expenditures to budgeted amounts.

Grantees are responsible for maintaining accurate records and the overall fiscal management of their federally funded projects. Timely reconciliation of actual expenditures to project budgets would provide an accurate picture of funds available for program improvements.

Student Citizenship Not Always Documented

In our review of student files, we found that student citizenship was not always documented. Federal regulations require that citizenship of a student be determined as part of meeting the eligibility requirement to participate in the Federal TRIO projects. In our analysis we found the following:

- Talent Search: 32 of 40 student files reviewed did not document citizenship in 1996-97. In award year 1997-98, 30 of 40 student files reviewed did not document citizenship.

- Upward Bound: 12 of 30 student files reviewed from 1996-97 and 28 of 30 student files reviewed from 1997-98 did not document citizenship.

- Upward Bound Math and Science: 35 of 41 student files reviewed from 1996-97 and 28 of 30 student files reviewed from 1997-98 did not document citizenship.

Without properly documenting citizenship, Creighton may be serving ineligible students.

Inventory Controls Should Be Followed to Safeguard Equipment Purchased with Federal Funds

TRIO personnel did not follow Creighton University's policies and procedures for safeguarding equipment. According to EDGAR, under 34 CFR §74.34(f)(4), grantee institutions must have safeguards to prevent loss, damage or theft of equipment purchased with Federal funds. Creighton's policies and procedures, specifically those related to Fixed Asset Tagging, state: "All fixed assets with an original acquisition cost of $500 or more will be identified and tracked in the University's Fixed Asset system. This will be accomplished by attaching a pre-numbered tag to each asset identifying it as 'Property of Creighton University.'" We selected all 26 items identified as being purchased with Federal TRIO funds ($43,887) to confirm their location. We found that 11 of the 26 items did not have barcodes attached even though barcodes were assigned based on the inventory list.

Creighton University Response to the Draft Audit Report and Auditor Comments

Creighton University officials generally agreed with our recommendations. School officials noted that they had created a new financial budget analyst position for the TRIO programs during fiscal year 1999 who will assist the program directors in monitoring grant expenditures on a continuous basis. The University response stated that in preparing a revised student application, the question on citizenship had been omitted. The University believes that the likelihood that it served non-U.S. citizens during the audit period is extremely remote but did not provide further details.

Recommendations

We recommend that the Assistant Secretary for Postsecondary Education require Creighton University to improve its management controls to ensure that TRIO personnel:

1. Follow institutional travel policies and procedures.

2. Reconcile actual expenditures and revenues to the project budgets on a monthly basis.

3. Properly document all eligibility elements to ensure students participating in the TRIO projects meet all Federal requirements.

4. Follow institutional policies and procedures for safeguarding equipment purchased with Federal funds.

Background

Creighton University is a private, Jesuit university of three colleges, five professional schools, a graduate school and summer sessions. It enrolls more than 6,000 students annually. The school is located in Omaha, Nebraska. The Vice President for Academic Affairs is responsible to the President of the University for academic administration of the Educational Opportunity Programs, which include the Federal TRIO projects. These projects are listed below.

- **Student Support Services** offers first generation, low income or disabled students academic, intervention, financial, counseling, cultural and support services.

- **Educational Talent Search** provides academic support and career guidance to individuals between the ages of 11 and 27. The goal of the Talent Search project is to encourage, support and motivate participants to achieve academic success, obtain a high school diploma or General Educational Development (GED) and pursue advanced education.

- **Upward Bound** is an educational program designed to enhance its participants' academic skills so that they can successfully complete high school and enroll in a postsecondary institution. Creighton's Upward Bound project is designed to assist Omaha area students in achieving the academic skills and personal growth necessary for the successful completion of high school and for entry into a postsecondary institution. Potential Upward Bound students should be motivated to excel academically and desire a college education. The project supplements a student's high school experience and assists the student in academic preparation and in career exploration and self-development.

- **Upward Bound Math and Science** is an educational program structured to motivate students' interest in the math and science fields. The goal of the Creighton University Upward Bound Math and Science project is to offer economically disadvantaged high school students an opportunity to study and explore topics in the math and science fields. This preparation will prepare students to pursue courses of study in math and science at a postsecondary institution.

- **Training Academy (Training Grant Program)** provides training for staff and leadership personnel of TRIO projects to enable them to more effectively operate the projects.

Audit Scope and Methodology

The purpose of the audit was to determine if Creighton University has administered the Federal TRIO projects in accordance with Federal regulations. The audit covered the two most recent budget periods, 1996-97 and 1997-98.

To accomplish our audit objectives we reviewed applicable Federal regulations and files relating to Creighton University at the Department's TRIO program office located in Washington, DC. In addition, we conducted interviews with key personnel in each of Creighton University's TRIO projects (Upward Bound, Upward Bound Math and Science, Talent Search, Student Support Services and Training Grant) and obtained and analyzed documentation related to those projects. Furthermore, we judgmentally selected files to review services received from the Student Support Services project and found no material non-compliance with documentation supporting the provision of services. As discussed below, we reviewed student files for services received for the Upward Bound, Upward Bound Math and Science and Talent Search projects using random sampling.

We relied on computer-processed data contained in Creighton University's accounting records to estimate the amount of Federal funds received. We assessed the reliability of this data at Creighton University. Based on our assessments and tests, we concluded that the data used was sufficiently reliable to meets our use of the information. Our conclusion was based on testing the accuracy of the data by comparing computer data to source records. Due to the manner in which the U.S. Department of Education accounted for the disbursement of TRIO grant funds, the information to verify the amount received by Creighton was not available by grant for budget years 1996-97 and 1997-98.

We visited the Department's TRIO program office located in Washington, DC on September 14, 1998. We conducted our initial fieldwork at the institution from September 21, 1998 through March 24, 1999, and updated our fieldwork related to project participation at the institution on December 22, 1999, and updated our fieldwork related to the receipt of TRIO grant funds on February 9 and 10, 2000. In addition, we continued to collect and analyze data in our offices through February 22, 2000. Our audit was conducted in accordance with government auditing standards appropriate to the scope of review described above.

Supplementary Statistical Information

The necessity for determining compliance with reporting requirements for each project and each budget period caused us to select two independent samples for each of the three projects (Upward Bound, Upward Bound Math and Science, and Talent Search). The sample population for each project and year was a participant's list provided by Creighton from which we used a simple random sample to select the participants to review. Due to the small sample sizes and the small percentage of participants with documented services, the sample precision varied. The table below provides relevant statistical information related to our samples.

Table of Statistical Information

Program & Award Year	Minimum Required Per Award	Population (Participants List)	Sample Size	Point Estimate (1)	Range for Which We Are 90% Confident That Services Are Documented	
					Lower Limit	Upper Limit
Upward Bound (Including Summer)						
1996-97	75	75	30	55 (2)	46	64
1997-98	75	93	30	59 (3)	47	71
1997-98 Academic Year Only				19	9	29
Upward Bound Math and Science (Including Summer)						
1996-97	40	41	41 (100%)	31	31 (100% Review)	
1997-98	40	72	30	53 (4)	45	61
1997-98 Academic Year Only				26	17	35
Talent Search						
1996-97	850	850	40	170	82	258
1997-98	850	853	40	320	213	427

1. Point estimate represents the number of student files we project as containing adequate documentation to support participation in the project.
2. Example: Using the Upward Bound 1996-97 award year as an example, we are 90% confident that 55 student files contained adequate documentation. Using the sampling error, it could be as few as 46 student files but no more than 64 student files that contain adequate documentation to support participation in the project.
3. 1997-98 Upward Bound point estimate of 59 includes the 19 academic-year-only students.
4. 1997-98 Upward Bound Math and Science point estimate of 53 includes the 26 academic-year-only students.

Statement on Management Controls

As part of our audit, we assessed the management control structure, policies, procedures, and practices applicable to the scope of our audit at Creighton University, Omaha, Nebraska. The purpose of our review was to assess the level of control risk for determining the nature, extent, and timing of substantive tests. For the purpose of this report, we assessed and classified the significant management controls into the following categories:

- Participant services
- Participant eligibility
- Program record maintenance
- Fiscal record keeping

In performing this assessment, we also considered work performed by the school's external auditors.

Because of inherent limitations, a study and evaluation made for the limited purposes described above would not necessarily disclose all material weaknesses in the control structure. However, our assessment disclosed weaknesses at Creighton University related to the area of compliance with Federal regulations, as well as with Creighton University's internal policies and procedures. These weaknesses are discussed in the Audit Results section of this report.

Definition of Eligible Services by Program

Upward Bound: 34 CFR Sections 645.11 and 645.12 describe the type and extent of services that are to be provided to project participants. Participants in an Upward Bound summer component receive services such as academic instruction, tutoring, and career counseling at least five days a week for six weeks. Participants in the academic year component receive such services on a weekly basis. Section 645.11 describes the core curriculum for the Upward Bound project to include instruction in "(1) Mathematics through pre-calculus; (2) Laboratory science; (3) Foreign language; (4) Composition; and (5) Literature." These projects may also include personal counseling, academic advice and assistance in secondary school course selection, tutorial services, exposure to cultural events, activities designed to acquaint youths with career options, and mentoring projects.

Upward Bound Math and Science: In addition to the services that must be provided by a regular Upward Bound project, an Upward Bound Math and Science Center must provide intensive instruction in mathematics and science that includes hands-on experience, opportunities to learn from mathematicians and scientists engaged in research, as well as teaching or applied science, and involvement with college students majoring in mathematics and science (34 CFR §645.13).

Talent Search: 34 CFR Section 643.4 states that Talent Search projects may provide the following services: (a) academic advice and assistance in secondary school and college course selection; (b) assistance in completing college admission and financial aid applications; (c) assistance in preparing for college entrance exams; (d) guidance on secondary school reentry or entry to other projects leading to a secondary school diploma or its equivalent; (e) personal and career counseling; (f) tutorial services; (g) exposure to college campuses as well as cultural events, academic programs, and other sites or activities not usually available to disadvantaged youth; (h) workshops and counseling for parents of students served; (i) mentoring programs involving elementary or secondary school teachers, faculty members at institutions of higher education, students, or any combination of these persons; (j) activities previously described that are specifically designed for students of limited English proficiency; and (k) other activities designed to meet the purposes of the Talent Search project, including activities to meet the specific educational needs of individuals in grades six through eight.

Exhibit 2

Schedule of Upward Bound and Upward Bound Math and Science Reductions to Grant Award Amounts and Amounts to Be Refunded by Creighton University

	1996-97		1997-98		Totals
	Upward Bound	**Upward Bound Math & Science**	**Upward Bound**	**Upward Bound Math & Science**	
Award Amount	$350,429	$226,686	$364,446	$235,753	$1,177,314
Amount Received @ February 10, 2000	($299,547)	(167,856)	($313,513)	($151,155)	($932,071)
Amount Not Drawn @ February 10, 2000	$50,882	$58,830	$50,933	$84,598	$245,243
Number of Participants - Services Supported[A]	55	31	59	>40	-
Number of Participants Proposed & Funded	75	40	75	40	-
Number of Participants - Services Not Supported	20	9	16	0	-
Percent Not Supported[B]	27%	23%	21%	0%	-
Pro-Rata Over-Award (Grant Award Reduction)*	$93,448	$51,004	$77,748	$0	$222,200
Recommended Amount to be Refunded by Creighton University (Pro-Rata Over-Award less Amount Not Drawn @ February 10, 2000)	**$42,566**	$0	**$26,815**	$0	**$69,381**

[A] The number of participants for the Upward Bound project for both 1996-97 and 1997-98 are point estimates. The number of participants for the 1996-97 Upward Bound Math and Science project is the number of participants supported after reviewing all Upward Bound Math and Science participant files. The point estimate for the 1997-98 Upward Bound Math and Science project is 53, which is greater than the 40 participants approved and funded by the Department of Education for the budget period.

[B] The Percent Not Supported has been rounded to the nearest whole percent for presentation purposes. The Pro-Rata Over-Award has been calculated using the percent to the nearest one-hundredth of a percent.

Appendix A

Creighton University Response to Preliminary Audit Results

NOTE: Personal identifiers have been removed to protect the privacy rights of students.

CREIGHTON UNIVERSITY

Educational Opportunity Programs

November 19, 1998

Ms. Lisa Robinson, Auditor
U.S. Department of Education
Office of Inspector General
10220 North Executive Hills Blvd., 2nd Floor
Kansas City, MO 64153-1367

Dear Lisa,

We are very appreciative of the review you recently conducted of the Creighton University TRIO programs. The review will assist us more effectively in improving the services we provide to our project participants. We are also pleased that you extended to us the opportunity to review and respond to your preliminary findings on student files.

Our TRIO projects always strive to work within the confinement of current federal law, as it relates to the TRIO programs, and the policies and procedures of Creighton University. Therefore, in responding to your preliminary findings we will attempt to keep our responses within the confinement of law, regulations, and comments and answers by the Secretary of the Department of Education located within the Code of Federal Regulations which pertain to the Federal TRIO programs.

Our review of your findings are centered around whether or not the participant met the criteria for first generation, low-income, and participant status as you have defined them. In order that we may begin on the same page, we are submitting information and definitions on the aforementioned areas from the Upward Bound and Talent Search Regulations.

A. First Generation:
In accordance with TRIO Programs Rules and Regulations.

"For purposes of documenting potential first generation college student status, documentation consists of a signed statement from a dependent participant's parent, or a signed statement from an independent participant." *(See Attachment A)*

Creighton University has understood that there is a primary and secondary certification allowed to certify a student as first generation. Primary certification being the parent's signature immediately after the question "Whether or not the parent has a Bachelor's degree is asked. Secondary certification being the parent's signature at the end of the application certifying that all information in the application inclusive of the first generation question is correct.

B. Low-Income:
TRIO Program Regulations which govern Upward Bound and Talent Search states that:

(b) For purposes of documenting a participant's low-income status the following applies:

(1) In the case of a student who is not an independent student, an institution shall document that the student is a low-income individual by obtaining and maintaining –
(i) A signed statement from the student's parent or legal guardian regarding family income;
(ii) Verification of family income from another governmental source;
(iii) A signed financial aid application; or
(iv) A signed United States or Puerto Rican income tax return.

(2) In the case of a student who is an independent student, an institution shall document that the student is low-income individual by obtaining and maintaining –
(i) A signed statement from the student regarding family income;
(ii) Verification of family income from another governmental source;
(iii) A signed financial aid application; or
(iv) A signed United States or Puerto Rican income tax return.

The Creighton University Upward Bound and Talent Search projects have always complied with the TRIO Regulations in certifying a prospective participant low-income. We will continue to adhere to these policies in the future. *(See Attachment B)*

C. Participant:
In accordance with the Talent Search Rules and Regulations 34 CFR 643.7 the following definitions apply in determining who is a project participant:

(1) Is determined to be eligible to participate in the project under 643.3; and
(2) Receives project services designed for his/her age or grade level.

The Upward Bound Rules and Regulations 34 CFR 645.6 defines a participant as an individual who:

(1) Is determined to be eligible to participate in the project under § 645.3;
(2) Resides in the target area, or is enrolled in a target school at the time of acceptance into the project; and
(3) Has been determined by the project director to be committed to the project, as evidenced by being allowed to continue in the project for at least –
  (i) Ten days in a summer component if the individual **first enrolled** in an Upward Bound project's summer component; or
  (ii) Sixty days if the individual **first enrolled** in an Upward Bound project's academic year component.

It has always been the intent of Creighton University to adhere to the above referenced regulations in deciding who is a participant. *(See Attachment C and D)*

In determining which students to count as a participant, Creighton University TRIO Projects only count those students it has provided documented services to during the project year. Creighton's definition of documented services has always followed the intent and understanding of all applicable federal regulations. Creighton's understanding is that whenever the federal government is silent on an area it is up to the grantee to determine policy and procedure while exercising "reasonable professional judgment" *(See Attachment E, 34 CFR 643.1)*. In the case of what constitutes an allowable method of delivery of services the Federal TRIO Regulations are silent. Therefore, the federal government has left this area to the discretion of the grantee (Creighton University). Creighton University has approved Upward Bound and Talent Search to use face to face contact, mailings, and telephone conversations as the primary methods of delivering project services. *(See Attachment F for additional information)*.

Upward Bound Rules and Regulations 34 CFR 645.12 *(See Attachment G)*. How are regular Upward Bound projects organized? States:

(a) Regular Upward Bound projects –
(1) Must provide participants with a summer instructional component that is designed to simulate a college going experience for participants, and an academic year component.

The Creighton University Upward Bound projects offer services in the summer and academic year. The regulations do not state that a participant must participate in the summer and academic year. For example, a student that joins the program in the summer will not have participated in the academic component for that project year. This participant is eligible to be counted as a participant because she/he met the criteria for a participant and received services.

In accordance with the Education Department General Administrative Regulation (EDGAR) TRIO projects are to submit annual performance reports ninety days (90) after the end of the project year. There is no requirement to submit an annual interim report. Over the past two years the U.S. Department of Education has requested that an interim report be submitted by TRIO Programs. This was done because the revised Annual

(1) Is determined to be eligible to participate in the project under § 645.3;
(2) Resides in the target area, or is enrolled in a target school at the time of acceptance into the project; and
(3) Has been determined by the project director to be committed to the project, as evidenced by being allowed to continue in the project for at least –
  (i) Ten days in a summer component if the individual **first enrolled** in an Upward Bound project's summer component; or
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Performance Reports had not been approved by OMB and USDOE. Also, USDOE needed an interim report prior to the next years budget release to grantees. The interim reports were requested between January and May which is immediately prior to the notification of grant award being forwarded.

Attached are our comments to the list of students you provided. Any documentation which you do not currently have is attached.

Respectfully submitted,

Lloyd E. Beasley, Director
Educational Opportunity Programs

Attachments:

A. Federal Regulations 645.4
B. Federal Regulations 645.4
C. Federal Regulation 34 CFR 643.7
D. Federal Regulation 34 CFR 645.6
E. Federal Regulation 34 CFR 643.1
F. Federal Regulation Vol. 58, No. 218
G. Federal Regulation 34 CFR 645.12
H. Upward Bound Lists
I. Upward Bound Bi-Weekly Attendance Reports
J. Talent Search Lists

xc: Grants Administration

ATTACHMENT A

§ 645.2 Who is eligible for a grant?

The following entities are eligible to apply for a grant to carry out an Upward Bound project:

(a) Institutions of higher education.

(b) Public or private agencies or organizations.

(c) Secondary schools, in exceptional cases, if there are no other applicants capable of providing this program in the target area or areas to be served by the proposed project.

(d) A combination of the types of institutions, agencies, and organizations described in paragraphs (a) and (b) of this section.

(Authority: 20 U.S.C 1070a–11 and 1070a–13)

§ 645.3 Who is eligible to participate in an Upward Bound project?

An individual is eligible to participate in a Regular, Veterans, or a Math and Science Upward Bound project if the individual meets all of the following requirements:

(a) (1) Is a citizen or national of the United States.

(2) Is a permanent resident of the United States.

(3) Is in the United States for other than a temporary purpose and provides evidence from the Immigration and Naturalization Service of his or her intent to become a permanent resident.

(4) Is a permanent resident of Guam, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

(5) Is a resident of the Freely Associated States—the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau.

(b) Is—(1) A potential first-generation college student; or

(2) A low-income individual.

(c) Has a need for academic support, as determined by the grantee, in order to pursue successfully a program of education beyond high school.

(d) At the time of initial selection, has completed the eighth grade but has not entered the twelfth grade and is at least 13 years old but not older than 19, although the Secretary may waive the age requirement if the applicant demonstrates that the limitation would defeat the purposes of the Upward Bound program. However, a veteran as defined in § 645.6, regardless of age, is eligible to participate in an Upward Bound project if he or she satisfies the eligibility requirements in paragraphs (a), (b), and (c) of this section.

(Authority: 20 U.S.C. 1070a–11 and 1070a–13)

§ 645.4 What are the grantee requirements with respect to low income and first-generation participants?

(a) At least two-thirds of the eligible participants a grantee serves must at the time of initial selection qualify as both low-income individuals and potential first-generation college students. The remaining participants must at the time of initial selection qualify as either low-income individuals or potential first generation college students.

(b) For purposes of documenting a participant's low-income status the following applies:

(1) In the case of a student who is not an independent student, an institution shall document that the student is a low-income individual by obtaining and maintaining—

(i) A signed statement from the student's parent or legal guardian regarding family income;

(ii) Verification of family income from another governmental source;

(iii) A signed financial aid application; or

(iv) A signed United States or Puerto Rican income tax return.

(2) In the case of a student who is an independent student, an institution shall document that the student is a low-income individual by obtaining and maintaining—

(i) A signed statement from the student regarding family income;

(ii) Verification of family income from another governmental source;

(iii) A signed financial aid application; or

(iv) A signed United States or Puerto Rican income tax return.

(c) For purposes of documenting potential first generation college student status, documentation consists of a signed statement from a dependent participant's parent, or a signed statement from an independent participant.

(d) A grantee does not have to revalidate a participant's eligibility after the participant's initial selection.

(Approved by the Office of Management and Budget under control number 1840–0550)

(Authority: 20 U.S.C. 1070a–11)

§ 645.5 What regulations apply?

The following regulations apply to the Upward Bound Program:

(a) The Education Department General Administrative Regulations (EDGAR) as follows:

(1) 34 CFR Part 74 (Administration of Grants to Institutions of Higher Education, Hospitals, and Nonprofit Organizations);

(2) 34 CFR Part 75 (Direct Grant Programs), except for § 75.511;

(3) 34 CFR Part 77 (Definitions that Apply to Department Regulations), except for the definition of "secondary school" in 34 CFR 77.1;

(4) 34 CFR Part 79 (Intergovernment Review of Department of Education Programs and Activities);

(5) 34 CFR Part 82 (New Restriction on Lobbying);

(6) 34 CFR Part 85 (Governmentwid Debarment and Suspension (Nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants));

(7) 34 CFR Part 86 (Drug-Free Schoo and Campuses).

(b) The regulations in this Part 645.

(Authority: 20 U.S.C. 1070a–11 and 1070a–13)

§ 645.6 What definitions apply to the Upward Bound Program?

(a) *Definitions in EDGAR.* The following terms used in this part are defined in 34 CFR 77.1:

Applicant
Application
Award
Budget
Budget period
EDGAR
Equipment
Facilities
Grant
Grantee
Project
Project period
Secretary
State
Supplies

(b) *Other Definitions.* The following definitions also apply to this part:

Family taxable income means—

(1) With regard to a dependent student, the taxable income of the individual's parents;

(2) With regard to a dependent student who is an orphan or ward of th court, no taxable income;

(3) With regard to an independent student, the taxable income of the student and his or her spouse.

HEA means the Higher Education Ac of 1965, as amended.

Independent student means a studen who—

(1) Is an orphan or ward of the court;

(2) Is a veteran of the Armed Forces of the United States (as defined in this section);

(3) Is a married individual; or

(4) Has legal dependents other than a spouse.

Institution of higher education mean an educational institution as defined in sections 1201(a) and 481 of the HEA.

Limited English proficiency with reference to an individual, means an individual whose native language is other than English and who has

B

§ 645.2 Who is eligible for a grant?

The following entities are eligible to apply for a grant to carry out an Upward Bound project:

(a) Institutions of higher education.

(b) Public or private agencies or organizations.

(c) Secondary schools, in exceptional cases, if there are no other applicants capable of providing this program in the target area or areas to be served by the proposed project.

(d) A combination of the types of institutions, agencies, and organizations described in paragraphs (a) and (b) of this section.

(Authority: 20 U.S.C 1070a–11 and 1070a–13)

§ 645.3 Who is eligible to participate in an Upward Bound project?

An individual is eligible to participate in a Regular, Veterans, or a Math and Science Upward Bound project if the individual meets all of the following requirements:

(a) (1) Is a citizen or national of the United States.

(2) Is a permanent resident of the United States.

(3) Is in the United States for other than a temporary purpose and provides evidence from the Immigration and Naturalization Service of his or her intent to become a permanent resident.

(4) Is a permanent resident of Guam, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

(5) Is a resident of the Freely Associated States—the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau.

(b) Is—(1) A potential first-generation college student; or

(2) A low-income individual.

(c) Has a need for academic support, as determined by the grantee, in order to pursue successfully a program of education beyond high school.

(d) At the time of initial selection, has completed the eighth grade but has not entered the twelfth grade and is at least 13 years old but not older than 19, although the Secretary may waive the age requirement if the applicant demonstrates that the limitation would defeat the purposes of the Upward Bound program. However, a veteran as defined in § 645.6, regardless of age, is eligible to participate in an Upward Bound project if he or she satisfies the eligibility requirements in paragraphs (a), (b), and (c) of this section.

(Authority: 20 U.S.C. 1070a–11 and 1070a–13)

§ 645.4 What are the grantee requirements with respect to low income and first-generation participants?

(a) At least two-thirds of the eligible participants a grantee serves must at the time of initial selection qualify as both low-income individuals and potential first-generation college students. The remaining participants must at the time of initial selection qualify as either low-income individuals or potential first generation college students.

(b) For purposes of documenting a participant's low-income status the following applies:

(1) In the case of a student who is not an independent student, an institution shall document that the student is a low-income individual by obtaining and maintaining—

(i) A signed statement from the student's parent or legal guardian regarding family income;

(ii) Verification of family income from another governmental source;

(iii) A signed financial aid application; or

(iv) A signed United States or Puerto Rican income tax return.

(2) In the case of a student who is an independent student, an institution shall document that the student is a low-income individual by obtaining and maintaining—

(i) A signed statement from the student regarding family income;

(ii) Verification of family income from another governmental source;

(iii) A signed financial aid application; or

(iv) A signed United States or Puerto Rican income tax return.

(c) For purposes of documenting potential first generation college student status, documentation consists of a signed statement from a dependent participant's parent, or a signed statement from an independent participant.

(d) A grantee does not have to revalidate a participant's eligibility after the participant's initial selection.

(Approved by the Office of Management and Budget under control number 1840–0550)

(Authority: 20 U.S.C. 1070a–11)

§ 645.5 What regulations apply?

The following regulations apply to the Upward Bound Program:

(a) The Education Department General Administrative Regulations (EDGAR) as follows:

(1) 34 CFR Part 74 (Administration of Grants to Institutions of Higher Education, Hospitals, and Nonprofit Organizations);

(2) 34 CFR Part 75 (Direct Grant Programs), except for § 75.511;

(3) 34 CFR Part 77 (Definitions that Apply to Department Regulations), except for the definition of "secondary school" in 34 CFR 77.1;

(4) 34 CFR Part 79 (Intergovernment Review of Department of Education Programs and Activities);

(5) 34 CFR Part 82 (New Restriction on Lobbying);

(6) 34 CFR Part 85 (Governmentwid Debarment and Suspension (Nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants));

(7) 34 CFR Part 86 (Drug-Free Schoo and Campuses).

(b) The regulations in this Part 645.

(Authority: 20 U.S.C. 1070a–11 and 1070a–13)

§ 645.6 What definitions apply to the Upward Bound Program?

(a) *Definitions in EDGAR.* The following terms used in this part are defined in 34 CFR 77.1:

Applicant
Application
Award
Budget
Budget period
EDGAR
Equipment
Facilities
Grant
Grantee
Project
Project period
Secretary
State
Supplies

(b) *Other Definitions.* The following definitions also apply to this part:

Family taxable income means—

(1) With regard to a dependent student, the taxable income of the individual's parents;

(2) With regard to a dependent student who is an orphan or ward of th court, no taxable income;

(3) With regard to an independent student, the taxable income of the student and his or her spouse.

HEA means the Higher Education Ac of 1965, as amended.

Independent student means a studen who—

(1) Is an orphan or ward of the court;

(2) Is a veteran of the Armed Forces of the United States (as defined in this section);

(3) Is a married individual; or

(4) Has legal dependents other than a spouse.

Institution of higher education mean: an educational institution as defined in sections 1201(a) and 481 of the HEA.

Limited English proficiency with reference to an individual, means an individual whose native language is other than English and who has

(2) 34 CFR part 75 (Direct Grant Programs), except for § 75.511.

(3) 34 CFR part 77 (Definitions That Apply to Department Regulations), except for the definition of "secondary school" in § 77.1.

(4) 34 CFR part 79 (Intergovernmental Review of Department of Education Programs and Activities).

(5) 34 CFR part 82 (New Restrictions on Lobbying).

(6) 34 CFR part 85 (Governmentwide Debarment and Suspension (Nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)).

(7) 34 CFR part 86 (Drug-Free Schools and Campuses).

(b) The regulations in this part 643.

(Authority: 20 U.S.C. 1070a–11 and 1070a–12)

§ 643.7 What definitions apply?

(a) *Definitions in EDGAR.* The following terms used in this part are defined in 34 CFR 77.1:

Applicant
Application
Budget
Budget period
EDGAR
Equipment
Facilities
Fiscal year
Grant
Grantee
Private
Project
Project period
Public
Secretary
Supplies

(b) *Other definitions.* The following definitions also apply to this part:

HEA means the Higher Education Act of 1965, as amended.

Institution of higher education means an educational institution as defined in sections 1201(a) and 481 of the HEA.

Low-income individual means an individual whose family's taxable income did not exceed 150 percent of the poverty level amount in the calendar year preceding the year in which the individual initially participated in the project. The poverty level amount is determined by using criteria of poverty established by the Bureau of the Census of the U.S. Department of Commerce.

Participant means an individual who—

(1) Is determined to be eligible to participate in the project under § 643.3; and

(2) Receives project services designed for his or her age or grade level.

Postsecondary education means education beyond the secondary school level.

Potential first-generation college student means—

(1) An individual neither of whose natural or adoptive parents received a baccalaureate degree;

(2) An individual who, prior to the age of 18, regularly resided with and received support from only one parent and whose supporting parent did not receive a baccalaureate degree; or

(3) An individual who, prior to the age of 18, did not regularly reside with or receive support from a natural or an adoptive parent.

Secondary school means a school that provides secondary education as determined under State law, except that it does not include education beyond grade 12.

Target area means a geographic area served by a Talent Search project.

Target school means a school designated by the applicant as a focus of project services.

Veteran means a person who served on active duty as a member of the Armed Forces of the United States—

(1) For a period of more than 180 days, any part of which occurred after January 31, 1955, and who was discharged or released from active duty under conditions other than dishonorable; or

(2) After January 31, 1955, and who was discharged or released from active duty because of a service-connected disability.

(Authority: 20 U.S.C. 1070a–11, 1070a–12 and 1141)

Subpart B—Assurances

§ 643.10 What assurances must an applicant submit?

An applicant shall submit, as part of its application, assurances that—

(a) At least two-thirds of the individuals it serves under its proposed Talent Search project will be low-income individuals who are potential first-generation college students;

(b) Individuals who are receiving services from another Talent Search project or an Educational Opportunity Center project under 34 CFR part 644 will not receive services under the proposed project;

(c) The project will be located in a setting or settings accessible to the individuals proposed to be served by the project; and

(d) If the applicant is an institution of higher education, it will not use the project as a part of its recruitment program.

(Authority: 20 U.S.C. 1070a–12)

Subpart C—How Does the Secretary Make a Grant?

§ 643.20 How does the Secretary decide which new grants to make?

(a) The Secretary evaluates an application for a new grant as follows:

(1) (i) The Secretary evaluates the application on the basis of the selection criteria in § 643.21.

(ii) The maximum score for all the criteria in § 643.21 is 100 points. The maximum score for each criterion is indicated in parentheses with the criterion.

(2) (i) For an application for a new grant to continue to serve substantially the same populations or campuses that the applicant is serving under an expiring project, the Secretary evaluates the applicant's prior experience in delivering services under the expiring project on the basis of the criteria in § 643.22.

(ii) The maximum score for all the criteria in § 643.22 is 15 points. The maximum score for each criterion is indicated in parentheses with the criterion.

(3) The Secretary awards additional points equal to 10 percent of the application's score under paragraphs (a)(1) and (2) of this section to an application for a project in Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands (Palau), or the Northern Mariana Islands if the applicant meets the requirements of Subparts A, B, and D of this part.

(b) The Secretary makes new grants in rank order on the basis of the applications' total scores under paragraphs (a)(1) through (3) of this section.

(c) If the total scores of two or more applications are the same and there are insufficient funds for these applications after the approval of higher-ranked applications, the Secretary uses the remaining funds to serve geographic areas and eligible populations that have been underserved by the Talent Search program.

(d) The Secretary may decline to make a grant to an applicant that carried out a project that involved the fraudulent use of funds under section 402A(c)(2)(B) of the HEA.

(Authority: 20 U.S.C. 1070a–11, 1070a–12, and 1144a(a))

§ 643.21 What selection criteria does the Secretary use?

The Secretary uses the following criteria to evaluate an application for a new grant:

(a) *Need for the project* (24 points). The Secretary evaluates the need for a Talent Search project in the proposed

§ 645.2 Who is eligible for a grant?

The following entities are eligible to apply for a grant to carry out an Upward Bound project:

(a) Institutions of higher education.

(b) Public or private agencies or organizations.

(c) Secondary schools, in exceptional cases, if there are no other applicants capable of providing this program in the target area or areas to be served by the proposed project.

(d) A combination of the types of institutions, agencies, and organizations described in paragraphs (a) and (b) of this section.

(Authority: 20 U.S.C 1070a–11 and 1070a–13).

§ 645.3 Who is eligible to participate in an Upward Bound project?

An individual is eligible to participate in a Regular, Veterans, or a Math and Science Upward Bound project if the individual meets all of the following requirements:

(a) (1) Is a citizen or national of the United States.

(2) Is a permanent resident of the United States.

(3) Is in the United States for other than a temporary purpose and provides evidence from the Immigration and Naturalization Service of his or her intent to become a permanent resident.

(4) Is a permanent resident of Guam, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

(5) Is a resident of the Freely Associated States—the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau.

(b) Is—(1) A potential first-generation college student; or

(2) A low-income individual.

(c) Has a need for academic support, as determined by the grantee, in order to pursue successfully a program of education beyond high school.

(d) At the time of initial selection, has completed the eighth grade but has not entered the twelfth grade and is at least 13 years old but not older than 19, although the Secretary may waive the age requirement if the applicant demonstrates that the limitation would defeat the purposes of the Upward Bound program. However, a veteran is eligible to participate in an Upward Bound project if he or she satisfies the eligibility requirements in paragraphs (a), (b), and (c) of this section.

(Authority: 20 U.S.C. 1070a–11 and 1070a–13)

§ 645.4 What are the grantee requirements with respect to low income and first-generation participants?

(a) At least two-thirds of the eligible participants a grantee serves must at the time of initial selection qualify as both low-income individuals and potential first-generation college students. The remaining participants must at the time of initial selection qualify as either low-income individuals or potential first generation college students.

(b) For purposes of documenting a participant's low-income status the following applies:

(1) In the case of a student who is not an independent student, an institution shall document that the student is a low-income individual by obtaining and maintaining—

(i) A signed statement from the student's parent or legal guardian regarding family income;

(ii) Verification of family income from another governmental source;

(iii) A signed financial aid application; or

(iv) A signed United States or Puerto Rican income tax return.

(2) In the case of a student who is an independent student, an institution shall document that the student is a low-income individual by-obtaining and maintaining—

(i) A signed statement from the student regarding family income;

(ii) Verification of family income from another governmental source;

(iii) A signed financial aid application; or

(iv) A signed United States or Puerto Rican income tax return.

(c) For purposes of documenting potential first generation college student status, documentation consists of a signed statement from a dependent participant's parent, or a signed statement from an independent participant.

(d) A grantee does not have to revalidate a participant's eligibility after the participant's initial selection.

(Approved by the Office of Management and Budget under control number 1840–0550)

(Authority: 20 U.S.C. 1070a–11)

§ 645.5 What regulations apply?

The following regulations apply to the Upward Bound Program:

(a) The Education Department General Administrative Regulations (EDGAR) as follows:

(1) 34 CFR Part 74 (Administration of Grants to Institutions of Higher Education, Hospitals, and Nonprofit Organizations);

(2) 34 CFR Part 75 (Direct Grant Programs), except for § 75.511;

(3) 34 CFR Part 77 (Definitions that Apply to Department Regulations), except for the definition of "secondary school" in 34 CFR 77.1;

(4) 34 CFR Part 79 (Intergovernmental Review of Department of Education Programs and Activities);

(5) 34 CFR Part 82 (New Restrictions on Lobbying);

(6) 34 CFR Part 85 (Governmentwide Debarment and Suspension (Nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)); and

(7) 34 CFR Part 86 (Drug-Free Schools and Campuses).

(b) The regulations in this Part 645.

(Authority: 20 U.S.C. 1070a–11 and 1070a–13)

§ 645.6 What definitions apply to the Upward Bound Program?

(a) *Definitions in EDGAR.* The following terms used in this part are defined in 34 CFR 77.1:

Applicant
Application
Award
Budget
Budget period
EDGAR
Equipment
Facilities
Grant
Grantee
Project
Project period
Secretary
State
Supplies

(b) *Other Definitions.* The following definitions also apply to this part:

Family taxable income means—

(1) With regard to a dependent student, the taxable income of the individual's parents;

(2) With regard to a dependent student who is an orphan or ward of the court, no taxable income;

(3) With regard to an independent student, the taxable income of the student and his or her spouse.

HEA means the Higher Education Act of 1965, as amended.

Independent student means a student who—

(1) Is an orphan or ward of the court;

(2) Is a veteran of the Armed Forces of the United States (as defined in this section);

(3) Is a married individual; or

(4) Has legal dependents other than a spouse.

Institution of higher education means an educational institution as defined in sections 1201(a) and 481 of the HEA.

Limited English proficiency with reference to an individual, means an individual whose native language is other than English and who has

Dated: November 1, 1993.

Richard W. Riley,

Secretary of Education.

The Secretary revises part 643 of title 34 of the Code of Federal Regulations to read as follows:

PART 643—TALENT SEARCH

Subpart A—General

Sec.

643.1 What is the Talent Search program?
643.2 Who is eligible for a grant?
643.3 Who is eligible to participate in a project?
643.4 What services may a project provide?
643.5 How long is a project period?
643.6 What regulations apply?
643.7 What definitions apply?

Subpart B—Assurances

643.10 What assurances must an applicant submit?

Subpart C—How Does the Secretary Make a Grant?

643.20 How does the Secretary decide which new grants to make?
643.21 What selection criteria does the Secretary use?
643.22 How does the Secretary evaluate prior experience?
643.23 How does the Secretary set the amount of a grant?

Subpart D—What Conditions Must Be Met by a Grantee?

643.30 What are allowable costs?
643.31 What are unallowable costs?
643.32 What other requirements must a grantee meet?

Authority: 20 U.S.C. 1070a–11 and 1070a–12, unless otherwise noted.

Subpart A—General

§ 643.1 What is the Talent Search program?

The Talent Search program provides grants for projects designed to—

(a) Identify qualified youths with potential for education at the postsecondary level and encourage them to complete secondary school and undertake a program of postsecondary education;

(b) Publicize the availability of student financial assistance for persons who seek to pursue postsecondary education; and

(c) Encourage persons who have not completed education programs at the secondary or postsecondary level, but who have the ability to do so, to reenter these programs.

(Authority: 20 U.S.C. 1070a–12)

§ 643.2 Who is eligible for a grant?

The following are eligible for a grant to carry out a Talent Search project:

(a) An institution of higher education.

(b) A public or private agency or organization.

(c) A combination of the types of institutions, agencies, and organizations described in paragraphs (a) and (b) of this section.

(d) A secondary school, under exceptional circumstances such as if no institution, agency, or organization described in paragraphs (a) and (b) of this section is capable of carrying out a Talent Search project in the target area to be served by the proposed project.

(Authority: 20 U.S.C. 1070a–11)

§ 643.3 Who is eligible to participate in a project?

(a) An individual is eligible to participate in a Talent Search project if the individual meets all the following requirements:

(1) (i) Is a citizen or national of the United States;

(ii) Is a permanent resident of the United States;

(iii) Is in the United States for other than a temporary purpose and provides evidence from the Immigration and Naturalization Service of his or her intent to become a permanent resident;

(iv) Is a permanent resident of Guam, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands (Palau); or

(v) Is a resident of the Freely Associated States—the Federated States of Micronesia or the Republic of the Marshall Islands.

(2) (i) Has completed five years of elementary education or is at least 11 years of age but not more than 27 years of age.

(ii) However, an individual who is more than 27 years of age may participate in a Talent Search project if the individual cannot be appropriately served by an Educational Opportunity Center project under 34 CFR part 644 and if the individual's participation would not dilute the Talent Search project's services to individuals described in paragraph (a)(2)(i) of this section.

(3) (i) Is enrolled in or has dropped out of any grade from six through 12, or has graduated from secondary school, has potential for a program of postsecondary education, and needs one or more of the services provided by the project in order to undertake such a program; or

(ii) Has undertaken, but is not presently enrolled in, a program of postsecondary education, has the ability to complete such a program, and needs one or more of the services provided by the project to reenter such a program.

(b) A veteran as defined in § 643.8(b), regardless of age, is eligible to participate in a Talent Search project if he or she satisfies the eligibility requirements in paragraph (a) of this section other than the age requirement in paragraph (a)(2).

(Authority: 20 U.S.C. 1070a–11 and 1070a–12)

§ 643.4 What services may a project provide?

A Talent Search project may provide the following services:

(a) Academic advice and assistance in secondary school and college course selection.

(b) Assistance in completing college admission and financial aid applications.

(c) Assistance in preparing for college entrance examinations.

(d) Guidance on secondary school reentry or entry to other programs leading to a secondary school diploma or its equivalent.

(e) Personal and career counseling.

(f) Tutorial services.

(g) Exposure to college campuses as well as cultural events, academic programs, and other sites or activities not usually available to disadvantaged youth.

(h) Workshops and counseling for parents of students served.

(i) Mentoring programs involving elementary or secondary school teachers, faculty members at institutions of higher education, students, or any combination of these persons.

(j) Activities described in paragraphs (a) through (i) of this section that are specifically designed for students of limited English proficiency.

(k) Other activities designed to meet the purposes of the Talent Search program stated in § 643.1, including activities to meet the specific educational needs of individuals in grades six through eight.

(Authority: 20 U.S.C. 1070a–12)

§ 643.5 How long is a project period?

(a) Except as provided in paragraph (b) of this section, a project period under the Talent Search program is four years.

(b) The Secretary approves a project period of five years for applications that score in the highest ten percent of all applications approved for new grants under the criteria in § 643.21.

(Authority: 20 U.S.C. 1070a–11)

§ 643.6 What regulations apply?

The following regulations apply to the Talent Search program:

(a) The Education Department General Administrative Regulations (EDGAR) as follows:

(1) 34 CFR part 74 (Administration of Grants to Institutions of Higher Education, Hospitals, and Nonprofit Organizations).

postsecondary education. Commenters were concerned that the requirement would force project staff to engage in unnecessary speculation and burdensome recordkeeping.

Discussion: The Secretary believes that the provision in question accurately reflects the pertinent language of the authorizing statute. The overarching purpose of the Talent Search program is to assist participants to enroll in postsecondary education. The Secretary views the provision as necessary to ensure that projects serve those who will benefit from the program. The Secretary believes that a participant's potential for postsecondary education is neither too speculative to be considered nor too burdensome to record. Therefore, the Secretary declines to make the requested change.

The Secretary does not require project staff to make an elaborate assessment of potential or a detailed record of that assessment. However, project personnel must exercise reasonable professional judgment in deciding whether a prospective participant has potential. Section 643.32(c)(1) requires that project staff make a record that describes the basis on which each participant is selected to receive services.

Changes: None.

Comment: Many commenters suggested that § 643.3 of the proposed regulations be changed to eliminate the requirement that projects determine whether each participant needs one or more of the services provided by the project. The commenters were concerned that the proposed requirement would impose an unnecessary assessment and recordkeeping burden. The commenters contended that people do not seek the services of a Talent Search project unless they need the services.

Discussion: The Secretary views needs assessments as a necessary first step in establishing effective counselor-client relationships. Further, such an initial contact encourages project staff to exercise their professional judgment in (1) ascribing meaning to the word "need," (2) differentiating between those who need services and those who do not, and (3) creating a record that reasonably describes the basis on which each participant was determined to need Talent Search services. Section 643.32(c)(2) requires that a grantee maintain a record of needs assessments.

Changes: None.

What Services May a Project Provide? (§ 643.4)

Comment: Three commenters recommended that the Secretary clarify the list of permissible services in § 643.4 of the proposed regulations. Commenters were concerned that the list did not provide sufficient guidance to prospective applicants.

Discussion: The Secretary encourages applicants and grantees to exercise reasonable professional judgment when designing and delivering services. The Secretary finds that it would be inappropriate to delineate, with greater specificity, the types of services that may be provided by a Talent Search project. By listing a broad range of permissible services, the Secretary intends to encourage applicants to identify from a wide variety of possibilities the means of furthering the purposes of the Talent Search program in their communities.

Changes: None.

How Long Is a Project Period? (§ 643.5)

Comment: Two commenters requested that the Secretary clarify § 643.5 of the proposed regulations, which describes the period for which Talent Search grants are awarded.

Discussion: The Secretary agrees that the proposed § 643.5 was unclear. The word "approved" was inadvertently omitted from the proposed § 643.5. The error has been corrected, thus eliminating what might have caused confusion on the part of the commenters.

Changes: The Secretary has changed § 643.5(b) to read "[t]he Secretary approves a project period of five years for applications that score in the highest ten percent of all applications approved for new grants under the criteria in § 643.21."

What Definitions Apply? (§ 643.7)

Comment: Many commenters requested that the Secretary change the proposed definition of "participant," which required that a participant be able to benefit from one or more of the services available from the project. Commenters complained that the requirement was ambiguous and could not be measured.

Discussion: The Secretary agrees that the phrase "able to benefit" does not offer sufficient guidance. Further, the Secretary believes that the proposed definition of "participant" was somewhat redundant. The first part of the definition required that a participant be determined to be eligible to participate in the project under § 643.3. The second part of the definition required that the participant be determined to be able to benefit from participating. The Secretary believes that an individual who is determined to be eligible for services under § 643.3 will have necessarily demonstrated a need for and an ability to benefit from project services.

Changes: The Secretary has revised the definition of "participant" to mean "an individual who—(1) [i]s determined to be eligible to participate in the project under § 643.3; and (2) [r]eceives project services designed for his or her age or grade level."

Comment: Many commenters requested that the Secretary revise the definition of "potential first-generation college student" in § 643.7(b). The commenters asserted that the Secretary's definition of "potential first-generation college student" was confusing and that it would not allow project staff to determine the first-generation status of foster children or children whose parents are divorced.

Discussion: The proposed definition of "potential first-generation college student" has been revised to address the commenters' concerns. The definition has been amended to clarify that it embraces both natural and adoptive parents. The Secretary believes that revised paragraph (2) of the definition applies to many children whose parents are divorced, as well as other children in single-parent families. A new paragraph (3) has been added to address foster children and other similarly-situated individuals.

Changes: In paragraph (1) of the definition, the words "natural or adoptive" have been added as modifiers of the term "parents." In paragraph (2), the phrase "prior to the age of 18" has been added to clarify the period in which the individual regularly resided with and received support from only one parent. A new paragraph (3) provides that "potential first-generation college student" includes "[a]n individual who, prior to the age of 18, did not regularly reside with or receive support from a natural or an adoptive parent."

Comment: Many commenters suggested that the word "secondary" be stricken from the definition of "target school" in § 643.7(b) of the proposed regulations. The commenters pointed out that the 1992 amendments to the Higher Education Act allow projects to serve students who have completed five years of elementary school, but the requirement that a target school be a secondary school would preclude services to sixth graders.

Discussion: The Higher Education Act defines a secondary school as a day or residential school that provides secondary education, as determined under State law, except that it does not include any education provided beyond grade 12. The Secretary finds that State law often defines secondary education as not including the sixth grade. The Secretary also finds that limiting target schools as proposed would, in some cases, exclude individuals who are eligible to participate in Talent Search projects.

Changes: Section 643.7(b) of the final regulations defines target school as "a school designated by the applicant as a focus of project services."

How Does the Secretary Decide Which New Grants To Make? (§ 643.20)

Comment: Several commenters objected to § 643.20(c) of the proposed regulations, which describes how the Secretary awards grants when two or more applications receive identical scores and all of these applications cannot be funded. The commenters suggested that the decision should not be made on the basis of what appeared to them to be a subjective judgment.

Discussion: The Secretary believes that the standards for awards in the circumstances described should be clarified. The Secretary has therefore changed the language to mirror congressional concern regarding equitable distribution of services to geographic areas and eligible populations that have been underserved by the program.

Changes: In the final regulations, § 643.20(c) reads: "[i]f the total scores of two or more applications are the same and there are insufficient funds for these applications after the approval of higher-ranked applications, the Secretary uses the remaining funds to serve geographic areas and eligible populations that have been underserved by the Talent Search program."

What Selection Criteria Does the Secretary Use? (§ 643.21)

Comment: Many commenters suggested that the Secretary change the point distribution in § 643.21 of the proposed regulations. The commenters offered the following table as a summary of their suggestions:

sufficient difficulty speaking, reading, writing, or understanding the English language to deny that individual the opportunity to learn successfully in classrooms in which English is the language of instruction.

Low-income individual means an individual whose family taxable income did not exceed 150 percent of the poverty level amount in the calendar year preceding the year in which the individual initially participates in the project. The poverty level amount is determined by using criteria of poverty established by the Bureau of the Census of the U.S. Department of Commerce.

Organization/Agency means an entity that is legally authorized to operate programs such as Upward Bound in the State where it is located.

Participant means an individual who—

(1) Is determined to be eligible to participate in the project under § 645.3;

(2) Resides in the target area, or is enrolled in a target school at the time of acceptance into the project; and

(3) Has been determined by the project director to be committed to the project, as evidenced by being allowed to continue in the project for at least—

(i) Ten days in a summer component if the individual first enrolled in an Upward Bound project's summer component; or

(ii) Sixty days if the individual first enrolled in an Upward Bound project's academic year component.

Potential first-generation college student means—

(1) An individual neither of whose natural or adoptive parents received a baccalaureate degree; or

(2) A student who, prior to the age of 18, regularly resided with and received support from only one natural or adoptive parent and whose supporting parent did not receive a baccalaureate degree.

Secondary school means a school that provides secondary education as determined under State law.

Target area means a discrete local or regional geographical area designated by the applicant as the area to be served by an Upward Bound project.

Target school means a school designated by the applicant as a focus of project services.

Veteran means a person who served on active duty as a member of the Armed Forces of the United States—

(1) For a period of more than 180 days, any part of which occurred after January 31, 1955, and who was discharged or released from active duty under conditions other than dishonorable; or

(2) After January 31, 1955, and who was discharged or released from active duty because of a service-connected disability.

(Authority: 20 U.S.C. 1001 *et seq.*, 1070a–11, 1070e–13, 1088, 1141, 1141a, and 3283(a)).

Subpart B—What Kinds of Projects and Services Does the Secretary Assist Under This Program?

§ 645.10 What kinds of projects are supported under the Upward Bound Program?

The Secretary provides grants to the following three types of Upward Bound projects:

(a) Regular Upward Bound projects designed to prepare high school students for programs of postsecondary education.

(b) Upward Bound Math and Science Centers designed to prepare high school students for postsecondary education programs that lead to careers in the fields of math and science.

(c) Veterans Upward Bound projects designed to assist veterans to prepare for a program of postsecondary education.

(Authority: 20 U.S.C. 1070a–11 and 1070a–13)

§ 645.11 What services do all Upward Bound projects provide?

(a) An Upward Bound project that has received funds under this part for at least two years shall include as part of its core curriculum, instruction in—

(1) Mathematics through pre-calculus;

(2) Laboratory science;

(3) Foreign language;

(4) Composition; and

(5) Literature.

(b) All Upward Bound projects may provide such services as—

(1) Instruction in subjects other than those listed in § 645.11(a) that are necessary for success in education beyond high school;

(2) Personal counseling;

(3) Academic advice and assistance in secondary school course selection;

(4) Tutorial services;

(5) Exposure to cultural events, academic programs, and other educational activities not usually available to disadvantaged youths;

(6) Activities designed to acquaint youths participating in the project with the range of career options available to them;

(7) Instruction designed to prepare youths participating in the project for careers in which persons from disadvantaged backgrounds are particularly underrepresented;

(8) *Mentoring* programs involving elementary or secondary school teachers, faculty members at institutions of higher education, students, or any combination of these persons and other professional individuals; and

(9) Programs and activities such as those described in paragraphs (b)(1) through (b)(8) of this section that are specifically designed for individuals with limited proficiency in English.

(Authority: 20 U.S.C. 1070a–13)

§ 645.12 How are regular Upward Bound projects organized?

(a) Regular Upward Bound projects—

(1) Must provide participants with a summer instructional component that is designed to simulate a college-going experience for participants, and an academic year component; and

(2) May provide a summer bridge component to those Upward Bound participants who have graduated from secondary school and intend to enroll in an institution of higher education in the following fall term. A summer bridge component provides participants with services and activities, including college courses, that aid in the transition from secondary education to postsecondary education.

(b) A summer instructional component shall—

(1) Be six weeks in length unless the grantee can demonstrate to the Secretary that a shorter period will not hinder the effectiveness of the project nor prevent the project from achieving its goals and objectives, and the Secretary approves that shorter period; and

(2) Provide participants with one or more of the services described in § 645.11 at least five days per week.

(c)(1) Except as provided in paragraph (c)(2) of this section, an academic year component shall provide program participants with one or more of the services described in § 645.11 on a weekly basis throughout the academic year and, to the extent possible, shall not prevent participants from fully participating in academic and nonacademic activities at the participants' secondary school.

(2) If an Upward Bound project's location or the project's staff are not readily accessible to participants because of distance or lack of transportation, the grantee may, with the Secretary's permission, provide project services to participants every two weeks during the academic year.

(Authority: 20 U.S.C. 1070a–13)

§ 645.13 What additional services do Upward Bound Math and Science Centers provide and how are they organized?

(a) In addition to the services that must be provided under § 645.12(a) and may be provided under § 645.12(b), an Upward Bound Math and Science Center must provide—

(1) Intensive instruction in mathematics and science, including

ATTACHMENT H (1)

UPWARD BOUND 1997 - 98

E = Eligible to be counted as participant.
I = Ineligible to be counted as participant.
N = Never an intent to count this person as a participant.

	Student Name		Results of Review
1	[redacted]	Began participation 6/14/98.	E
2	[redacted]	Began participation 6/11/98.	E
3	[redacted]	No comment necessary	E
4	[redacted]	Accepted. did not show	N
5	[redacted]	Tutorial contact sheet.	E
6	[redacted]	Participated Summer 1998.	E
7	[redacted]	Participated AY. tutorial reports. dismissed 5/27/98.	E
8	[redacted]	Began participation 6/14/98.	E
9	[redacted]	Began participation 6/14/98.	E
10	[redacted]	Began participation 6/14/98.	E
11	[redacted]	Dismissed 4/22/98 per telephone contact.	E
12	[redacted]	Grade Reports 96/97.	E
13	[redacted]	No comment necessary.	E
14	[redacted]	Grade Reports. Stipend Reports. Tutor contact sheet	E
15	[redacted]	Accepted and dropped student.	N
16	[redacted]	Began participation 6/14/98	E
17	[redacted]	No comment necessary.	E
18	[redacted]	No comment necessary.	E
19	[redacted]	Began participation 6/14/98.	E
20	[redacted]	Began participation 6/14/98.	E
21	[redacted]	Dismissed 5/27/98 - participated AY.	E
22	[redacted]	Tutorial contact sheet	E
23	[redacted]	Began participation 6/14/98.	E
24	[redacted]	Began participation 1997 - participated AY 1997.	E
25	[redacted]	Began participation 6/14/98	E
26	[redacted]	Began participation 6/14/98	E
27	[redacted]	No comment necessary	E
28	[redacted]	Admitted 1995 - dismissed 5/27/98. Letter in file.	E
29	[redacted]	Began participation 6/14/98.	E
30	[redacted]	Began participation 1997 - dismissed 5/27/98. Letter in file.	E

ATTACHMENT H (2)

UPWARD BOUND MATH SCIENCE 1997 - 98

E = Eligible to be counted as participant
I = Ineligible to be counted as participant
N = Never an intent to count this person as a participant

	Student Name		Results of Review
1	[redacted]	No comment necessary.	E
2	[redacted]	No comment necessary.	E
3	[redacted]	Began participation 6/14/98.	E
4	[redacted]	Began participation 6/14/98.	E
5	[redacted]	Bi-weekly attendance sheet	E
6	[redacted]	Began participation 6/14/98.	E
7	[redacted]	Accepted but did not arrive for the summer.	N
8	[redacted]	Tutorial contact sheet.	E
9	[redacted]	Began participation 6/14/98.	E
10	[redacted]	No comment necessary.	E
11	[redacted]	Began participation 6/14/98.	E
12	[redacted]	No comment necessary.	E
13	[redacted]	Accepted did not arrive for the summer.	N
14	[redacted]	Tutorial Report Blumen System.	E
15	[redacted]	Began participation 6/14/98.	E
16	[redacted]	Began participation 3/25/98.	E
17	[redacted]	Dismissed 4/25/98. Letters and telephone conversation with Mom.	E
18	[redacted]	Began participation 6/14/98.	E
19	[redacted]	Tutorial contact sheet.	E
20	[redacted]	No comment necessary.	E
21	[redacted]	Began participation 6/14/98.	E
22	[redacted]	Began participation 6/14/98.	E
23	[redacted]	Began participation 6/14/98.	E
24	[redacted]	Began participation 6/14/98.	E
25	[redacted]	Began participation 6/14/98.	E
26	[redacted]	No comment necessary.	E
27	[redacted]	Began participation 6/14/98.	E
28	[redacted]	Began participation 6/14/98.	E
29	[redacted]	No comment necessary.	E
30	[redacted]	Began participation 6/14/98.	E

ATTACHMENT H (3)

UPWARD BOUND 1996 - 97

E = Eligible to be counted as participant.
I = Ineligible to be counted as participant.
N = Never an intent to count this person as a participant.

	Student Name		Results of Review
1	[redacted]		
2	[redacted]	Grade Reports 96/97.	E
3	[redacted]	Participated Summer 1996 & 97 AY. 1996 Summer program form and Grade Reports.	E
4	[redacted]	Letter from Project Director of January 1996.	E
5	[redacted]	Participated summer trip and AY.	E
6	[redacted]		
7	[redacted]	No comments necessary.	E
8	[redacted]	Letter from UB Assistant Director to ITI.	E
9	[redacted]	UB report card conference sheet.	E
10	[redacted]	Grade Reports. Report Card Conference form.	E
11	[redacted]	Letter about becoming active - dismissed on 3/7/98.	E
12	[redacted]	Summer 96 packets and Disciplinary Offense Sheet.	E
13	[redacted]	Grade Reports. UB Report Card.	E
14	[redacted]	Trip permission slip, eligible as FG.	E
15	[redacted]	Eligible as FG.	E
16	[redacted]	Participant summer program AY.	E
17	[redacted]	Summer 96 packet.	E
18	[redacted]	Upward Bound trip permission slip - Summer 96 packet.	E
19	[redacted]	Summer 96 packet.	E
20	[redacted]	Grade reports.	E
21	[redacted]	Grade reports.	E
22	[redacted]	Eligible as FG.	E
23	[redacted]		
24	[redacted]	UB report card conference.	E
25	[redacted]	Bi-weekly attendance sheet April 12, 1997.	E
26	[redacted]	Grade Reports 96/97.	E
27	[redacted]	Grade Reports 96/97.	E
28	[redacted]	No comment necessary.	E
29	[redacted]	Grade Reports.	E
30	[redacted]	Grade Reports.	E

ATTACHMENT H (4)

UPWARD BOUND MATH SCIENCE 1996 - 97

E = Eligible to be counted as participant
I = Ineligible to be counted as participant
N = Never an intent to count this person as a participant

	Student Name		Results of Review
1	[redacted]	Parent permission slip: grade reports.	E
2	[redacted]	Summer Medical Release form; grade reports.	E
3	[redacted]	Trip permission slip 10/26/96; stipend list.	E
4	[redacted]	Summer pocket 96 - trip permission slip November 1996.	E
5	[redacted]	Parent permission slip 10/26/96.	E
6	[redacted]	Trip permission slip 11/11/96.	E
7	[redacted]	No comments necessary.	E
8	[redacted]	Trip permission slip and Summer packet.	E
9	[redacted]	Bi-weekly attendance sheet January 25 - February 7, 1997.	E
10	[redacted]	Trip permission form July 21 and 25.	E
11	[redacted]	Trip permission slip 10/2/96.	E
12	[redacted]	Stipend list April 19 - May 2, 1997 and grade report quarter 1.	E
13	[redacted]	Grade reports 96/97, Summer 96 registration packet.	E
14	[redacted]	Attended SMC April 12, 1997, Bi-weekly attendance sheet.	E
15	[redacted]	No comment necessary.	E
16	[redacted]	No comment necessary.	E
17	[redacted]	Grade reports 1996 - 97.	E
18	[redacted]	Trip permission slip (12/11/96) Summer 96 packet.	E
19	[redacted]	No comment necessary	E
20	[redacted]	Trip permission slip (July 21 - 25, 1998) Summer Disciplinary Offense.	E
21	[redacted]	Summer 96 packet and grade report 96/97.	E
22	[redacted]	Grade reports 1996/97.	E
23	[redacted]	Summer 96 packet.	E
24	[redacted]	Bi-weekly attendance sheet 5/3/97 - 5/15/97.	E
25	[redacted]	Grade report 1996.	E
26	[redacted]	Bi-weekly attendance sheet April 5 - 18, 1997.	E
27	[redacted]	Summer 96 packet.	E
28	[redacted]	Summer 96 packet and grade report 96/97.	E
29	[redacted]	Summer 96 packet.	E
30	[redacted]	Summer 96 packet.	E
31	[redacted]	Grade report 96/97 - Summer Disciplinary Offense Form 96.	E
32	[redacted]	Bi-weekly Attendance Sheet June 25 - February 7, 1997 and February 22 - 28, 1997.	E
33	[redacted]	No comment necessary.	E
34	[redacted]	No comment necessary.	E
35	[redacted]	Stipend list January 25 - February 7, 1997 and Summer 96 packet.	E
36	[redacted]		
37	[redacted]	Summer 96 packet.	E
38	[redacted]	Trip permission slip 10/26/96.	E
39	[redacted]	Summer 96 packet.	E
40	[redacted]	Summer 96 packet.	E
41	[redacted]	Grade report 96/97.	E

(3)

CREIGHTON UNIVERSITY'S UPWARD BOUND MATH & SCIENCE
BI-WEEKLY ATTENDANCE AND SIGNATURE SHEET
JANUARY 25, 1997 THROUGH FEBRUARY 7, 1997

Name, Address & SSN	Tutoring Attendance ($7.50 each)		SMC Attendance ($5.00 each)	Total Amount	Voucher #	Signature	Date
[redacted]		2/5 315-515	1/25	$12.50	15923	[redacted]	2/8
[redacted]							
[redacted]	1/29 5-7		1/25	12.50	16296	[redacted]	
[redacted]							
[redacted]							
[redacted]	1/28 4-530		1/25	12.50	16297	[redacted]	2/10
[redacted]	1/28 330-6	2/3 3-6		15.00	15924	[redacted]	2/11

CREIGHTON UNIVERSITY'S UPWARD BOUND MATH & SCIENCE
BI-WEEKLY ATTENDANCE AND SIGNATURE SHEET
April 5, 1997 through April 18, 1997

Name, Address & SSN	Tutoring Attendance ($7.50 each)		SMCAttendance ($5.00 each)	Total Amount	Voucher #	Signature	Date
[redacted]	4/7 530-630 4/10 330-430	4/17 4-6	4/12	$20.00	17035	[redacted]	
[redacted]	4/8 3-5	4/15 3-5 4/17 315-515	4/12	20.00	17036	[redacted]	4-2597
[redacted]	exc. absent	exc.absent	4/12	5.00			
[redacted]	abs.	abs.	4/12	5.00			
[redacted]	4/10 3-6	4/17 315-615	4/12	20.00	17037	[redacted]	
[redacted]	4/7 330-530	4/15 3-530	4/12	20.00	17038	[redacted]	
[redacted]	exc. abs.	exc. abs.	4/12	5.00			

CREIGHTON UNIVERSITY'S UPWARD BOUND MATH & SCIENCE
BI-WEEKLY ATTENDANCE AND SIGNATURE SHEET
April 5, 1997 through April 18, 1997

Name, Address & SSN	Tutoring Attendance ($7.50 each)		SMCAttendance ($5.00 each)	Total Amount	Voucher #	Signature	Date
[redacted]	abs.	abs.	4/12	$5.00			
[redacted]	abs.	abs.	4/12	5.00			
[redacted]	4/9 415-7	exc. abs.	4/12	12.50	17045	[redacted]	4-26-97
[redacted]	exc. abs.	exc. abs.	4/12	5.00			
[redacted]	exc. abs.	exc. absent	4/12	5.00			
[redacted]	Exc. Absent	Exc. Absent	4/12	5.00			
[redacted]	exc. abs.	4/16 3-4 ($-5.)	4/12	7.50			

CREIGHTON UNIVERSITY'S UPWARD BOUND MATH & SCIENCE
BI-WEEKLY ATTENDANCE AND SIGNATURE SHEET
April 19, 1997 through May 2, 1997

Name, Address & SSN	Tutoring Attendance ($7.50 each)		SMCAttendance ($5.00 each)	Total Amount	Voucher #	Signature	Date
[redacted]	4/24 515-7	5/1 330-545		$15.00	018283	[redacted]	5-15-97
[redacted]	4/22 3-5 4/24 3-5	4/29 315-515 5/1 3-515	4/26	20.00	018284	[redacted]	5-10-97
[redacted]							
[redacted]							
[redacted]			4/26				
[redacted]	4/22 3-5	4/29 315-515		15.00	018285	[redacted]	
[redacted]			4/26				

CREIGHTON UNIVERSITY'S UPWARD BOUND MATH & SCIENCE
BI-WEEKLY ATTENDANCE AND SIGNATURE SHEET
May 3, 1997 through May 15, 1997

Name, Address & SSN	Tutoring Attendance ($7.50 each)		SMCAttendance ($5.00 each)	Total Amount	Voucher #	Signature	Date
[redacted]	5/5 445-7	5/13 445-7		15.00	018927	[redacted]	
[redacted]	5/8 4-6	5/15 4-6	5/10	20.00	018928	[redacted]	
[redacted]	5/8 34~~5~~-54~~5~~		5/10	12.50	018929	[redacted]	
[redacted]							
[redacted]							
[redacted]							
[redacted]		5/13 445-7		7.50			

CREIGHTON UNIVERSITY'S UPWARD BOUND MATH & SCIENCE
BI-WEEKLY ATTENDANCE AND SIGNATURE SHEET
JANUARY 25, 1997 THROUGH FEBRUARY 7, 1997

Name, Address & SSN	Tutoring Attendance ($7.50 each)		SMC Attendance ($5.00 each)	Total Amount	Voucher #	Signature	Date
[redacted]	1/30 3:30-6	2/7 3-5:30	Y25	$20.00	15937	[redacted]	
[redacted]	1/28 3-5	2/4 3-5	Y25	$20.00	15925	[redacted]	2-8-97
[redacted]							
[redacted]							
[redacted]		2/1 3-5:30		7.50			
[redacted]	1/29 3:30-5:30	2/1 3-4:20	Y25	20.00	15938	[redacted]	2/8/97
[redacted]		2/1 3:40-5:10	Y25	12.50	15939	[redacted]	2/10/97
[redacted]			Y25				

CREIGHTON UNIVERSITY'S UPWARD BOUND MATH & SCIENCE
BI-WEEKLY ATTENDANCE AND SIGNATURE SHEET
JANUARY 25, 1997 THROUGH FEBRUARY 7, 1997

Name, Address & SSN	Tutoring Attendance ($7.50 each)		SMC Attendance ($5.00 each)	Total Amount	Voucher #	Signature	Date
[redacted]	1/29 4115-610	2/5 4-6	Y25	20.00	15426	[redacted]	2/8
[redacted]	1/29 4115-610	2/5 4-6	Y25	20.00	15427	[redacted]	2/8
[redacted]	1/30 4-6	2/5 430-630	Y25	20.00	15428	[redacted]	
[redacted]		2/3 4-6					
[redacted]	1/29 5-7	2/5 5-7	Y25	20.00	15429	[redacted]	
[redacted]	1/28 3-4 1/29 330-430	2/4 420-620	Y25	20.00	15430	[redacted]	
[redacted]							

CREIGHTON UNIVERSITY'S UPWARD BOUND
BI-WEEKLY ATTENDANCE AND SIGNATURE SHEET
March 1, 1997 THROUGH March 14, 1997

Name, Address & SSN	Tutoring Attendance ($7.50 each)		SMC Attendance ($5.00 each)	Total Amount	Voucher #	Signature	Date
[redacted]		3/12 3-6	Exc.-absent				
[redacted]			Exc.-absent				
[redacted]			absent				
[redacted]			absent				
[redacted]	3/3 430-7	3/12 345-7	Exc.-absent	12.50 ✓	16751	[redacted]	
[redacted]	3/6 3-5	3/11 445-645	3/8	20.00 ✓	16752	[redacted]	4-7-97

10

CREIGHTON UNIVERSITY'S UPWARD BOUND
BI-WEEKLY ATTENDANCE AND SIGNATURE SHEET
April 5, 1997 through April 18, 1997

Name, Address & SSN	Tutoring Attendance ($7.50 each)		SMCAttendance ($5.00 each)	Total Amount	Voucher #.	Signature	Date
[redacted]	exc. absent	exc. absent	4/12	$5.00			
[redacted]	4/7 430-630	exc. absent	4/12	12.50	13078	[redacted]	
[redacted]	exc. absent	exc. absent	4/12	5.00			
[redacted]	abs.	abs.	4/12	5.00			
[redacted]	abs.	abs.	4/12	5.00			
[redacted]	exc.	4/12 345-445	4/12	12.50	13079	[redacted]	4/3/10
[redacted] Blvd	4/8 4-6 4/10 3-4	exc.	4/12	12.50	13080	[redacted]	

8

CREIGHTON UNIVERSITY'S UPWARD BOUND
BI-WEEKLY ATTENDANCE AND SIGNATURE SHEET
April 5, 1997 through April 18, 1997

Name, Address & SSN	Tutoring Attendance ($7.50 each)		SMCAttendance ($5.00 each)	Total Amount	Voucher #	Signature	Date
[redacted]	4/8 330-530	4/16 330-5 515-545	4/12	$20.00	13067	[redacted]	4/25/97
[redacted]	4/7 4-6	4/15 4-6	4/12	20.00	13068		
[redacted]	4/9 2-530	4/16 3-5	4/12	20.00	13069	[redacted]	4/25
[redacted]	4/9 5-7	exc.	4/12	12.50	13070	[redacted]	
[redacted]	4/8 3-5	4/15 3-515	4/12	20.00	13071	[redacted]	4/25
[redacted]	4/8 330-515 4/10 415-645	4/17 345-630 4/15 330-630	4/12	20.00	13072	[redacted]	4/26/97
[redacted]	abs.	abs.	4/12	5.00			

CREIGHTON UNIVERSITY'S UPWARD BOUND
BI-WEEKLY ATTENDANCE AND SIGNATURE SHEET
April 5, 1997 through April 18, 1997

Name, Address & SSN	Tutoring Attendance ($7.50 each)		SMCAttendance ($5.00 each)	Total Amount	Voucher #	Signature	Date
[redacted]	exc. absent	exc. absent	SMC cancelled due to weather 4/12	$5.00			
[redacted]	exc. absent	exc. absent	4/12	5.00			
[redacted]		Terminated 3/18/97					
[redacted]	abs.	abs.	4/12	5.00			
[redacted]	4/8 330-530	4/17 4-630 4/16 345-7	4/12	20.00	17051	[redacted]	4/26
[redacted]	4/10 445-645	4/17 430-630	4/12	20.00	17052	[redacted]	

5

CREIGHTON UNIVERSITY'S UPWARD BOUND

BI-WEEKLY ATTENDANCE AND SIGNATURE SHEET

April 5, 1997 through April 18, 1997

Name, Address & SSN	Tutoring Attendance ($7.50 each)		SMCAttendance ($5.00 each)	Total Amount	Voucher #	Signature	Date
[redacted]	Exc. Absent	4/16 5-7	4/12	$12.50	13054	[redacted]	4/26/97
[redacted]	exc.	exc.	4/12	5.00			
[redacted]	exc.	exc.	4/12	5.00			
[redacted]	4/9 2-4	4/17 245-445	4/12	20.00	13055	[redacted]	4/26/97
[redacted]	4/9 3-5	4/16 330-530	4/12	20.00	13056	[redacted]	4/26/97
[redacted]	Exc. Absent	4/17 315-415 4/16 330-530	4/12	12.50	13057	[redacted]	4/26/97
[redacted]	4/8 4-6	4/15 4-6 4/16 330-430	4/12	20.00	13058	[redacted]	4-26-97

11.	TERENCE		YES	YES	NO	NO	CONTACT WITH AMY ON 4-27-98 (YES)
1.	[redacted]	[redacted]	YES	NO	NO	NO	6 NEWSLETTERS 8 FLIERS CONTACT WITH PAT ON 12-15-97 YES
13.	[redacted]		NO	YES	NO	NO	
14.	[redacted]	[redacted]	YES	NO	NO	NO	6 NEWSLETTERS 6 FLIERS CONTACT WITH BRENDA 5-12-98 YES
15.	[redacted]		YES	NO	NO	NO	6 NEWLETTERS 8 FLIERS ATTENDED A SENIOR PIPELINE WORKSHOP 9-24-98 (YES)
16.	[redacted]	[redacted]	YES	NO	NO	NO	6 NEWSLETTERS 6 FLIERS CONTACT WITH AMY ON 3-23-98 YES
17.	[redacted]	[redacted]	YES	YES	YES	YES	OK
18.	[redacted]	[redacted]	YES	YES	YES	YES	OK
19.	[redacted]	[redacted]	YES	NO	YES	YES	OK
20.	[redacted]	[redacted]	NO	NO	YES	YES	OK
21.	[redacted]		YES	YES	NO	NO	6 NEWLETTERS 8 FLIERS YES
22.	[redacted]		NO	YES	NO	NO	6 NEWSLETTERS 7 FLIERS CONTACT WITH AMY ON 4-28-98 YES
23.	[redacted]		NO	NO	YES	YES	OK
							7 NEWSLETTERS 7 FLIERS

J

	1997-1998 STUDENT NAME	SSN#	LOW	FIRST GENER.	PART.	ELIG	COMMENTS/CONCERNS
1.	[redacted]	[redacted]	NO	YES	YES	YES	OK
2.	[redacted]	[redacted]	NO	YES	NO	NO	6 newsletters, 6 fliers 3-31-98 CONTACT WITH AMY. SHOULD BE. (YES)
3.	[redacted]	[redacted]	NO	NO	YES	YES	OK
4.	[redacted]		YES	NO	NO	NO	6 NEWSLETTERS 7 FLIERS YES
5.	[redacted]		YES	YES	NO	NO	6 newsletters, 6 fliers 3-16-98 MEETING WITH AMY YES.
6.	[redacted]	[redacted]	YES	YES	YES	YES	OK
7.	[redacted]		YES	YES	NO	NO	1 newsletter, 1 fliers PHONE CONTACT WITH PAT 6-3-98 YES
8.	[redacted]	[redacted]	YES	YES	NO	NO	6 NEWLETTERS 7 FLIERS SHOULD BE YES (MAILINGS)
9.	[redacted]	[redacted]	YES	YES	NO	NO	6 NEWLETTERS AND 7 FLIERS (YES)
10.	[redacted]		YES	NO	YES	YES	OK
	[redacted]	[redacted]					6 NEWLETTERS 7 FLIERS

24.	[redacted]	[redacted]	YES	YES	NO	NO	CONTACT WITH PAT ON 8-27-98 YES
25.	[redacted]		NO	YES	YES	YES	OK
26.	[redacted]		YES	YES	NO	NO	6 NEWSLETTERS 7 FLIERS CONTACT WITH AMY ON 3-16-98 YES
27.	[redacted]	[redacted]	YES	YES	NO	NO	6 NEWSLETTERS 7 FLIERS CONTACT WITH AMY ON 5-11-98
28.	[redacted]		YES	NO	NO	NO	PHONE CONTACT 8-20-98 (PAT) 1 NEWSLETTER 1 FLIER (YES)
29.	[redacted]		YES	YES	NO	NO	6 NEWSLETTERS (YES) 7 FLIERS CONTACT WITH AMY ON 5-12-98
30.	[redacted]	[redacted]	YES	NO	NO	NO	6 NEWSLETTERS 7 FLIERS YES
31	[redacted]		YES	YES	NO	NO	6 NEWSLETTERS 7 FLIERS YES
32.	[redacted]	[redacted]	YES	NO	NO	NO	6 NEWSLETTERS 7 FLIERS CONTACT WITH AMY ON 4-21-98 YES
33.	[redacted]	[redacted]	YES	NO	NO	NO	CHANGED ELIGIBILITY TO INCOME ONLY 1 NEWLETTER 1 FLIER (YES)
34.	[redacted]		NO	YES	YES	YES	OK
35.	[redacted]	[redacted]	YES	YES	YES	YES	OK
36.	[redacted]	[redacted]	NO	YES	NO	NO	6 NEWSLETTERS 6 FLIERS CONTACT WITH PAT 3-24-98 ATTEND OKLAHOMA/TEXAS TRIP JULY 31 SIGNED IN YES
37.	[redacted]	[redacted]	YES	YES	YES	YES	OK
38	[redacted]	[redacted]	NO	YES	YES	YES	OK

39.	[redacted]	[redacted]	YES	YES	NO	NO	6 NEWSLETTERS, 6 FLIERS (YES) CONTACT WITH AMY 4-22-98
40.	[redacted]	[redacted]	NO	YES	NO	NO	PHONE CONTACT ON 5-29-98 PAT LETTER SENT OUT 8-26-98 PAT 1 NEWSLETTER, 1 FLIER (YES)

	1996-1997 STUDENT NAME	SSN#	LOW	FIRST GENER.	PART.	ELIG	COMMENTS/CONCERNS
	[redacted]	[redacted]	YES	YES	NO	NO	3 NEWSLETTER 2 FLIERS (YES)
	[redacted]	[redacted]	YES	YES	NO	NO	2 NEWSLETTERS 1 FLIER YES
3.	[redacted]	[redacted]	YES	YES	NO	NO	1 NEWSLETTERS 1 FLIER ENTER INTO THE PROGRAM 4-8-97 YES
4.	[redacted]		YES	NO	NO	NO	CHANGED TO INCOME ONLY CONTACT WITH JONES ON 11-6-96 8 FLIERS, 5 NEWSLETTERS(YES)
5.	[redacted]	[redacted]	NO	YES	NO	NO	1 FLIER 1 NEWSLETTER ENTERED INTO THE PROGRAM 4-24- (YES)
6.	[redacted]		YES	YES	NO	NO	3 FLIERS 5 NEWLETTERS ENTERED INTO THE PROGRAM 10-16-96 (YES)
7.	[redacted]	[redacted]	YES	YES	NO	NO	9 FLIERS 6 NEWSLETTERS CONTACT WITH THERESA ON 10-29-96 (YES)
8.	[redacted]	[redacted]	YES	NO	NO	NO	9 FLIERS 5 NEWSLETTER (YES)
9.	[redacted]	[redacted]	YES	YES	NO	NO	1 FLIERS 2 NEWLETTERS (YES)
10.	[redacted]	[redacted]	YES	YES	NO	NO	1 FLIER 2 NEWSLETTERS ENTERED INTO THE 4-1-97 (YES)
11.	[redacted]		YES	YES	NO	NO	8 FLIERS 8 NEWLETTERS CONTACT WITH JONES ON 10-3-96 (YES)
12.	[redacted]	[redacted]	YES	YES	NO	NO	1 FLIER, ENTERED INTO THE PROGRAM 4-13-97 (YES)
13.	[redacted]	[redacted]	NO	YES	NO	NO	5 NEWSLETTERS, 2 FLIERS FREE AND REDUCE LUNCH IN FILE (YES)
14.	[redacted]	[redacted]	YES	NO	NO	NO	1 FLIER 2 NEWSLETTERS

							(YES)
1.	[redacted]		YES	NO	NO	NO	1 FLIER, 2 NEWSLETTERS ENTER INTO THE PROGRAM 4-7-97 (YES)
16.	[redacted]		YES	YES	NO	NO	6 FLIERS, 6 NEWSLETTERS CONTACT WITH THERESA 11-26-96 (YES)
17.	[redacted]		YES	YES	NO	NO	8 FLIERS, 5 NEWSLETTERS CONTACT WITH JONES 12-11-96 (YES)
18.	[redacted]		YES	NO	NO	NO	
19.	[redacted]		YES	YES	NO	NO	1 FLIER 2 NEWSLETTER ENTERED INTO THE PROG 3-31-97 (YES)
20.	[redacted]	[redacted]	YES	YES	YES	YES	OK
21.	[redacted]	[redacted]	YES	YES	NO	NO	
2.	[redacted]		YES	YES	NO	NO	
23.	[redacted]	[redacted]	NO	YES	NO	NO	
24.	[redacted]		YES	NO	NO	NO	7 FLIERS, 5 NEWSLETTERS (YES)
25.	[redacted]	[redacted]	YES	YES	NO	NO	2 FLIERS, 2 NEWSLETTERS ENTERED INTO THE PROGRAM 3-31-97 (YES)
26.	[redacted]		YES	YES	NO	NO	8 FLIERS, 5 NEWSLETTERS CONTACT WITH JONES 10-14-96 (YES)
27.	[redacted]	[redacted]	YES	YES	YES	YES	OK
28.	[redacted]		YES	YES	NO	NO	6 FLIERS, 6 NEWSLETTERS (YES)
29	[redacted]	[redacted]	NO	YES	YES	YES	OK

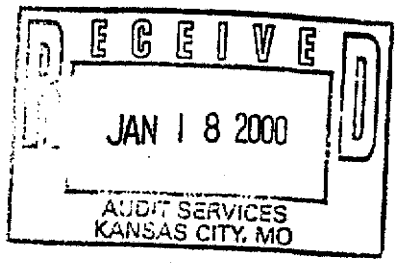
30.	[redacted]		YES	YES	YES	YES	OK
31.	[redacted]		NO	YES	NO	NO	6 FLIERS, 6 NEWSLETTER CONTACT WITH THERESA ON 12-2-96 (YES)
32.	[redacted]		YES	YES	NO	NO	8 FLIERS, 5 NEWSLETTERS (YES)
33.	[redacted]	[redacted]	YES	YES	NO	NO	6 FLIERS, 6 NEWSLETTERS CONTACT WITH THERESA ON 11-13-96 (YES)
34.	[redacted]		YES	NO	YES	YES	OK
35.	[redacted]		YES	YES	NO	NO	6 FLIERS, 6 NEWSLETTERS ATTENDED TULSA COLLEGE TOUR OCT. 25-27-96 (YES)
36.	[redacted]	[redacted]	YES	YES	NO	NO	6 FLIERS, 6 NEWSLETTERS CONTACT WITH THERESA 10-3-96 (YES)
37.	[redacted]	[redacted]	YES	NO	NO	NO	2 FLIERS, 2 NEWSLETTERS ENTERED INTO THE PROGRAM 3-31-97 (YES)
	[redacted]	[redacted]	YES	YES	NO	NO	
39.	[redacted]	[redacted]	YES	NO	NO	NO	1 FLIER, 2 NEWSLETTERS (YES)
40.	[redacted]	[redacted]	NO	YES	NO	NO	7 FLIER, 5 NEWSLETTERS (YES)

Appendix B

Creighton University Response to Draft Audit Report

NOTE: Personal identifiers have been removed to protect the privacy rights of students.

CREIGHTON
UNIVERSITY



General Counsel

January 14, 2000

William Allen, CPA
Regional Inspector General for Audit
U.S. Department of Education
10220 North Executive Hills Blvd., Suite 200
Kansas City, Missouri 64153

Dear Mr. Allen:

The following information represents Creighton University's response to the draft audit report (*Audit of Creighton University's Administration of its Federal TRIO Projects – ED-OIG/A07-80027).*

The University appreciated the willingness of the Department of Education (DOE) Office of Inspector General (OIG) personnel to return to the campus to review additional documentation on December 22, 1999. The additional documentation provided and/or reviewed by your audit team at the University has been identified in Appendix 1 and is incorporated here by reference. Also included as Appendix 2 and Appendix 3, are the OIG Draft Report Review documents prepared by the University's Internal Audit Department and utilized during its presentation to the OIG on December 22, 1999. They are incorporated here by reference.

Finding No. 1 – Creighton Could Not Support Services To TRIO Participants

Upward Bound 1996-97

The University acknowledges the revised results reported in your E-mail of January 5, 2000 reporting that 22 of 30 students sampled had adequate documentation to support that services had been provided. The University respectfully disagrees with the recommendation to request a pro-rata return of TRIO funds because the minimum number of participants was served. Projecting the sample results to the population yields a total participant number of 55, exceeding the minimum of 50 students required by regulation. The University contends that questioned costs should be zero with no refund to the DOE. In the Draft Report, the OIG concluded that when the required minimum number of students was served for the program year, no costs would be questioned.

Upward Bound Math and Science 1996-97

The University acknowledges the revised results reported in your E-mail of January 5, 2000, reporting that 31 of 41 students sampled had adequate documentation to support that services had been provided. The University agrees with the OIG recommendation to request a pro-rata return of TRIO funds because the minimum number of participants was not served as required by regulation. However, the University contends that the results obtained by its Internal Audit Department are valid and that 37 of 41 students had adequate documentation to support that services had been provided. The University contends that questioned costs to be returned to the Department should be limited to $12,514, based on a calculation using the *"minimum number required by regulation"* as the denominator.

The audit difference of six (6) participants between the OIG and the University's Internal Audit Department resulted from: (a) the level of evidence accepted by the OIG to document that a service had been performed, and (b) the OIG interpretation of the definition of participant. The University disagrees with the OIG's position that the only evidence to be considered in determining participation is records with student signatures.

The University's analysis of the determination of a participant is set forth in detail in the Analysis section of Appendix 2 and is incorporated here by reference. The OIG audit team agreed that there has not been any official clarifications, guidance, or instructions provided to the grantees by the DOE for the proper determination of a participant.

The University contends that six (6) additional participants are supported based on the consideration of records other than signature records and its interpretation of the definition of participant. Types of other records include:

- Biweekly Attendance and Signature Sheets (no signature because student did not qualify for stipend).
- Unofficial attendance sheets for Saturday classes (no signature, listing of students composed by teacher).
- College Tour Roster on file with Risk Management (no signatures).
- Unsigned grade report.
- Summer Residential Programs Infractions and Grades (signed by staff, not the student).
- Weekly Summer Progress Reports (no student signature required).

Talent Search 1996-97 and 1997-98

You state in your E-mail of January 5, 2000, that you do not anticipate significant changes to the Draft Report in this area. It appears that differences in the results of the University's Internal Audit Department and the OIG arise from a difference in the interpretation of the Talent Search program regulations at Sec. 643. The University respectfully disagrees with the OIG findings and the recommendation to return the entire amount of funds expended of $119,140 for 1996-1997 and $183,259 for 1997-1998.

There are three basic differences of interpretation. They are:

1. The number of services provided for participant determination;
2. Whether newsletters and other communications with participants and/or their parents taken in the aggregate count as one service; and
3. Whether the Needs Assessment Process constitutes a service.

The University contends that Sec. 643.7 (b)(2) does not specify a minimum number of services, and that one instance of a Sec. 643.4 service during the award year is sufficient to meet the definition of participant. The University contends that its Needs Assessment Process contains an element of counseling and qualifies as a service under Sec. 643.4 (e) and (k). The University also contends that newsletters and other communications when considered as one aggregate service (i.e. Information Service) qualify as a service under Sec. 643.4 (k). See Analysis section of Appendix 3 incorporated by reference here.

The University understands that TRIO program officials and the OIG determined that a student must receive service at least twice in an award year to qualify as a participant because of the plurality of the word "services" as used in Section 643.7(b)(2). The University disagrees because the context of the sentence in Section 643.7(b)(2) addresses types of services (i.e. designed for his or her grade level) and not the number of services to be provided. Further, an examination of Sec. 643.4 reveals that not all services listed at (a) – (k) are appropriate for all ages or grade levels.

The OIG audit team agreed that there has not been any official clarifications, guidance, or instructions provided to the grantees from the DOE regarding the proper determination of a participant. The University believes that a significant number of additional participants were served by the Program for both award years and are supported by the definition of participant per Sec. 643 (b)(2). The University points to the additional records it furnished to the OIG audit team in its presentation on December 22, 1999, as additional supporting evidence that a viable Talent Search program was being conducted for each award year. Specifically, items #7-11 of Section B of Appendix 1 are new records which

previously had not been examined or considered by the OIG audit team until the December 22, 1999, review.

Talent Search 1996-1997

The University contends that for the 1996-1997 sample (5% of the total population) its Internal Audit Department provided evidence to support compliance percentages in a range from 43% to 90% depending on the interpretation of the regulations as reported in the Analysis Section of Appendix 3 incorporated by reference here. The University believes that one service may be counted for documenting participation; however, for the purpose of resolving findings in the Draft Report expeditiously, it based its analysis and conclusions on the provision of a minimum of two services for both program years. The University proposes a compliance rate of 58% (the result of Analysis 3 as set forth in the Analysis Section of Appendix 3) yielding 493 participants. This yields a significant increase from the initial rate reported by the OIG of 13%. The University contends that the evidence does not support a full refund for this program year as recommended by the OIG. The University contends that questioned costs to be returned to the Department should be limited to $22,239, based on a calculation using the *"program minimum required by regulation"* of 600 as the denominator.

Talent Search 1997-98

For the 1997-98 program year, improvements were evident with staffing changes and increased capacity. The University contends that for the 1997-98 sample (5% of the total population) its Internal Audit Department provided evidence to support compliance percentages from 73% to 98% depending on the interpretation of the regulations as reported in the Analysis Section of Appendix 3 incorporated by reference here. The University proposes a compliance rate of 80% (the result of Analysis 3 as set forth in the Analysis Section of Appendix 3) yielding 680 participants, exceeding the program minimum required by regulation. This yields a significant increase from the initial rate reported by the OIG of 38%. The University contends that questioned costs should be zero with no refund to the DOE because the program minimum was achieved.

Finding No. 2 – Changes in Project Scope Were Not Reported to the Department

Key Personnel Changes Not Reported to the Department

The University agrees that it should have informed the Department of Education of the loss of key personnel and the resulting periods when positions were vacant or covered on a part-time basis. In the future the University will keep the Department informed of all changes in key personnel, vacancies and significant changes of duties or responsibilities of existing personnel.

Expenditures Significantly Less Than Amounts Awarded

The OIG correctly points out that Creighton University spent approximately $800,000 less than was awarded through March, 1999. As related in the Draft Report, the under spending resulted from staffing vacancies described previously. While the goal is to have a fully staffed program with the maximum number of eligible participants, it would have been irresponsible for the University to have expended funds for items not included in the budget or not in line with the goals and objectives of the TRIO programs.

Finding No. 2 – Recommendations

The OIG recommended that the Assistant Secretary monitor Creighton University's adherence to the requirement to obtain Department approval before making changes in key personnel, objectives, or project scope. It also recommended that Creighton not be allowed the benefit of expanded authority given to the other grantees.

The Department, in effect, implemented these recommendations on June 1, 1999. The Department has conducted an on site inspection January 10-14, 2000, to determine whether Creighton University's program administration has improved significantly for the restrictions outlined in the Robert L. Belle, Jr., Ed.D., letter of May 7, 1999 to be lifted. The University believes that the status of expanded authority should be based on the results of this inspection. Furthermore, the University is willing to comply with the actions required and recommendations made as a result of this site inspection.

Finding No. 3 – Improvements in Management Controls are Needed

Creighton University did not always follow its own management controls in the areas of travel expenses, reconciling budgets to actual expenditures, documenting student citizenship, and inventory controls.

The University accepts the recommendations made by the OIG and has emphasized to those responsible the importance of complying with University policies in the travel and equipment areas. The University points out that the OIG indicated in the Draft Report that the unallowable travel costs were not material and that there was only one piece of equipment which could not be located. That equipment (a computer) has now been located and all equipment has been tagged in accordance with University policies.

The finding relating to lack of documentation of citizenship occurred because of an oversight in preparing a revised application. The prior application form included a question on citizenship, but the revised one inadvertently omitted it. A new form has been prepared with the citizenship questions reinstated. The

University believes that the likelihood of Creighton University serving non-U.S. citizens during the audit period is extremely remote.

The finding on reconciling budgets to actual expenditures the University believes is a documentation issue and not a performance issue. For every organization within the University, two reports are generated monthly which show the financial activity during the monthly period. The "Financial Responsibility Executive Summary Report (Adjusted Budget)" shows by category the current month and year-to-date status of revenues and expenditures compared to the adjusted budget. The "Organizational Detail Activity" shows the detail activity for all accounts for the month. The University's financial system also has extensive on-line query capability. The Director of Educational Opportunity Programs as well as the specific program directors reviewed these reports and may have queried on-line, but those reviews were not documented in writing. The University now requires that these reports be signed and dated as evidence of the review of financial activity. In addition, a financial budget analyst position for the TRIO programs was established in fiscal year 1999. This position works closely with all program directors in monitoring grant expenditures on a continuous basis. Commencing with fiscal year 2000, a management accounting spreadsheet is utilized to track expenditures and reconcile them to the University's accounting system.

Conclusion

Creighton University is committed to the TRIO programs and serving disadvantaged students in Omaha, Nebraska. The University is desirous of addressing all Department of Education concerns with the manner in which these TRIO programs have been, are, or will be handled by the University.

The University recognizes the need to improve its management controls of the program and has taken a number of steps which were made clear to the program reviewers conducting the current inspection. In this regard, the University has put together a management team that should insure compliance with Department regulations and more effectively achieve program goals. The program reviewers related in the exit conference that they were very impressed with the present staff and their enthusiasm and qualifications to do the job. In their final remarks, they also noted that no major problems were identified.

The University is desirous of meeting with Department of Education program officials to expeditiously resolve all outstanding and unresolved audit issues. It requests a meeting for this purpose either before or after the final audit report is issued and received by the University.

Sincerely,

Greg Jahn
General Counsel

C: Robert L. Belle, Jr., Ed.D., Director, Office of Federal TRIO Programs
Michael G. Morrison, S.J., President
Charles Dougherty, Ph.D., Vice President for Academic Affairs

Appendix 1

A. Documentation Provided ED-OIG Team December 22, 1999

1. OIG DRAFT REPORT REVIEW document for Upward Bound and Upward Bound Math and Science (Appendix 2).

2. Internal Audit Department work papers and legend to support Upward Bound file testing.

3. OIG DRAFT REPORT REVIEW document for Talent Search (Appendix 3).

4. Internal Audit Department work papers and legend to support Talent Search file testing.

5. Upward Bound binder (2 copies) containing the following:
   - 1996-97 Activity Calendar
   - 1996-97 Attendance Rosters (copy) for Classic and Math and Science
   - 1996-97 Attendance Sign-in Sheets (copy) for Classic and Math and Science
   - Photocopies of additional documentation for certain participants

6. Talent Search binder (2 copies) containing photocopies of additional documentation for certain participants.

7. Photocopy of preliminary Internal Audit Department work paper narrative to document understanding of the processes and responsibility for the Attendance Roster, and Attendance Sign-in Sheets.

8. Photocopies of sample newsletters, fliers, and other mailings sent out during the audit periods.

B. Original Documentation Available for Review on site by the ED-OIG Team December 22, 1999

1. 1996-97 Attendance Roster for Upward Bound and Upward Bound Math and Science.

2. 1996-97 Attendance Sign-in Sheets for Upward Bound and Upward Bound Math and Science.

3. Upward Bound Stipend Support (3 Volumes)

4. Upward Bound Stipend and Attendance File

5. Upward Bound 1997 Summer Progress Reports

6. Upward Bound 1997 Summer Immunizations and Consent Records

7. Talent Search Session Summary Binders 1996-97 (2 Volumes) 1997-98 (2 Volumes)

8. Talent Search Tutoring Student Sign-in Sheets 1996-97, 1997-98

9. Talent Search Tutorial Summaries 1996-97, 1997-98

10. Talent Search Sign-in Sheets Trips 1996-97, 1997-98

11. Talent Search Pipeline Senior Workshop Binders 1996-97, 1997-98

12. Risk Management Files for student travel insurance (trips)

FEDERAL TRIO PROJECTS
OIG DRAFT REPORT REVIEW

ED-OIG/A07-80027 DRAFT AUDIT REPORT NOV 15, 1999

Upward Bound and Upward Bound Math and Science CFDA #84.047

NATURE OF THE FINDINGS, TESTING DATA, AND QUESTIONED COSTS

Finding 1. **Creighton Could Not Support Services to TRIO Participants**

Only 3 of 30 student files for Upward Bound 1996-97 and 19 of 30 student files for Upward Bound 1997-98 we [ED-OIG] sampled contained **documentation of participation** in either the summer or academic year sufficient to meet the definition of a **participant**.

Only 9 of 41 student files for Upward Bound Math and Science 1996-97 and 22 of 30 student files for Upward Bound Math and Science 1997-98 we [ED-OIG] sampled contained **documentation of participation** in either the summer or academic year sufficient to meet the definition of a **participant**.

	1996-97	1997-98
Upward Bound 7/1 – 6/30	**3 of 30**, 10% in compliance 27 deficient, 90% noncompliance	**19 of 30**, 63% in compliance 11 deficient, 37% noncompliance
Population Tested	40%, 30 of 75	32%, 30 of 93
Projected Allowed	8 (Required minimum of 50)	59
Questioned Costs	**$299,547**	$0 (Minimum of 50 met)
Upward Bound M & S 11/1 – 10/31	**9 of 41**, 22% in compliance 32 deficient, 78% noncompliance	**22 of 30**, 73% in compliance 8 deficient, 27% noncompliance
Population Tested	100%, 41 of 41	42%, 30 of 72
Projected Allowed	9 (Required minimum of 40)	53
Questioned Costs	**$166,856**	$0 (Minimum of 40 met)

RELEVANT REGULATIONS AND PROGRAM REQUIREMENTS

DEFINITION OF PARTICIPANT – Sec. 645.6 (b) Other definitions

Participant means an individual who-

1. Is determined to be **eligible** to participate in the project under **Sec. 645.3**

Sec. 645.3 (summary)

(a) Citizen or national of U.S.
Permanent resident of U.S.
Evidence of intent to become permanent resident of U.S.
Resident of territories

(b) Is - Potential first-generation college student (parent, custodial parent no 4 yr. degree); or
Is - Low-income (taxable income < 150 % poverty level, prior calendar year preceding the year in which the individual first participates in the project)

(c) Need for academic support (determined by grantee)

(d) Completed 8th grade, not entered 12th grade, 13 – 19 years old (age can be waived, veterans have no age requirement and may participate if (a) – (c) met

2. **Resides in the target area**, or is enrolled in a target school at the time of acceptance into the project; and

3. Has been **determined by the project director to be committed to the project**, as evidenced by being **allowed to continue** in the project for at least –

   (i) **Ten days in a summer component** if the individual first enrolled in an Upward Bound projects summer component; or

   (ii) **Sixty days** if the individual first enrolled in an Upward Bound project's **academic year component.**

DOCUMENTATION REQUIREMENTS – Sec. 645.43 (c) Recordkeeping

For each participant, a grantee shall maintain a record of –

1. The **basis** for the grantee's determination that the **participant is eligible to participate** in the project under **Sec. 645.3**;

2. The basis for the grantee's determination that the participant has **a need for academic support** in order to pursue successfully a program of education beyond secondary school;

3. The **services that are provided to the participant**;

4. The educational progress of the participant during high school and, to the degree possible, during the participant's pursuit of a postsecondary education program.

Per the OIG Draft Report – "According to TRIO program officials examples of documentation to support that services were provided to program participants include **attendance records, counseling notes, field trip records, participant progress reports, and client contact forms."**

ASSURANCES – Sec. 645.21

An applicant must assure the Secretary that –

(a) Not less than **two-thirds** of the project's participants will be **low-income individuals who are potential first generation college students**; and

(b) That the remaining participants [will] be **either low-income individuals or potential first generation college students.**

ANALYSIS

The definition of participant Sec. 645.6 (b) (3) is not specific, but rather uses phrases such as "determined by the project director," "committed to the project" and "being allowed to continue in the project." The responsibility for determining the commitment and continuation of students in the project rests with the project director, who for the time period under review was Jocelyn Perkins [7/1/96 to 1/27/97 and Valerie Pittman 1/28/97 to 6/30/97] for Upward Bound and Lloyd Beasley for Upward Bound Math and Science.

There does not appear to be any definitive measures to determine "commitment" on a routine basis. Subparts (i) and (ii) specify ten days in a summer component, if the individual first enrolled in a summer component, and sixty days if the individual first enrolled in the academic component. We are not aware of any official clarifications, interpretations, or other guidance ("Dear Colleague Letters") providing instructions for the proper determination of commitment by the project director. The following questions illustrate the lack of specificity and guidance:

1. When does the student's commitment begin, at the date of application, date of acceptance, end of the school year (Summer), beginning of school year (Academic), date of first service offered by the program, date of first service?

2. When does the student's commitment end, the date of official termination, end of the summer component, end of the school year, date of last service?

3. How does one determine the commitment of a student who participates in extracurricular activities (athletics) that significantly reduce his or her availability to receive services (Tutoring or Saturday Morning Classes) for an extended period of time? Sec. 645.12 (c) (1) specifies that an academic year component is to provide program participants with services on a weekly basis and, to the extent possible, shall not prevent participants from fully participating in academic and nonacademic activities at the participants' secondary school.

These and other similar issues suggest a probable reason why the authors of the regulation designated the project director to determine the student's commitment to the program.

We asked our Internal Audit Department to audit the samples selected by the ED-OIG auditors for Upward Bound 1996-97 and Upward Bound Math and Science 1996-97 (programs with identified questioned costs), to verify the findings and to determine if additional evidence was available from sources not considered by the ED-OIG field team to substantiate documentation of participation and eligibility.

At the request of our Internal Audit Director, the Director of Equal Opportunity Programs and members of his staff located additional documentation related to services provided that had not been included in the individual participant files. The Internal Audit Department considered this new information in its evaluation of the key compliance requirements of the respective programs. The two most significant records include ATTENDANCE ROSTERS and TUTORING ATTENDANCE SHEETS for 1996-97. Other sources of information were also utilized.

INTERNAL AUDIT DEPARTMENT RESULTS

Upward Bound 1996-97

All 30 files reviewed by the ED-OIG were tested for the following key attributes:

- Low Income

- First Generation
- Documentation of Participation
- Eligibility to be included as a Participant (criterion used - first service to last service)

Based on the new evidence the Internal Audit Department concluded that 24 of the 30 files met the participation and eligibility requirements and should be included in the count of participants. This is a compliance rate of 80% compared to the initial rate reported of 10%. The main reason for the difference is the evidence provided by the Attendance Roster and Attendance Sheets. Projecting the results to the population of 75 yields a total participant number of 60, exceeding the minimum of 50.

Upward Bound Math and Science 1996-97

All 41 files reviewed by the ED-OIG (entire population) were tested for the following key attributes:

- Low Income
- First Generation
- Documentation of Participation
- Eligibility to be included as a Participant (criterion used - first service to last service)

Based on the new evidence the Internal Audit Department concluded that 37 of the 41 files met the participation and eligibility requirements and should be included in the count of participants. This is a compliance rate of 90% compared to the initial rate reported of 22%. The main reason for the difference is the evidence provided by the Attendance Roster and Attendance Sheets. The total participant number is 37, three short of the minimum of 40.

The Internal Audit Department work papers and original documents are available for review.

CONCLUSION

We acknowledge deficiencies with respect to documenting the services provided within the student's file during the review period. However, services were provided and documented for students independent of the student files. This documentation substantiates student participation, receipt of services, and commitment to the projects.

We propose that the questioned costs identified for these programs be reconsidered in light of the additional documentation herein provided.

FEDERAL TRIO PROJECTS
OIG DRAFT REPORT REVIEW
ED-OIG/A07-80027 DRAFT AUDIT REPORT NOV 15, 1999

Talent Search CFDA #84.044

NATURE OF THE FINDINGS, TESTING DATA, AND QUESTIONED COSTS

Finding 1. **Creighton Could Not Support Services to TRIO Participants**

Only 5 of the 40 student files for 1996-97 and 15 of 40 student files for 1997-98 we [ED-OIG] sampled contained **documentation of services** sufficient to meet the definition of a **participant**.

	1996-97	1997-98
Talent Search 9/1 – 8/31	**5 of 40**, 13% in compliance 35 deficient, 87% noncompliance	**15 of 40**, 38% in compliance 25 deficient, 62% noncompliance
Population Tested	5%, 40 of 850	5%, 40 of 850
Projected Allowed	106 (Required minimum of 600)	320 (Required minimum of 600)
Questioned Costs	**$119,140**	**$183,259**

RELEVANT REGULATIONS AND PROGRAM REQUIREMENTS

DEFINITION OF PARTICIPANT – Sec. 643.7 (b) Other definitions

Participant means an individual who-

1. Is determined to be **eligible** to participate in the project under **Sec. 643.3**

   Sec. 643.3 (summary)

   (a) (1) Citizen or national of U.S.
   Permanent resident of U.S.
   Evidence of intent to become permanent resident of U.S.
   Resident of territories.

   (2) Has completed five years of elementary education, 11 – 27 years old.

   (3) Is enrolled in or has dropped out of any grade 6 –12, or has graduated from secondary school, has potential for postsecondary education, needs one or more of the services provided by the project, or, has undertaken, but not presently enrolled in postsecondary education, has ability to complete such a program, and needs one or more of the services provided by the project to reenter such a program.

   (b) Veterans have no age requirement and may participate if (a) is met.

2. **Receives project services designed for his or her age or grade level.**

Per the OIG Draft Audit Report page 4. – "TRIO program officials interpret this Talent Search requirement to mean that to be counted as a participant a student must receive service at least twice in an award year." In another section of the OIG Draft Audit Report, page 8, this interpretation is stated, "To document participation in the Talent Search project, the student files should contain documentation that the student received a minimum of two services during the award period, in order for a student to meet the definition of a participant.

Project services are further defined in Sec. 643.4

A Talent Search project may provide the following services:

(a) Academic advice and assistance in secondary school and college course selection.
(b) Assistance in completing college admission and financial aid applications.
(c) Assistance in preparing for college entrance examinations.
(d) Guidance on secondary school reentry or entry to other programs leading to a secondary school diploma or its equivalent.
(e) Personal and career counseling.
(f) Tutorial services.
(g) Exposure to college campuses as well as cultural events, academic programs, and other sites or activities not usually available to disadvantaged youth.
(h) Workshops and counseling for parents of students served.
(i) Mentoring programs involving elementary or secondary school teachers, faculty members at institutions of higher education, students, or any combination of these persons.
(j) Activities described in paragraphs (a) – (i) of his section that are specifically designed for students with limited English proficiency.
(k) Other activities designed to meet the purposes of **Sec. 643.1,** including activities to meet the specific educational needs of individuals in grades six through eight.

Sec. 643.1 Summary

The Talent Search Program provides grants for projects designed to:

(a) Identify qualified youths with potential for education at the postsecondary level and encourage them to complete secondary school and undertake a program of postsecondary education;

(b) Publicize the availability of student financial assistance for persons who seek to pursue postsecondary education; and

(c) Encourage persons who have not completed education programs at the secondary or postsecondary level, but who have the ability to do so, to reenter these programs.

DOCUMENTATION REQUIREMENTS – Sec. 643.32 (c) Recordkeeping

For each participant, a grantee shall maintain a record of –

For each participant, a grantee shall maintain a record of –

1. The **basis** for the grantee's determination that the **participant is eligible to participate** in the project under **Sec. 643.3**;

2. The grantee's **needs assessment** for the participant;

3. The **services that are provided to the participant**; and

4. The specific educational progress made by the participant as a result of the services.

Per the OIG Draft Report – "According to TRIO program officials examples of documentation to support that services were provided to program participants include **attendance records, counseling notes, field trip records, participant progress reports, and client contact forms."**

ASSURANCES – Sec. 643.10

An applicant shall submit, as part of its application assurances that –

(a) At least **two-thirds** of the individuals it serves under its proposed Talent Search project will be **low-income individuals who are potential first generation college students;**

(b) Individuals who are receiving services from another Talent Search project of an Educational Opportunity Center project under 34 CFR part 644 will not receive services under the proposed project;

(c) The project will be located in a setting or settings accessible to the individuals proposed to be served by the project; and

(d) If the applicant is an institution of higher education, it will not use the project as a part of its recruitment program.

ANALYSIS

The definition of participant Sec. 643.7 (b) (2) is broad in scope. It does not specify the type, frequency or minimum number of services in an award year. It simply states that "Participant means an individual who receives project services designed for his or her age or grade level." In this context it is appropriate to conclude that "services" is referring to types of services outlined in Sec. 643.4, as not all of the services that a project may provide are appropriate for every age or grade level, rather than a minimum number of services. It has been our experience that when a grantor requires a minimum number of service units or other such measures for eligibility or reimbursement, it is expressed plainly (e.g. "five (5) units). We are not aware of any official clarifications, interpretations, or other guidance ("Dear Colleague Letters") indicating that two services are required. Hence we disagree with the interpretations presented in the report.

It is our intent to meet our project objectives and accomplish the purposes of the grant program. We realize that we are dealing with young people, most of whom will be first generation college students from low-income families, many who are minorities, and some that may be considered high risk. For some participants, appropriate services for age and grade level include outreach activities designed to encourage and motivate the participant to take advantage of Talent Search project services offered and prepare themselves for postsecondary education by succeeding academically in secondary school.

Sec. 643.4 outlines services a Talent Search project may provide and includes subpart (k): "Other activities designed to meet the purposes of Sec. 643.1." Sec. 643.1 delineates the fundamental purposes of the grant program, namely, identify qualified youths with potential and encourage them, publicize the availability of student financial assistance, encourage persons who have not completed education programs to reenter them. It appears that the ED-OIG may not have considered certain of our Talent Search activities and services in determining whether an individual should be considered a "participant." For example, we believe that our Needs Assessment Process and Newsletters and Other Mailings fall under this section as types of services that may be provided.

Needs Assessment Process

- Is to be completed every year
- Is generally a face to face encounter (counselor to student)
- By definition and practice includes some counseling (Sec. 643.4 (e))
- Current practice is to document the assessment with a Session Summary form and reference the Session Summary to the Needs Assessment form. In 1996-97 and 1997-98 assessments were performed for which no Session Summary was documented. The only documentation was the Needs Assessment Form that was not signed or dated by the counselor.
- Can be considered an activity to identify and encourage qualified youths (Sec. 643.4 (k))

Newsletters and Other Mailings

- Can be considered an activity to identify and encourage qualified youths
- Newsletters often contain information regarding financial assistance
- Part of the outreach component and communication link to participants and parents
- Constitutes an information service when all mailings are considered "one service"

In a recent discussion with Julia Tower, Vice President of Academic Programs, Council on Education (formerly known as the National Council of Educational Opportunity Associations), we learned that certain issues regarding participation and documentation will be clarified in the near future by the Department of Education. She also related that many programs use newsletters as a service if they contain the appropriate information. Project directors consider the newsletters as a "non-personal contact" to be counted in the Annual Performance Report.

We asked our Internal Audit Department to audit the samples selected by the ED-OIG auditors for Talent Search for 1996-97 and 1997-98 to verify the findings and to determine if additional evidence was available from sources not considered by the ED-OIG field team to substantiate documentation of participation and eligibility.

At the request of our Internal Audit Director, the current Project Director and his counseling staff located additional documentation related to services provided that had not been included in the individual participant files. The Internal Audit Department considered this new information in its evaluation of the key compliance requirements of the Talent Search program.

INTERNAL AUDIT DEPARTMENT RESULTS

Talent Search 1996-97

All 40 files reviewed by the ED-OIG were tested for the following key attributes:

- Low Income
- First Generation
- Documentation of Participation
- Eligibility to be included as a Participant

The additional evidence, interpretations of the regulations, and the prevailing practices at other TRIO programs were considered. The compliance rate initially reported by the ED-OIG was 13%. Recognizing that program regulations are not specific as to the number of services required, and are open-ended as to the type of services that may be provided by the project; the Internal Audit Department developed a number of analyses using various criteria.

Analysis 1	Compliance Rate
Two Services Required Newsletters Not an Information Service Needs Assessment a Service by Definition and Practice	43%
Analysis 2	
One Service Required Newsletters Not an Information Service Needs Assessment a Service by Definition and Practice	58%
Analysis 3	
Two Services Required Newsletters an Information Service Needs Assessment a Service by Definition and Practice	58%
Analysis 4	
One Service Required Newsletters an Information Service Needs Assessment a Service by Definition and Practice	90%

A strong case may be made to support either Analysis 3 or Analysis 4.

Talent Search 1997-98

All 40 files reviewed by the ED-OIG were tested for the following key attributes:

- Low Income
- First Generation
- Documentation of Participation
- Eligibility to be included as a Participant

The additional evidence, interpretations of the regulations, and the prevailing practices at other TRIO programs were considered. The compliance rate initially reported by the ED-OIG was 38%. Recognizing that program regulations are not specific as to the number of services required, and are open-ended as to the type of services that may be provided by the project; the Internal Audit Department developed a number of analyses using various criteria.

Analysis 1	Compliance Rate
Two Services Required Newsletters Not an Information Service Needs Assessment a Service by Definition and Practice	73%
Analysis 2	
One Service Required Newsletters Not an Information Service Needs Assessment a Service by Definition and Practice	80%

Analysis 3	Compliance Rate
Two Services Required Newsletters an Information Service Needs Assessment a Service by Definition and Practice	80%
Analysis 4	
One Service Required Newsletters an Information Service Needs Assessment a Service by Definition and Practice	98%

A strong case may be made to support either Analysis 3 or Analysis 4.

The Internal Audit Department work papers and original documents are available for review.

CONCLUSION

We acknowledge deficiencies with respect to documenting the services provided within the student's file during the review period. We also acknowledge the employee transition and associated difficulties during the audit period. We contend that a viable program was operated and that project services were provided to participants consistent with prevailing practice.

Finally, we propose that the questioned costs identified for these programs be reconsidered. At a minimum any questioned costs should be based on the increased rate of compliance determined by the review of the additional documentation, and calculated proportionally; i.e. the projected number of participants in compliance divided by the minimum number of participants required by the grant award.

Audit of Creighton University's Administration of Its Federal TRIO Projects

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