

# **SOUTHERN UNIVERSITY AND A&M COLLEGE**

**SOUTHERN UNIVERSITY SYSTEM  
STATE OF LOUISIANA**

**FINANCIAL AUDIT SERVICES**

**Agreed-Upon Procedures Report  
Issued July 17, 2024**

**LOUISIANA LEGISLATIVE AUDITOR  
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July 12, 2024

Independent Accountant's Report on the  
Application of Agreed-Upon Procedures

**MR. DENNIS SHIELDS, PRESIDENT  
SOUTHERN UNIVERSITY AND A&M COLLEGE  
SOUTHERN UNIVERSITY SYSTEM  
STATE OF LOUISIANA**  
Baton Rouge, Louisiana

We have performed the procedures enumerated below, which were agreed to by you, as President of Southern University and A&M College (University), solely to assist you in determining whether you have properly performed end-of-participation procedures for the Federal Perkins Loan Program per the compliance requirements outlined in Title 34 Code of Federal Regulation (CFR) Section 668.14, 34 CFR Section 668.26, 34 CFR Section 674, as specified below, and the procedures contained in the Federal Perkins Loan Program Assignment and Liquidation Guide. University management is responsible for compliance with Perkins Loan Liquidation requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the management of the University. Management of the University has acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures that we performed and our findings are as follows:

**AGREED-UPON PROCEDURES**

1. We obtained and inspected documentation that the University has returned any unspent funds as a result of ending its participation in the Perkins Loan Program [34 CFR Section 668.14(b)(25)].

We found no exceptions as a result of these procedures.

2. We obtained and inspected the notification that the University used to advise the United States Department of Education (Department) of the

University's intent to liquidate its Perkins Loan Portfolio and end participation in the Perkins Loan Program [34 CFR Section 668.26(b)(1)].

We found no exceptions as a result of these procedures.

3. We confirmed that the University has either purchased any outstanding loans left in its Perkins Loan Portfolio or assigned them to the Department [34 CFR Sections 674.8(d), 674.17(a)(2), and 674.45(d)(2)].

We found no exceptions as a result of these procedures.

4. We confirmed that the University informed the Department of how it would provide for the collection of the outstanding loans made under the program [34 CFR Section 668.26(b)(4)].

We found no exceptions as a result of these procedures.

5. We obtained and inspected program and fiscal records of all Perkins funds since the most recent Fiscal Operations Report and Application to Participate (FISAP) was submitted and confirmed that the information below was reconciled at least monthly [34 CFR Section 674.19(d)]:

- (a) All loans for the total number of borrowers that make up the portfolio have been accounted for. This includes:
  - Retired loans, including loans purchased; and
  - Loans assigned to the Department, including validation of the computed accumulated interest charged on the loans.
- (b) Teacher, service, and other loan cancellation data in Section A and all of the data in Section C of Part III of the school's latest submitted FISAP
- (c) The Federal Capital Contribution (FCC)
- (d) The Institutional Capital Contribution (ICC)
- (e) Overall cash on hand or excess cash amounts. This overall cash on hand amount could include payment to the Federal Perkins Loan Fund for any loans the school has purchased.

The University contracted with a third party for the assignment of loans to the Department and then purchased all remaining outstanding loans in January 2023. We obtained and inspected the FISAP for June 30, 2022 (the most recent FISAP at the time of loan purchase), and the FISAP for June 30, 2023. Per the University, monthly reconciliations were

performed by the third-party contractor, but the University was unable to provide the monthly reconciliations to us. Therefore, we were unable to confirm the information above was reconciled as required. Based on our review of the FISAPs, there was no cash on hand and no changes to the FCC and ICC from June 30, 2022, to June 30, 2023.

6. We inquired if any data was found to be inaccurate on the latest submitted FISAP and, if applicable, we were to confirm that the FISAP was corrected and resubmitted to the Department by the University.

Per the University, the June 30, 2023, FISAP was correct when submitted, and no changes were needed. We found no exceptions as a result of these procedures.

An agreed-upon procedures engagement involves the practitioner performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the compliance with Title 34 CFR, Section 668.14, 34 CFR Section 668.26, 34 CFR Section 674, as specified above, and the procedures contained in the Federal Perkins Loan Program Assignment and Liquidation Guide. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the President of the University, and is not intended to be, and should not be, used by anyone other than this specified party. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA  
Legislative Auditor

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