

WACUBO 



Rising to the Challenge

2023 WACUBO ANNUAL CONFERENCE



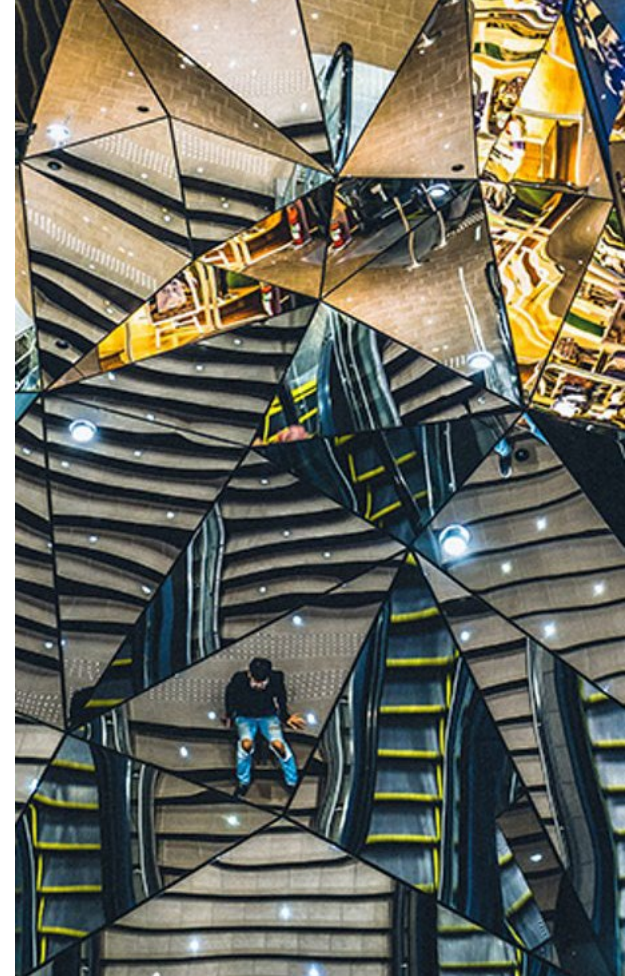
Pressure Points for Colleges and Universities

Regulatory and Operational Update



Learning Objectives

- Learn in more detail specific compliance requirements resulting from changes to GLBA and communications from federal agencies
- Identify impacts that recent guidance and changes to operational environments have on your own institution
- Discuss solutions and best practices to maintain compliance and protect institutional assets





GLBA Considerations

Why Are We Discussing This Again?

- December 9, 2021 – the FTC issued a Final Rule to amend the Standards for Safeguarding Customer Information Act (Safeguards Rule) which is a component of the Gramm-Leach Bliley Act requirements
- The effective date for institutions of higher education to implement changes is **June 9, 2023**
- April 2022 – FTC issued new "FTC Safeguards: What Your Business Needs to Know"
- What's at risk for non-compliance? **Title IV Eligibility**



Objectives of GLBA



Security and confidentiality of student information



Protect against anticipated threats to security or integrity of the information



Protect against unauthorized access to or use of such information

Required Security Elements

- ✓ Qualified individual for overseeing and enforcing the security program
- ✓ Mature risk assessment process that is continually evaluated
- ✓ Regular monitoring and testing
- ✓ Oversight of third-party service providers that may gain access to information
- ✓ Incident response plan (when more than 5,000 consumers)
- ✓ Regular reporting to those charged with governance or senior leadership



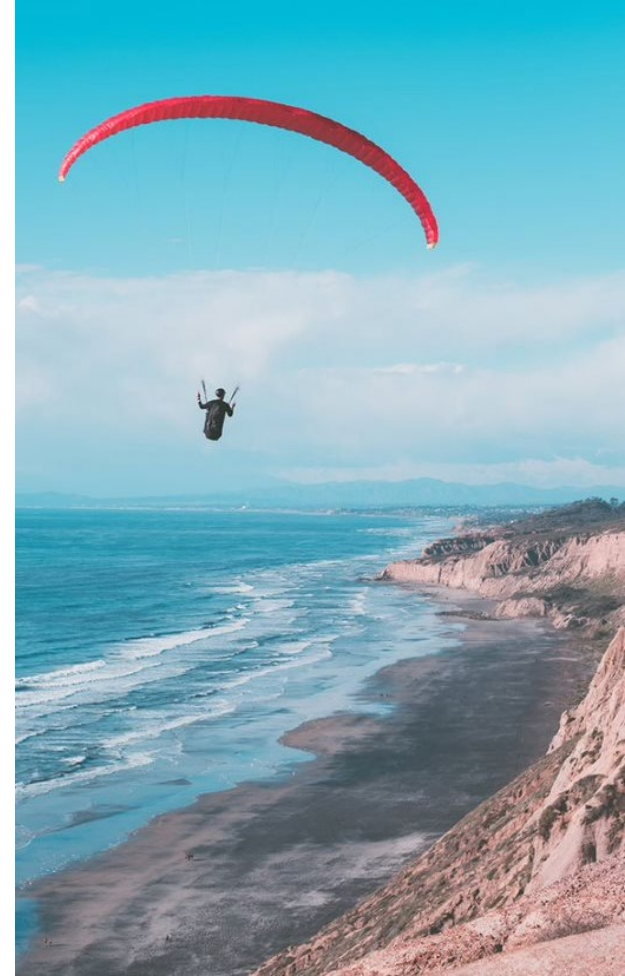
Characteristics of a Qualified Individual

- ✓ Relevant Experience
- ✓ Education and Training – i.e., CISSP or CISM credentials
- ✓ Technical Expertise – understanding of controls and the regulations
- ✓ Communication Skills – bridge gap between technical and leadership and a direct line to appropriate members of leadership
- ✓ Enforcement Responsibility – the ability to make changes quickly as needed



Risk Assessment Written Elements

- ✓ Criteria for evaluating risks (i.e., prioritization or heat map)
- ✓ Criteria for assessing confidentiality of information services (i.e., access controls to data)
- ✓ Description of how risks will be mitigated or accepted based on the risk assessment



Best Practices

Learn from past breaches

Revisit user lists with access to data routinely

Follow NIST standards

**Password updates and dual authentication for access
to systems that house data**

Practice implementation measures (think fire drills)

Penetration testing and Phish testing



FAFSA Updates

Legislative Changes

Future Act

Expanded access to federal student aid and mandates Federal Student Aid to use data directly from the IRS

FAFSA Simplification Act

Introduces significant changes to the application processing including how students and families will complete the application and eligibility calculation

Resources: Dear Colleague Letter – November 4, 2022 [GEN-22-15]



Changes for 2023-2024

- Removed Gender, Selective Services Registration, and Drug Conviction questions
- Student Aid Index to replace Expected Family Contribution terminology
- Link through an exchange to access income information from IRS documentation



Cost of Attendance

Changes definitions to Cost of Attendance Terms

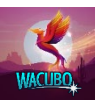
- Expanded definition of transportation expenses
- “Room and board” changed to “Food and housing”
- New living expense categories (i.e. standard allowance for on or off campus with or without a meal plan)
- Costs of obtaining a license, certification, or first professional credential are no longer restricted to a one-time allowance

Cost of attendance must be publicly available on an institution’s website



Changes for 2024-2025

- Minimizes redundant processes
- Maximizes reuse of previously collected data
- Users will need an FSA ID to access the form. This will result in new procedures to access the form without an SSN
- Applications will be linked to individual users
- No need to save throughout the process
- Direct Data Exchange – consent required to access tax information



Changes for 2024-2025

- EFC terminology will be replaced with SAI (Student Aid Index). The calculation will not change (Need = COA – SAI – other assistance)
- Student Aid Index will no longer be the primary determinant of Pell grants. Adjusted to the family's adjusted gross income along with household size and federal poverty guidelines
- Student Aid Index can be a negative number as low as -\$1,500.
- Pell will be more formula based than a table
- Future changes anticipated for students selected for verification



Collection of FWS Student Earnings in COD

**Schools will be required to report
calendar year FWS earnings by
student**

**ED may not ask additional questions
of an applicant to determine the
amount received**

**Schools will be required to report
earnings for 2022 next summer**

Noted Challenges and Improvements

Challenges

Families going through divorce / separation

Multiple Child Benefit

Improvements

Grandparent giving / 529 contributions

Fewer verification requirements



ED and OMB New Guidance Forecast

Audit Considerations

- The Compliance Supplement is expected to include 22 new programs for 2023. There potentially will also be 56 programs with minor changes and 57 are expected to have major changes.
- Single Audits in Alaska, North Carolina, South Carolina, Puerto Rico, and Florida have a 6-month extension due to weather. They decided it was too difficult to separate out audits in each state (as it was primarily those on the coast that were impacted), so it applies to the entire state.
- The Federal Audit Clearinghouse will sunset in October 2023. Submissions that are started prior to the end of October 2023, but not finished until after October, will likely not work and they will have to be started again in GSA. They are planning testing in spring 2023 and a phased rollout in May-October 2023.
- NSLDS reporting testing will be affected and modified as a result of website maintenance
- Written arrangements with third parties



Audit Considerations – Third-Party Servicers (TPS)

These are entities your institutions partner with to perform functions related to Title IV Federal Funds – rules have always existed.

February 15 Dear Colleague Letter (updated February 28) expanded the definition of TPS

- Bring into scope many more agreements and arrangements – including Online Program Managers (OPMs)
- Listed several functions and services that would qualify as TPS
- Expected effective/reporting date of September 1, 2023





Post-COVID Operations

Critical Post-Pandemic Operational Considerations



STUDENT SUCCESS AND
RETENTION BY
DEMOGRAPHICS



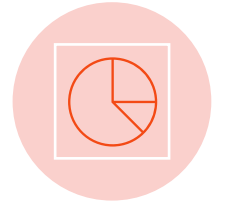
ENGAGEMENT,
RETENTION, AND
TURNOVER RATES BY
EMPLOYEE
DEMOGRAPHICS



EFFECTIVENESS OF THE
ONLINE EXPERIENCE

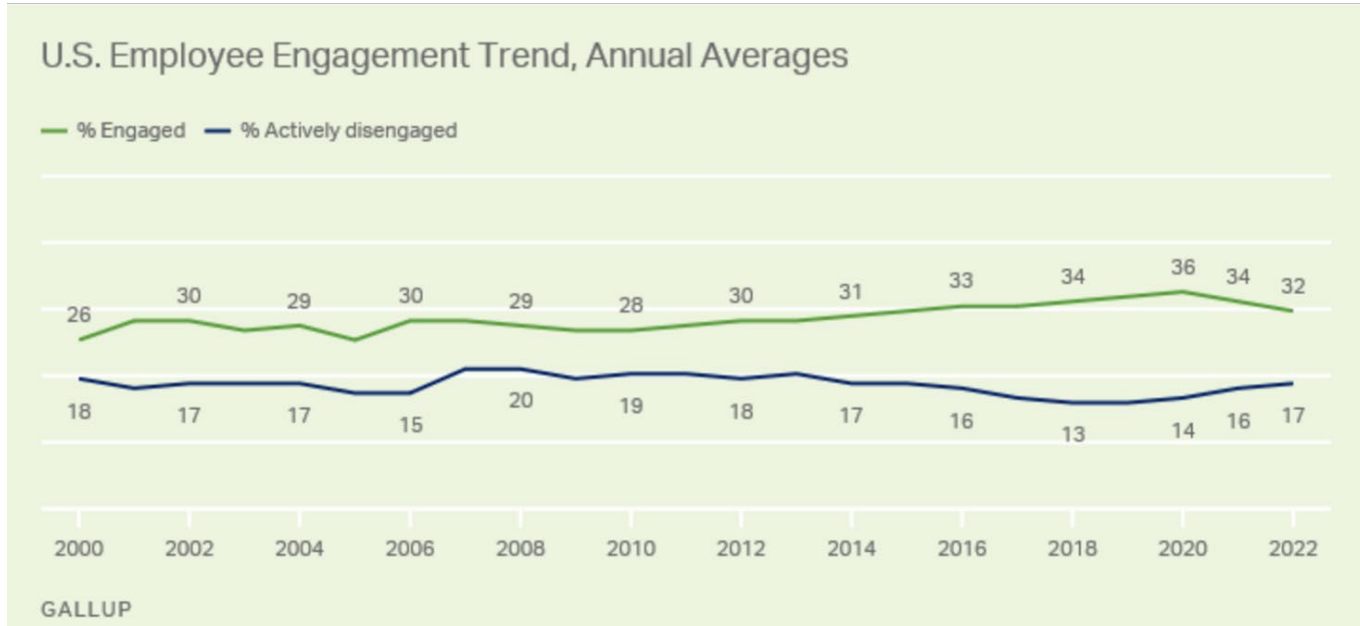


PROGRESS TOWARD NEW
GOALS OR OUTCOMES



ADVANCEMENT AND
DIVERSITY OF REVENUE
SOURCES

Employee Engagement



Engagement and Inclusion

Key elements of engagement:

**Psychological
meaningfulness**

Psychological safety

**Psychological
availability**



**Engagement is a critical
driver of inclusion**

What Employees Are Expressing

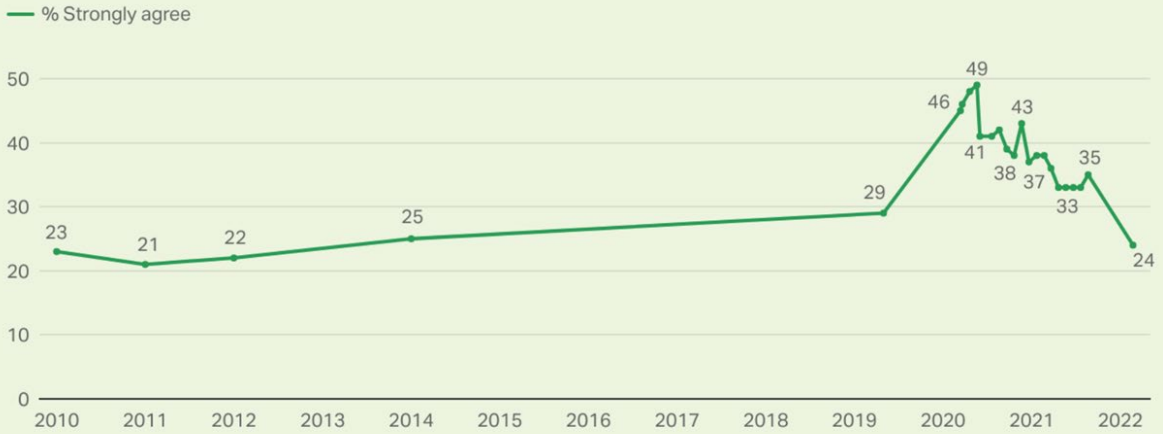
- Changing organizational culture
- Onboarding and integration challenges
- Productivity gains and losses
- Reluctance to return to the office
- Out-of-area migration
- Time management challenges
- Communication issues
- Connection to mission and purpose
- Lack belief that the organization cares about their wellbeing



Wellbeing

Employee Perceptions of Organization Caring About Their Wellbeing

My organization cares about my overall wellbeing.

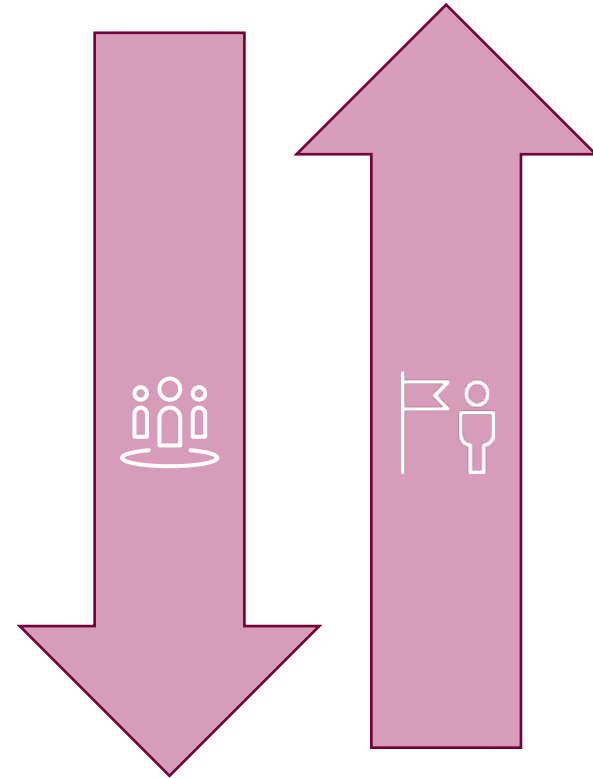


GALLUP®



Productivity and Collaboration

- Productivity has improved for individual tasks, but declined for collaborative tasks
- Employees miss connectivity with colleagues, especially informal and hallway conversations
- Employees with strong social connections are 2-3x as likely to maintain or improve productivity in a remote environment



Reinventing the Workplace

- Revisit remote work policies
- Reassess facility use and records management
- Rise of AI and automation
- Communication
- Employee well being
- Focus on performance vs. when, where, and how many hours are worked



Future of Work

When and Where Is The Work Done?

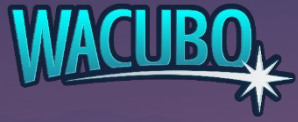
- Flexible schedules
- 4-day work week
- Remote
- Hybrid
- Return to work
- Return to team

Who Does The Work?

- Human → technology
- Connected workforce
- Temporary assignment
- Workgroups
- Gig workers
- Outsourced
- Crowdsourced

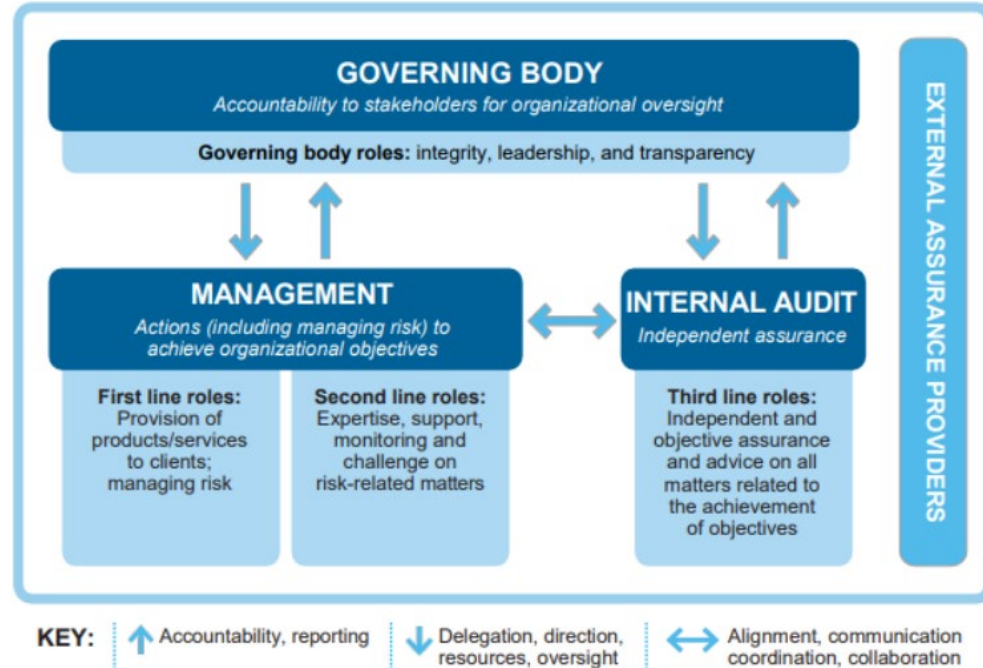
How Is Work Done?

- Agile and digital
- Digital human equivalent
- Artificial intelligence
- Chat GPT
- Automation
- Machine learning
- Robotics



Lessons Learned from Internal Audit

Internal Audit: Three Lines of Defense



Source: IIA



Managing Risks to Organizational Goals

- **Strategic:** high-level goals that align with and support its mission
- **Operational:** the effective and efficient use of resources
- **Reporting:** reliable, timely, and accurate reporting
- **Compliance:** compliance with applicable laws and regulations



Risk Assessments

Top Opportunities

- Succession planning
- Technology & cybersecurity
- Asset management
- Deferred maintenance & capital program
- Governance
- Emergency preparedness
- External environment



Internal Controls

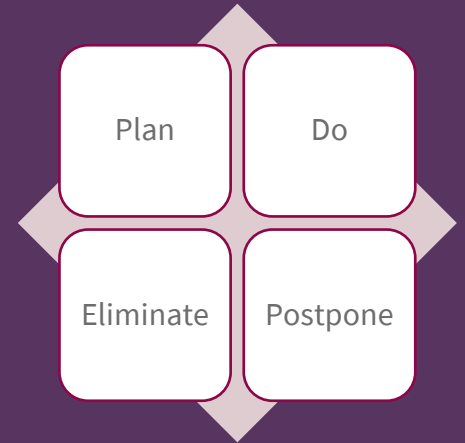
Top Opportunities

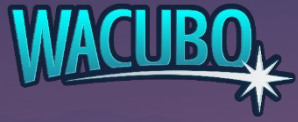
- Grants management
- Procurement
- Contract management
- Cash handling
- Accounts receivable
- Technology



Reducing Risk in the “New Normal”

- Rethink manual processes
- Policies and procedures are now more important than ever
- Renewed focus on ethics
- Review systems access levels and authorities
- More grant funding opportunities = more compliance
- P-Cards are being used more regularly and for larger purchases
- Focus on training for all team members
- Apply an equity lens
- Prioritize





Questions?

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