

PERFORMANCE AUDIT REPORT

Dickinson State University
Report No. 3031

February 28, 2012

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Honorable Jack Dalrymple, Governor

Members of the North Dakota Legislative Assembly

We are pleased to submit this performance audit report of aspects of Dickinson State University. This report contains the results of our review of whether the University has established an adequate system for monitoring operations.

We conducted this audit under the authority granted within North Dakota Century Code Chapter 54-10. Included in the report are the objective and scope, findings and recommendations, and management responses.

Respectfully submitted,

A handwritten signature in cursive script, reading "Bob Peterson".

Robert R. Peterson
State Auditor

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Executive Summary

Results and Findings

Recommendations addressed in this report are listed in Appendix A. Discussions relating to individual recommendations are included in Chapters 1 through 4.

Tuition and Fees

We concluded Dickinson State University (DSU) needs to ensure tuition rates are consistently charged and accurately reflect what will be collected. Due in part to the access fee fund having a cash balance in excess of \$2 million, DSU should make changes to ensure the fee amount charged is appropriate and the fee moneys are used for expenses associated with distance education. Improvements are needed to ensure fees are charged to the students who are expected to utilize the services supported with the fees. We also identified improvements are needed with the use of application fees as well as with how University fees are allocated.

Scholarships and Waivers

We identified DSU should comply with established criteria in awarding Roughrider Scholarships. Improvements are needed with monitoring Roughrider Scholarship recipients as well as recipients of global and cultural tuition waivers. DSU needs to ensure a single department is responsible for the Roughrider Scholarship award program. In addition, a single department should be responsible for the global and cultural tuition waiver programs.

Fiscal Related Areas

Our review of expenditure transactions identified DSU needs to make improvements to be good stewards of public funds. DSU should ensure adequate funds exist prior to incurring expenditures. Improvements are needed with international recruiting agent agreements to ensure requirements are adequately monitored. We identified improvements are needed with procurement processes and written agreements for services entered into by DSU.

Additional Areas Requiring Improvement

DSU needs to make improvements to foster open communication and coordinate efforts of departments/offices. Enrollment of individuals as students should only occur when required documentation is completed and submitted to DSU. Improvements are needed to ensure DSU is in compliance with academic standards and to validate the academic integrity of the University. Changes are needed with the admissions process for international students as well as with the actions taken by DSU when visa requirements are not being met. We identified improvements are needed with certain human resource areas including complying with requirements related to merit salary increases, performance reviews, and investigations of alleged violations of policies.

Tuition and Fees

Introduction

The objective of this performance audit was to answer the following question:

“Has Dickinson State University established an adequate system for monitoring operations?”

We determined Dickinson State University (DSU) has not established an adequate system for monitoring operations. Significant improvements needed by DSU related to tuition and student fees are included in this chapter. Other improvements needed are addressed in Chapters 2 through 4. Improvements of less significance were communicated in a separate letter to management of DSU. To conduct a review of tuition and fees, we:

- Reviewed applicable laws and policies;
- Reviewed reports and data related to the receipt of tuition and fees;
- Reviewed information related to tuition waivers;
- Reviewed a selection of transactions related to the use of certain fees; and
- Interviewed selected personnel.

Tuition and Tuition Waivers Background Information

DSU charges different tuition rates to students based on residency. State Board of Higher Education (SBHE) Policy 805.1 states tuition means the basic charge assessed enrolled students, on a per-credit basis or otherwise, for classes or programs for which students earn academic credit. The policy states SBHE is to annually establish tuition rates and include rates for residents and nonresidents.

Various tuition waivers are available to DSU students including the Global Awareness Tuition Waiver, the Cultural Diversity Tuition Waiver, the Employee Spouse/Dependent Tuition Waiver, and other waivers. These waivers reduce the amount of tuition to be paid by the student. See Appendix B for additional information related to tuition waivers.

Making Changes to Tuition Charged

We identified DSU recognized approximately \$11.9 million in tuition revenue in fiscal year 2011. Of this amount, it appears approximately 25% (\$2.9 million) was waived by DSU. We performed a review of nonresident tuition charged to full-time students and waivers granted. The table below includes certain results of our review (dollar amounts rounded).

Table 1				
Full-Time Students Charged Nonresident Tuition				
Semester	Number of Students	Number with Waiver	Nonresident Tuition	Waiver Total
Fall 2010	276	265	\$1,585,000	\$925,000
Spring 2011	315	310	\$1,810,000	\$1,025,000

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Tuition and Fees

While DSU charges a nonresident tuition rate, DSU typically does not collect the full tuition amount charged due to waivers granted.

We identified over 96% of full-time students charged the nonresident tuition rate in Fall 2010 received a full or partial tuition waiver. Of the 11 full-time nonresident students not receiving a waiver, we identified 2 students received institutional scholarships and 6 of the students received a tuition waiver or institutional scholarship from DSU in a previous or subsequent semester. In Spring 2011, we identified over 98% of full-time students charged the nonresident tuition rate received a full or partial tuition waiver. In comparison approximately 10% of full-time students charged the resident tuition rate in Fall 2010 semester received a tuition waiver (11% for Spring 2011).

It is apparent very few students charged the nonresident tuition rate actually pay the full nonresident tuition amount. The tuition waivers typically granted to students charged the nonresident tuition rate would be the Global Awareness Tuition Waiver and the Cultural Diversity Tuition Waiver. The granting and processing of both of these waivers requires resources from a minimum of three separate offices at DSU. An administrative process is used by DSU to get the tuition rate to be paid by students down to an amount DSU originally planned to collect. In addition, DSU expends additional resources to monitor compliance with waiver requirements after awards are granted. Rather than incur these costs, DSU could charge a rate it expects to collect and eliminate such costs to the University.

Tuition is charged at a significantly higher rate for certain students.

Our review also identified an instance in which it appears an inconsistency exists with how tuition and fees were charged. As part of a program known as the Disney Program, international students spend one semester on campus at DSU and perform an internship for Disney in Florida the following semester. The students also take a 3 credit class taught by Disney to receive 12 credits for their second semester (9 credits are received for the internship). No tuition or mandatory fees are charged to the Disney Program students in the second semester. Rather, students are only charged \$600 for their second semester (DSU identifies the charge as "Attached Credit" which is \$50/credit). In comparison, resident DSU students with an internship not at Disney were charged tuition of \$179.40 per credit and mandatory fees in the 2010-2011 academic year. As a result, non-Disney Program internship students were charged significantly more than the rate charged to a Disney internship participant. While \$600 was charged for the internship at Disney, we calculated other DSU students with an internship not at Disney would be charged approximately \$2,700 to earn 12 credits. The differences between Disney Program student charges and resident student charges are further addressed in the *Improving International Agreements* section of Chapter 3.

According to DSU, the \$600 charge for the Disney Program was implemented at the time the program was developed under a former President. Costs are incurred by DSU for both the internships at Disney as well as other internships which are not at Disney. For example, two

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DSU employees make an annual trip to Disney and students are required to submit a written report upon completion of the Disney internship.

Recommendation 1-1

We recommend Dickinson State University make appropriate changes to ensure tuition rates are consistently charged and accurately reflect what will be collected.

Management's Response

DSU agrees. In the fall of 2011, the Acting President appointed a task force to review current practices and make recommendations on improvements, one of which is the processes of charging tuition including offering and applying institutional waivers.

Making Improvements Related to Fees

As part of this performance audit, we conducted a review of certain student fees. We reviewed aspects of information (revenue and/or expenses) related to the application fee, University fee, access fee, ConnectND fee, and the Badlands Activity Center fee. We concluded the intent of charging a fee should be to collect revenue to pay for related expenditures. Based on our review, we identified improvements were needed with the use of certain fee moneys as well as how certain fees are charged. Improvements are needed with the charging and use of the access fee. We also identified improvements were needed with the use of application fees as well as how University fee moneys are being allocated.

Improving the Use of and Charging of Access Fees

Distance education students include students taking courses online, using the Interactive Video Network (IVN) at remote locations, or face-to-face in locations other than Dickinson. DSU charges distance education students an access fee. The access fee was \$66.82 per credit for the 2010-2011 academic year and unlike other fees, is not capped at 12 credits (mandatory fees have a maximum amount to be charged to full-time students). The fee appears to have been primarily intended to be used for the salaries and fringe benefits of employees in the Office of Extended Learning.

While distance education students are not charged a University fee, moneys from the access fee paid by these students are transferred to the University fee fund.

DSU personnel identified a \$20 per credit increase in the access fee was to provide extra revenue to be transferred to the University fee fund. Distance education students are not charged the University fee. The University fee was \$22.59 per credit for the 2010-2011 academic year (maximum of \$271). The intent of the access fee does not appear to be consistent with the intent of the University fee (this is further addressed in the *Charging Appropriate Fees to Students* section of this chapter).

The access fee fund has a cash balance in excess of \$2 million.

We identified over \$740,000 was transferred from the access fee fund to the University fee fund from July 2008 through June 2011. Even with these transfers, the cash balance in the access fee fund grew from approximately \$673,000 in July 2007 to over \$2 million in June 2011. It

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would appear students who contributed to this significant cash balance will not be receiving any benefit from their fee paid and not spent.

Recommendation 1-2

We recommend Dickinson State University ensure access fee moneys are used for expenses associated with distance education and the fee amount charged to students is appropriate.

Management's Response

DSU agrees. Dickinson State will review the current practice and make appropriate changes as necessary.

Charging Appropriate Fees to Students

Dual credit students are high school students who are enrolled in college classes offered on location at their high school. The students receive both high school and college credits for the classes and they are charged tuition and certain fees by the college for the credits. DSU identifies a single charge for dual credit students. In review of the charge, we identified both tuition and fees are included. For example, dual credit students are charged the University fee, Badlands Activity Center fee, ConnectND fee, and the North Dakota Student Association fee. It appears the fees being charged by DSU for dual credit are not disclosed. A DSU representative indicated the single amount was established to simplify the billing. The representative added this alleviated questions DSU was receiving from parents and students regarding fees charged to dual credit students.

Certain fees charged to students are not disclosed to the students.

The University fee charged to students is used to support athletics, music, theatre, and other services available on DSU's campus. The Badlands Activity Center fee was the result of the students voting to increase student fees to assist in paying for the Badlands Activity Center (athletic stadium on DSU campus which also hosts meetings and events). Dual credit students are not on campus and would not receive the same benefits associated with students on campus who pay such fees. Fees should be charged based on the student group's expected utilization of the services paid for with the fee.

While DSU charged dual credit students the University fee and the Badlands Activity Center fee, we identified these fees were not charged to distance education students. Distance education students would also be typically located off campus (although an on campus student could also be a distance education student if they were to take classes online as well as being in the classroom). As previously identified, while distance education students were not specifically charged a University fee, part of the access fee paid by these students was transferred to the University fee fund. The distance education students who would not be on campus would not appear to receive a benefit related to the use of the University fee.

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Recommendation 1-3

We recommend Dickinson State University make appropriate changes to fees charged to students. At a minimum, the University should:

- a) Ensure fees are only charged to students who are expected to utilize the services supported with the fees; and
- b) Ensure fees charged to dual credit students are fully disclosed.

Management's Response

DSU agrees. DSU will review fees charged to dual credit students. Revised processes will assure that (1) fees are charged appropriately to students who are expected to use services supported by the fees and that (2) the fees charged to dual credit students are fully disclosed.

Improving the Use of Application Fees

Application fees collected are used for purposes not related to the application process.

DSU charges a \$35 application fee to individuals applying for admission to the University as required by State Board of Higher Education policy. Based on a review of 14 expenditure transactions using application fee moneys, it appears DSU uses the moneys generated to pay for expenses which do not relate to the application process. For example, we identified application fees were used to pay over \$13,000 for food, beverages, and other supplies used for Spring 2010 and Spring 2011 commencement related activities. Also, over \$3,000 was expended on plants and flowers for these commencement activities. DSU personnel indicated while the Board policy requires an application fee to be charged, there is no information related to the use of the fees. We conclude the intent of charging a fee should be to collect revenue to pay for related expenses.

Recommendation 1-4

We recommend Dickinson State University use application fee moneys for expenses associated with processing applications.

Management's Response

DSU agrees. DSU will develop a process to assure that the application fees support the processing of applications.

Improving Budgeting of the University Fee

The University fee generates revenue to be used by multiple areas on campus. It appears no specific allocation and/or budget for use of the University fee moneys was established for each area. Rather, such areas expend moneys throughout the fiscal year and at fiscal year-end, transfers are made to cover deficits in funds. Therefore, it appears little, to no, oversight exists for expenditures. If University fee moneys are insufficient to cover the deficits, DSU must use additional moneys to cover the deficits. It appears DSU used moneys from the earned interest fund and/or the oil royalties fund to cover such deficits.

Recommendation 1-5

We recommend Dickinson State University specifically allocate and/or establish a budget for the use of moneys collected from students through the University fee.

Management's Response

DSU agrees. New processes for establishing and managing budgets for utilization of the University Fee will be developed and implemented.

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Requesting Chancellor Approval

State Board of Higher Education policies identify the following:

- Upon an institution's request and documentation of special circumstances, the Chancellor may approve a waiver of the application fee.
- Upon application of an institution and documentation of special circumstances, the Chancellor may approve a charge less than the resident tuition rate.

We identified DSU had waived certain students' application fees in Fall 2010. In addition, we identified special tuition rates were established for classes in Fall 2009 and Fall 2010 which were lower than the resident tuition rate. For example, in the Fall 2010 we identified a \$50 charge for a one credit class. The resident tuition rate was \$179.40 per credit. DSU received no approval from the Chancellor to waive application fees or to charge a rate less than the resident tuition rate.

Recommendation 1-6

We recommend Dickinson State University obtain proper approval from the Chancellor when required by State Board of Higher Education policy. At a minimum, the University should obtain approval for:

- a) Waiving application fees; and
- b) Charging less than the resident tuition rate.

Management's Response

DSU agrees. Per SBHE policy, DSU will seek Chancellor approval in the future.

Scholarships and Waivers

Introduction

Significant improvements needed by Dickinson State University (DSU) related to scholarships and tuition waivers are included in this chapter. Improvements of less significance were communicated in a separate letter to management of DSU. To conduct a review of Roughrider Scholarships, other institutional scholarships, Global Awareness Tuition Waivers, and Cultural Diversity Tuition Waivers, we:

- Reviewed applicable laws and policies;
- Identified recipients of such scholarships and tuition waivers;
- Reviewed information on selected recipients; and
- Interviewed selected personnel.

Making Improvements with Roughrider Scholarships

Roughrider Scholarships were established in 2002 by the former President of DSU. Prior to the 2009-2011 biennium, it appears funding for these scholarships was exclusively from oil royalty revenues. See Appendix C for a history of the scholarships, criteria, and additional information. We reviewed 80 recipients of Roughrider Scholarships awarded from July 1, 2008 through June 30, 2011. Based on our review of these recipients, we identified improvements were needed. Awards were made by DSU which were not consistent with the guidelines established for scholarships. In addition, we identified monitoring of criteria to maintain a Roughrider Scholarship was in need of improvement. Also, we identified a lack of centralization related to the awarding and monitoring of Roughrider Scholarships.

Use of 2009 Legislative Appropriation

Chapter 31 of the 2009 Session Laws appropriated \$350,000 from the permanent oil tax trust fund for operations of DSU for the biennium. It appears the funds were provided to DSU due to declining moneys being received by DSU from oil well production. We reviewed minutes from committee hearings and interviewed various personnel to identify the intent of how this appropriated amount was to be expended. The funds appear to have been provided for DSU to use for scholarships. DSU used all \$350,000 for funding awards made to students from the Roughrider Scholarship fund. DSU also transferred approximately \$73,000 of oil royalty moneys to cover scholarships awarded by DSU from the Roughrider Scholarship fund in the biennium.

Approximately 87% of the \$350,000 appropriated to DSU for scholarships was awarded to students involved in athletics or rodeo.

DSU used one fund to pay Roughrider Scholarships in the 2009-2011 biennium. Based on our review of this fund, it appears awards were made to over 370 recipients in the biennium. Based on our analysis of the awards made by DSU, we concluded approximately 87% of the \$350,000 was awarded to students involved in athletics or rodeo.

Improving Awarding of Roughrider Scholarships

In a review of selected Roughrider Scholarship recipients, we identified DSU made awards to students which were inconsistent with the established guidelines for the scholarship. For example, one recipient received a \$4,000 Roughrider Scholarship (\$2,000 per semester). The guidelines identify a maximum award of \$1,000 (\$500 per semester). This award was approved by the former President and appears to have

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DSU awarded
Roughrider
Scholarships which
were inconsistent with
established guidelines.

been made to replace a \$2,500 per semester athletic scholarship (revoked due to no longer participating on the athletic team). In our audit period, we identified 30 of 593 Roughrider Scholarships awarded were in excess of the \$500 per semester guideline.

According to the guidelines of the Roughrider Scholarship, the scholarships were available for high school graduates and community college transfer students enrolling at DSU. We identified awards made to various individuals who were not meeting this requirement. Examples included awards being made to dual credit students (individuals still in high school), students who had lost other scholarships or tuition waivers, students who had won Christmas card writing contests, and other individuals who were not incoming students.

Recommendation 2-1

We recommend Dickinson State University comply with established criteria in the awarding of Roughrider Scholarships.

Management's Response

DSU agrees. Over time, roughrider scholarships became the generic term for any institutional scholarship. The former president approved recommendations from various personnel to award scholarships to assist students with specific needs. Some of the scholarships awarded should have been appropriately classified as institutional, rather than roughrider. DSU has made adjustments to the set-up within ConnectND to account for institutional scholarships, separate from roughrider scholarships, to avoid the confusion beginning the fall of 2012.

Improving Monitoring of Roughrider Scholarships

To maintain a Roughrider Scholarship, the guidelines required recipients to maintain a cumulative grade point average (GPA) of 2.5 and complete 12 credit hours per semester. We identified DSU was not consistent in revoking Roughrider Scholarships when the criteria were not met. In certain instances, DSU would revoke an award while in other instances recipients were allowed to keep their award. For example, while one student completed 11 credits in a semester and had their scholarship revoked, another student completed 9 credits in a semester and retained the scholarship. Also, we identified one student had their scholarship revoked when their cumulative GPA was 2.4 and another student with the same cumulative GPA retained the scholarship.

Recommendation 2-2

We recommend Dickinson State University adequately monitor recipients of Roughrider Scholarships to ensure renewals, revocations, and reinstatements are appropriate and consistent.

Management's Response

DSU agrees. DSU will review and improve the process of monitoring to ensure renewals and revocations are appropriate and consistent.

Centralization of the Roughrider Scholarship Program

While the Office of Enrollment Services was apparently given responsibility for administration of the Roughrider Scholarship, we identified the office was not provided and/or did not maintain all information. We also identified instances when the office was bypassed

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in the awarding process and lacked appropriate information to effectively administer the scholarship program. We identified three separate offices at DSU could be maintaining the same documents related to Roughrider Scholarships. Rather than one office being allowed to make awards and/or change scholarship amounts, it appears various offices or departments could award scholarships and provide information to the Office of Financial Aid.

Recommendation 2-3

We recommend Dickinson State University centralize the Roughrider Scholarship program and ensure all Roughrider Scholarship information is approved and maintained by a single department.

Management's Response

DSU agrees.

Establishing Policies and Procedures for Institutional Scholarships

In the review of Roughrider Scholarships, DSU established no budget regarding the number of awards to be granted. While a total amount to be spent in a year was identified by the Controller, this apparent "budgeted" amount was never communicated to appropriate DSU personnel. In our discussions with selected DSU coaches, we were informed they were never given an exact number or dollar amount of Roughrider Scholarships they could award each year (athletics awarded the vast majority of Roughrider Scholarships). Based on a review of documentation, when the Roughrider Scholarship was developed in 2002 the total amount of new awards each year was not to exceed \$20,000 with a total annual commitment of \$80,000. Our review identified over \$200,000 per year was expended on Roughrider Scholarships.

In addition to reviewing Roughrider Scholarships, we performed a limited review on other institutional scholarships awarded by DSU. We identified DSU established a new scholarship program within two weeks of the House of Representatives of the 2009 Legislative Assembly approving a \$350,000 appropriation to cover declining oil royalty revenues. This scholarship program (Blue Hawk Presidential Out-of-State Tuition Scholarship) was funded from oil royalty revenues. This scholarship was available only to student athletes and was established to reduce tuition for out-of-state student athletes to the resident tuition rate. While DSU appears to have put restrictions on the number of scholarships a particular athletic program could award, we identified confusion regarding the number of students who could be awarded the scholarship.

Recommendation 2-4

We recommend Dickinson State University establish policies and procedures to ensure institutional scholarships are budgeted, awarded, and monitored appropriately.

Management's Response

DSU agrees. DSU will develop and implement procedures to improve the processes of budgeting, awarding, and monitoring scholarships.

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Global Awareness and Cultural Diversity Tuition Waivers

As part of this performance audit, we reviewed 40 Global Awareness Tuition Waiver recipients, 30 Cultural Diversity Tuition Waiver recipients, and 5 recipients who were granted both a Global Awareness and Cultural Diversity Tuition Waiver (not for the same semester). Based on our review of these recipients, we identified improvements were needed. Inconsistent actions were taken by DSU when criteria to maintain a global or cultural tuition waiver were not met. Also, we identified a lack of centralization related to the awarding and monitoring of global and cultural tuition waivers. In addition, formal policies and procedures need to be established by DSU for such waivers.

Tuition Waiver Information

Tuition waivers available to students include the Global Awareness Tuition Waiver, the Cultural Diversity Tuition Waiver, the Employee Spouse/Dependent Tuition Waiver, and other waivers identified in state law. Our review of tuition waivers related to the granting of global and cultural waivers. The Global Awareness Tuition Waiver is available to international students and the Cultural Diversity Tuition Waiver is available to students who are enrolled members of federally or state-recognized American Indian Nation and/or Native Alaskan, members of a cultural, racial, or ethnic group which has been historically under-represented, or individuals whose total family contribution will not exceed 25 percent of North Dakota resident tuition of the previous year, based upon the federally prescribed needs analysis formula. See Appendix B for additional information related to the Global Awareness Tuition Waiver and the Cultural Diversity Tuition Waiver.

Improving Monitoring of Waivers

Criteria to maintain a tuition waiver was not met and students were allowed to maintain the tuition waiver.

DSU's criteria to maintain a Global Awareness Tuition Waiver included requiring recipients to maintain a cumulative GPA of 2.0 or higher and successfully complete 12 credit hours per semester. DSU's criteria to maintain a Cultural Diversity Tuition Waiver included requiring recipients to maintain a cumulative GPA of 2.0 or higher and successfully complete 24 credit hours per academic year. We identified DSU was not consistent in revoking global or cultural tuition waivers when the criteria was not met. In our review, we identified a number of recipients who did not meet the requirements to maintain the tuition waiver continued to receive the waiver. For example, while a student did not meet the requirement of completing 12 credit hours in 5 of 7 consecutive semesters, the tuition waiver continued to be granted to this student. Also, a student who did not meet either the cumulative GPA and/or 12 credit hours per semester requirements in 3 semesters continued to be granted a tuition waiver.

While DSU established a 4 year limit on the Global Awareness Tuition Waiver being granted, it appears this limit was not applied to all student athletes. Non-athlete students could receive an additional year of the global tuition waiver after four years if their appeal for such an award was successful. Student athletes who were granted a 5th year of the tuition waiver in a letter of intent, were not required to appeal for such an award.

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Recommendation 2-5	We recommend Dickinson State University adequately monitor recipients of Global Awareness and Cultural Diversity Tuition Waivers to ensure renewals, revocations, and reinstatements are appropriate and consistent.
Management's Response	DSU agrees. DSU will review the renewal, revocation and reinstatement process for Global Awareness and Cultural Diversity waivers and will implement appropriate improvements. As discussed in a previous recommendation, the Acting President created a task force in the fall of 2011 to review the current practices and make recommendations for improvement of these processes.
<i>Improving Tuition Waivers</i>	While the Office of Multicultural Affairs was apparently given responsibility for administration of the global and cultural tuition waivers, we identified the office was not provided and/or did not maintain all information. We identified in certain instances the office was bypassed in the awarding process and lacked appropriate information to effectively administer the tuition waiver program. According to a representative of the Office of Multicultural Affairs, students could appeal directly to the President of DSU and information of such actions was not adequately communicated. While DSU has established criteria related to global and cultural tuition waivers, little to no policies and procedures have been developed.
Recommendation 2-6	We recommend Dickinson State University centralize the Global Awareness and Cultural Diversity Tuition Waiver programs and ensure all waiver information is approved and maintained by a single department.
Management's Response	DSU agrees.
Recommendation 2-7	We recommend Dickinson State University establish formal policies and procedures for the administration of the Global Awareness and Cultural Diversity Tuition Waivers.
Management's Response	DSU agrees. The Acting President appointed a task force in the fall of 2011 to review current practices and make recommendations for improvements including establishing more formal policies and procedures.
Notifying the National Association of Intercollegiate Athletics	In our review of information related to scholarships and tuition waivers, we identified the following: • Cultural Diversity Tuition Waivers: 100% and 75% cultural tuition waivers appear to be made available exclusively to student athletes. Other students may receive a 50% or 25% Cultural Diversity Tuition Waiver. • Global Awareness Tuition Waivers: 100% global tuition waivers appear to be made available exclusively to student athletes. Other

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students may receive a 53%, 41%, or 20% Global Awareness Tuition Waiver.

- Blue Hawk Presidential Out-of-State Tuition Scholarship: this scholarship is available only for student athletes. The Athletic Director appears to approve these awards.

In addition to the above, we identified DSU used no committee on student loans and scholarships to make such awards. In review of the National Association of Intercollegiate Athletics (NAIA) handbook, we identified DSU's awarding of certain scholarships and granting of tuition waivers may result in noncompliance with certain NAIA requirements. For example, the NAIA handbook states scholarships shall be awarded on such a basis as will not discriminate for or against presumed or recognized athletes. Also, the handbook states assignment of scholarships is to be controlled by the faculty through the regularly constituted committee on student loans and scholarships. DSU making available 75% and 100% tuition waivers only to student athletes appears to be a discriminatory practice in favor of athletes. Also, DSU appears to be in noncompliance in the awarding process used for tuition waivers and certain scholarships.

We did inform DSU of these concerns during the audit. DSU provided information to the NAIA related to this issue. DSU received a response stating the NAIA reviewed the information provided by DSU and based on the information submitted; it appears DSU is in compliance with rules and regulations. Our limited review of information submitted by DSU to the NAIA raised questions regarding the completeness and accuracy of information submitted by DSU.

Recommendation 2-8

We recommend Dickinson State University notify the National Association of Intercollegiate Athletics of apparent violations of requirements. At a minimum, the University should report:

- a) Awarding 75% cultural tuition waivers, 100% cultural/global tuition waivers, and Blue Hawk Presidential Out-of-State Tuition scholarships only to athletes; and
- b) Awarding Roughrider Scholarships and Blue Hawk Presidential Out-of-State Tuition scholarships to athletes without involvement from a Committee on Student Loans and Scholarships

Management's Response

DSU agrees. Following the initial review and subsequent concerns raised by the Auditor (noted above in the description), DSU worked with the State Auditor's Office to prepare another letter that the Auditor felt was complete and accurate to send to the NAIA for review. The NAIA Director of Legislative Services has responded in writing that, "Based on the information at hand, Dickinson State University is not in violation of NAIA financial aid regulations in Article II, Section B" of the NAIA bylaws.

Fiscal Related Areas

Introduction

Significant improvements needed by Dickinson State University (DSU) regarding financial related areas are included in this chapter. Improvements of less significance were communicated in a separate letter to management of DSU. To conduct a review of selected expenditures, other financial transactions, procurement, and contracts, we:

- Reviewed applicable laws and policies;
- Reviewed 73 expenditure transactions;
- Reviewed 5 months of receipts for credit card purchases;
- Reviewed 10 contracts/agreements; and
- Interviewed selected personnel.

Being Good Stewards of Public Funds

DSU did not follow the principles of proper stewardship of public funds.

In reviews performed on selected expenditure transactions, we identified a number of areas in which concerns were identified regarding the use of public funds. Examples include:

- Use of public funds for employee social type functions. We identified two faculty and staff holiday social events (totaling \$8,554), two faculty and staff picnics/back to school events (totaling \$9,889), and two going away receptions for employees (totaling \$254).
- Use of public funds for graduation/commencement type functions. We identified two graduation receptions (totaling \$12,406) which apparently were held following the graduation at DSU for students, their families, faculty, and staff. We identified three graduation breakfast/brunch functions (totaling \$6,720) held at DSU. In addition, we identified DSU held receptions for DSU graduates from Bismarck (two events identified totaling \$2,754).
- Use of public funds for football tickets, pre-game socials, and homecoming parade. We identified \$6,316 spent on football tickets including nearly 1,500 tickets for 5 home football games. We also identified \$1,770 spent on a homecoming parade and two pre-game social events.

When these expenditures were first identified, we questioned whether DSU was in compliance with Constitutional provisions requiring public funds be expended for public purposes. However, due to the authority provided to the State Board of Higher Education (SBHE) by the Constitution, it appears if the Board authorizes an expenditure, a public purpose criterion has been established. No formal Attorney General's Opinion or court case was identified verifying this authority. However, based on our discussions with legal counsel of the University System as well as our own representative of the Office of Attorney General, it appears this interpretation of SBHE's authority has been the general and long standing interpretation.

For the expenditures we identified, guidance is established within SBHE policies. For example, SBHE Policy 806.1 states institutions may pay expenses, including meals and costs of nonalcoholic beverages and snacks, for hosting dignitaries and guests. In addition, the policy states

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institutions may pay expenses of nonalcoholic beverages and snacks for institutional meetings or other employee functions.

While DSU may have had legal authority to pay such expenses with public funds, we conclude DSU is not following the principles of proper stewardship of public resources. In addition, SBHE Policy 308.1 (effective date of June 17, 2010) states employees "responsible for spending or approving expenditure of NDUS funds or incurring any reimbursable expenses must comply with all applicable laws and policies and use good judgment on behalf of the NDUS to ensure that good value is received for every expenditure."

During the audit, DSU personnel made comments such as if a law or policy did not specifically prevent certain expenditures then DSU was authorized to incur such expenditures. DSU personnel also indicated policies were not developed for identifying what you can do but rather to identify what you can't do. While DSU should comply with requirements for the use of public funds, the University should also ensure compliance with responsibilities of being good stewards of public funds.

Recommendation 3-1

We recommend Dickinson State University be good stewards of public funds. At a minimum, the University should:

- a) Adhere to State Board of Higher Education Policy 308.1 and use good judgment to ensure good value is received for every expenditure;
- b) Avoid unnecessary and/or unreasonable use of public funds to ensure funds are available for essential purposes; and
- c) Create and maintain an organizational culture of accountability and stewardship of public resources.

Management's Response

DSU agrees. In addition to assuring that expenditures are legal, ethical, effective, and efficient, per SBHE policy, DSU will use good judgment in the types of expenditures that are made and the amounts of those expenditures. There will be frequent communication to the university community regarding this being a central tenet of the institution's functioning and accountability to the public.

Ensuring Adequate Funds Exist

Adequate funds were not raised to pay expenses related to the men's basketball trip to China.

DSU's men's basketball team made a trip to China in April 2011 and played two games. According to the men's basketball coach, several attempts were made to cancel the trip due to a lack of funding. The men's basketball coach stated the former President insisted the team go. Approximately \$65,000 from the men's basketball fund was used to pay expenses of the trip. It appears DSU relied on statements from the former President indicating funds were going to be raised to pay for the entire trip. No such funds were raised. Due to this, at the end of fiscal year 2011 the men's basketball fund had over a \$43,000 negative cash balance.

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Fiscal Related Areas

We identified other concerns related to adequate planning which have caused deficits to occur. For example, areas which expend moneys from the University fee collected from students are not provided a specific allocation and/or budget. Rather, expenses are incurred throughout the fiscal year and if sufficient University fee moneys do not cover expenses, DSU transfers unrestricted funds to cover the deficits. Also, we identified DSU contracted with a vendor to conduct a seminar. Due to insufficient registration fees, DSU had to use \$20,000 from funds dedicated for faculty development (an appropriated fund) as well as approximately \$9,000 of earned interest income to cover the deficit. Approximately 25 DSU staff and 8 DSU faculty members attended the training. This seminar was one of the seminars for which DSU inappropriately counted individuals attending as students.

Recommendation 3-2

We recommend Dickinson State University ensure adequate funds exist prior to incurring expenditures.

Management's Response

DSU agrees. DSU will ensure adequate funds are in place before incurring expenditures.

Receipting Athletic Camp Income

SBHE Policy 810 states funds received by institutions shall be deposited in the Bank of North Dakota except in certain circumstances. We identified the basketball camp operated by DSU no longer receipts their camp income in compliance with this policy. Following the men's basketball trip to China in which the men's basketball fund was used to pay expenses, a change was made to where income from basketball camps was receipted. Prior to the China trip, such income was deposited into the men's basketball fund. Following the China trip, such income is being receipted with the DSU Foundation.

Recommendation 3-3

We recommend Dickinson State University comply with State Board of Higher Education requirements and receipt athletic camp income with the Bank of North Dakota.

Management's Response

DSU agrees. The situation has been addressed with the coaches involved. Funds will be managed according to SBHE policies.

Improving International Agreements

To recruit international students and establish relationships with various colleges and universities in other countries, DSU entered into various agreements. Two types of agreements DSU entered into included:

- Recruitment agent agreements: DSU entered into these agreements with vendors for recruiting international students. Agreements required DSU to pay a certain amount for international students who enrolled at DSU through these agents. In fiscal years 2009, 2010, and 2011, DSU apparently had agreements with 5 vendors for such services. The vast majority of payments made under these

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DSU has entered into agreements with recruiting agents and international universities/colleges requiring payment on a per student basis.

agreements went to two vendors. Both vendors received payments of \$2,900 per student or \$2,000 per student.

- Memorandum of agreements: DSU and respective colleges and universities in other countries entered into these agreements. Payments are made to these respective colleges/universities in addition to the payment made to the recruiters. Information provided by DSU indicates nearly 50 colleges and universities had some type of agreement with DSU. In our review of payment information, the majority of these colleges and universities did not receive payments from DSU. The per student rates paid by DSU to these institutions was as low as \$150 and up to \$1,000. For an institution to receive \$1,000 per student, over five students had to be enrolled at DSU. For example, the first five would be at a \$750 per student rate and all students in excess of five would be at a \$1,000 per student rate.

In our review of selected payments for recruiters and payments to colleges/universities, we identified concerns related to certain payments. For example, while DSU made a payment to a college for 18 students, only 15 students were enrolled (over payment of \$3,000). In addition, DSU made a \$2,900 commission payment to a recruiting agent as well as a \$1,000 payment to the university for an individual who did not attend DSU. We identified DSU made full commission payments for the same individuals who enrolled at DSU for different programs. For example, an individual enrolled in the Disney program (\$2,000 commission payment to the recruiting agent) came back to DSU under the Dual Degree Joint (DDJ) program (\$2,900 commission payment to the recruiting agent). DSU paid both commission payments for this individual as the agreements required such payment. Also, information identified in a University System report indicated DSU allowed individuals to enroll at DSU when admission requirements were not met (see *Making Changes with Admission Process* section of Chapter 4 for additional information). DSU appears to have made payments for these students even though agreement requirements were not met.

Over \$1.2 million was paid to recruiting agents and foreign universities/colleges during our audit period.

For fiscal years 2009, 2010, and 2011, DSU paid the recruiting agents approximately \$1 million. This would have represented 382 commission payments (certain individuals would have multiple commission payments). In addition, we identified DSU paid approximately \$240,000 to foreign colleges/universities. These amounts do not include travel or related costs DSU incurred on trips to other countries to establish international programs and/or agreements.

While it is illegal to pay recruiting commissions for domestic students and others eligible to receive Title IV funding, such commissions may be paid for international students. The students who enrolled under the recruiters were charged respective fees to help cover the commission payments. DSU used appropriated funds to pay for recruiter commissions not covered by the respective fees collected from students.

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The DDJ Program allows international students to complete requirements for two degrees from two separate institutions. The program may vary in length, with most students completing their first two years at their home institution, one year at DSU, and the final year at their home institution. We compared the net amount of money DSU received from DDJ students to the net amount DSU received from full-time resident students. In this comparison, we used amounts for a full-time resident student who did not receive an institutional scholarship or waiver and lived in student housing in the 2010-2011 academic year. The results of the comparison are identified in the following table.

Table 2		
Comparison of DDJ and Resident Students		
	DDJ	Resident
Tuition	\$11,496	\$4,306
DDJ Program Fees	\$2,750	
Room and Board	\$4,718	\$4,718
International Health Insurance	\$894	
Application Fee	\$35	\$35
Mandatory Fees	\$1,089	\$1,089
TOTAL CHARGES	\$20,982	\$10,148
Global Tuition Waiver	\$(6,093)	
NET REVENUE	\$14,889	\$10,148
Payment to Recruiter	\$(2,900)	
Payment to Home Institution ¹	\$(750)	
Payment for Health Insurance	\$(894)	
NET CASH TO DSU	\$10,345	\$10,148
¹ This amount varied depending on the institution. Most payments to the home institution were \$750 per student; however, payments per student to the home institution were as high as \$1,000.		

In our analysis of information, the amount DSU would have received from DDJ students (net cash) is similar to the amount DSU would receive from a full-time resident student. However, when a student required a \$1,000 payment to a college/university, the amount DSU would have received would have actually been less than an amount collected from a full-time resident student.

As part of a program known as the Disney Program, international students spend one semester on campus at DSU and perform an internship for Disney in Florida the following semester. The students also take a 3 credit class taught by Disney to receive 12 credits for their second semester (9 credits received for the internship). In the second semester, Disney Program students are not charged tuition or mandatory fees. Rather, students are only charged \$600 for their second semester (DSU identifies the charge as "Attached Credit" which is \$50/credit). We compared the net amount of money DSU received from Disney Program students to the net amount DSU received from full-

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time resident students. In this comparison, we used amounts for a full-time resident student who did not receive an institutional scholarship or waiver and lived in student housing the first semester of the 2010-2011 academic year. The results of the comparison are identified in the following table.

Table 3				
Comparison of Disney Program and Resident Students				
	Disney		Resident	
Semester	Fall	Spring	Fall	Spring
Tuition	\$5,748		\$2,153	\$2,153
Attached Credit		\$600		
Disney Program Fees	\$1,500			
Room and Board	\$2,359		\$2,359	
International Health Insurance	\$894			
Application Fee	\$35		\$35	
Mandatory Fees	\$544		\$544	\$544
TOTAL CHARGES	\$11,080	\$600	\$5,091	\$2,697
Global Tuition Waiver	\$(2,357)			
NET REVENUE	\$8,723	\$600	\$5,091	\$2,697
Payment to Recruiter	\$(2,000)			
Payment to Home University	\$(750)			
Payment for Health Insurance	\$(894)			
NET CASH TO DSU	\$5,079	\$600	\$5,091	\$2,697

In our analysis of information, the amount DSU would have received from Disney students (net cash) is less than the amount DSU would receive from a full-time resident student.

Recommendation 3-4

We recommend Dickinson State University make improvements with international recruiting agent agreements. If such agreements are to be used, the University should:

- Adequately monitor vendors to ensure agreement requirements are met;
- Only make commission payments when appropriate; and
- Modify payment requirements to ensure students who have previously enrolled at the University do not require another full commission payment to enroll in subsequent semesters.

Management's Response

DSU agrees. DSU has severed ties with international recruiting agents.

Including Appropriate Terms and Conditions

Based on a review of 10 contracts and agreements entered into by DSU, we concluded significant improvements were needed with the contracts/agreements entered into by DSU. Appropriate terms and conditions were not included in documents signed by DSU. We also identified inappropriate clauses being included in agreements. Examples are identified on the following page.

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DSU has not included appropriate terms and conditions in agreements and has entered into agreements with terms not consistent with established University requirements.

- A contract (\$156,600 plus expenses) entered into by DSU for strategic planning consulting services did not contain the required nonappropriation clause, inappropriately identified the agreement would be construed in accordance with laws in another state, and did not include an insurance clause. No legal review appears to have been performed prior to entering into this contract.
- A recruiting agent agreement was entered into for a 10 year period. SBHE policy requires all service contracts in excess of three years to include a provision for review of contract performance at specified intervals. No such provision was included in this contract.
- Included in our review were two memorandums of agreement with universities in other countries. Both agreements appear to contain English proficiency requirements for students to be admitted to DSU which were not consistent with the established requirements for admission to the University.

Recommendation 3-5

We recommend Dickinson State University make improvements with contracts and agreements entered into for services. At a minimum, the University should:

- a) Include applicable terms and conditions within contracts and agreements; and
- b) Ensure legal counsel performs appropriate reviews.

Management's Response

DSU agrees. Dickinson State will review and improve the process of review and approval of contracts and agreements.

Improving Procurement of Services

SBHE Policy 803.1 states consulting or other contract services estimated at \$100,000 or more must be purchased through a formal request for proposal process. In our review of 10 payments related to contractual services, we identified DSU was in noncompliance with this policy. DSU entered into a contract with a vendor for strategic planning consulting services. The contract amount was \$156,600 plus expenses. No formal request for proposal appears to have been used. DSU has no centralized contracting and/or procurement process. Various offices and departments appear to be procuring services with no oversight or requirement to include personnel with appropriate procurement experience. When requested, DSU was unable to provide a list of contracts entered into by the University.

Recommendation 3-6

We recommend Dickinson State University make improvements in the procurement of services. At a minimum, the University should:

- a) Establish a requirement for procurement of services estimated over a certain dollar threshold to be procured by and/or include an individual who has the appropriate procurement knowledge and training; and
- b) Comply with State Board of Higher Education policies.

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Management's Response

DSU agrees. DSU will review and improve procurement processes to assure compliance with appropriate policies and procedures including those of the SBHE.

Establishing a Requirement to Maintain Attendee Lists

In a review of 73 expenditure transactions, we identified various events, functions, and related activities which have costs associated with food and beverage paid by DSU. To determine whether DSU used appropriate funds to pay expenses, we attempted to identify a list of attendees for such functions. For example, three separate luncheons held one week apart were identified by DSU as "ladies luncheons." DSU did not maintain a list of attendees. According to DSU personnel, the former President's spouse hosted the luncheons. The total cost of these luncheons was approximately \$1,350 and appropriated funds were used. General funds and tuition are receipted into appropriated funds and we are unable to determine when expenditures use general funds or moneys collected from students. Other events such as the President hosting a breakfast prior to the graduation ceremony had no list of attendees.

Recommendation 3-7

We recommend Dickinson State University require a list of attendees for functions, events, and related activities which have costs associated with food and beverage paid by the University.

Management's Response

DSU agrees and has implemented a requirement that a list of attendees is to be compiled for events where food and beverages are provided when reasonable to do so.

Additional Areas Requiring Improvement

Introduction

In addition to areas addressed in Chapters 1 through 3, we also identified significant improvements were needed by Dickinson State University (DSU) related to other areas of operations. Improvements of less significance were communicated in a separate letter to management of DSU.

Improving Communication and Coordination of Efforts

In the work performed throughout this audit, it became apparent communication among and between DSU employees needs improvement. In addition, there was a lack of coordination of efforts between offices and departments. This has led to a “silo” organizational structure with very limited communication. As a result, redundancies, duplication of effort, and other inefficient processes exist.

Indications of poor communication at DSU were identified in surveys of employees. For example, DSU’s “2009-2010 Assessment of Effective Communication, Summary of 2010 Spring Staff Communication Survey” had 39 respondents. In relation to the statement, “Communication is effective in this organization” 13 respondents strongly disagreed and 12 disagreed (64% negative response rate). No respondents answered “Strongly Agree” to this statement. In our survey conducted of employees, similar information was identified related to poor communication.

Recommendation 4-1

We recommend Dickinson State University make improvements to foster open communication and coordinate efforts of departments/offices.

Management’s Response

DSU agrees. As part of reorganizing at Dickinson State there will be better coordination among related activities. This will help improve communications. In the last six months, several initiatives (e.g. President’s OUR DSU newsletter to all students, staff, and faculty; and frequent meetings of President and other administrators with Faculty, Staff, and Student Senates) have been implemented to improve communications. These activities will continue and new ones will be initiated when appropriate.

Improving the Enrollment Process

As part of this audit, we performed a limited review related to the creation of classes and enrollment of individuals as students. This was due, in part, to information which became public following the former President’s hearing. Information indicated individuals were inappropriately counted as students, credit was inappropriately awarded for classes, and DSU did not comply with requirements for various other areas in Fall 2010. DSU determined 5 classes were not valid academic courses. DSU subsequently made changes to enrollment count figures (removed 187 individuals). The changes DSU made to Fall 2010 data appear to be reasonable.

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Additional Areas Requiring Improvement

DSU inappropriately enrolled certain individuals as students in Fall 2010.

Based on our review of information, it is apparent more than one DSU office was aware individuals who should not have been enrolled as students were, in fact, enrolled as students. DSU attempted to award academic credit to individuals who attended certain seminars, conferences, or symposiums. In some cases, DSU simply assigned an "A" letter grade to all attendees and there was no requirement of individuals to receive such a grade other than by attending.

The admissions and registration process requires certain information to be submitted to DSU. For example, individuals are to complete and sign an application form (can be done electronically). In review of information related to individuals inappropriately counted as students by DSU, it is apparent the Office of Enrollment Services enrolled certain individuals as students without a DSU application for admission form. Based on a review of information and discussions with a representative from the Office of Enrollment Services, information provided by the Office of Extended Learning was simply used to enter data on individuals. This was inappropriate as the Office of Enrollment Services did not have the required admissions information.

Recommendation 4-2

We recommend Dickinson State University's Office of Enrollment Services only enroll individuals as students when required documentation is completed and submitted to the office.

Management's Response

DSU agrees. Dickinson State will enroll individuals as students only after required documents have been received.

Improving Academic Areas

As part of this performance audit, we reviewed information related to various academic areas including course and class establishment, grade assignment, and classes offered by DSU. We identified changes were needed to adequately monitor compliance with academic standards. In addition, due to relatively low enrollment in certain classes, DSU should complete a review of offered classes.

Monitoring Compliance with Academic Standards

DSU along with the North Dakota University System Office concluded individuals were inappropriately enrolled as students and counted in enrollment data for Fall 2010. In a limited review of information related to Fall 2009 classes, we identified similar concerns with certain one-credit classes at DSU. For example, DSU was requested to provide syllabi for five classes and was unable to do so.

Certain DSU classes reviewed indicated all students received an "A" letter grade.

In our employee survey, we identified certain respondents commenting on possible grade inflation or assigning a high number of "A" letter grades. We performed a limited review of class and grade information and identified concerns related to an apparent high amount of "A" letter grades being assigned. For example, in review of 11 classes involving four different instructors from Fall 2010, 3 classes were identified in which all students (85 total) received an "A" letter grade. Also, 3 classes

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Additional Areas Requiring Improvement

were identified in which only one student in each class did not receive an "A" (57 of 60 students received an "A").

Recommendation 4-3

We recommend Dickinson State University establish a formalized monitoring process to review compliance with academic standards and to validate the academic integrity of the University.

Management's Response

DSU agrees. Academic standards are a significant part of the accreditation process through the Higher Learning Commission (HLC). Dickinson State has been working closely with the HLC on several fronts, including this one. That collaboration will continue. DSU's Interim VP for Academic Affairs is currently working with departmental leadership and faculty leadership to address this situation. Additionally, DSU's Faculty Senate has initiated discussions among the faculty to assure that students are held to appropriate standards.

Reviewing Classes Offered

During a review of information related to classes offered through DSU, certain class and enrollment data provided by DSU identified instances in which a relatively small number of students were enrolled. Class sizes ranging from 2 students to 5 students were identified as occurring on both the DSU campus as well as at the Bismarck State College campus (DSU students attending class through the distance education program). Relatively small enrollment in classes may result in an inefficient use of resources.

Recommendation 4-4

We recommend Dickinson State University conduct a formal review of classes offered, taking into consideration costs, enrollment in classes, and fields of study, and take appropriate action to ensure resources are used in an efficient manner.

Management's Response

DSU agrees. The Interim VP for Academic Affairs has begun a review of courses and sections offered to assure that resources are used in an efficient manner.

Improving Compliance with Requirements for International Students

In our review of information related to Global Awareness Tuition Waivers as well as enrollment processes, we identified changes were necessary related to certain international student requirements. We identified instances in which DSU waived certain requirements for admission or allowed students to be admitted when all required documentation was not received. In addition, we identified DSU needed to make improvements when noncompliance issues with visa requirements were identified.

Making Changes with Admission Process

Based on a review of information related to 40 students receiving Global Awareness Tuition Waivers, we identified instances in which requirements for admission were not met and individuals were allowed to enroll at DSU. For example, one individual provided a Test of English as a Foreign Language (TOEFL) score to DSU which did not meet the

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Additional Areas Requiring Improvement

DSU waived certain admission requirements for international students.

minimum requirement for admission (score of 63 and minimum for admission is 71). DSU representatives stated the student was from a school in which an agreement was reached to waive the TOEFL score requirement. In addition, two individuals did not provide an official bank statement in the application process. An official bank statement is one requirement for enrollment of an international student. DSU waived the requirement for these two individuals.

We identified DSU waived the TOEFL score or equivalent requirement for enrollment when individuals were coming from a country in which the primary language was English. Also, DSU would allow certain entities to certify English equivalency as well as using scores from equivalency tests administered by entities who do not appear to be independent (such entities receive payments on a per student enrolled basis).

An Internal Review Report issued by the Internal Auditor of the University System in February 2012 identified DSU's international agreements were seriously lacking controls and oversight. In January 2012, DSU tested the English proficiency of 5 students entering the university and determined all 5 did not meet English proficiency requirements. Following this, a recruiting agent emailed a representative of DSU stating "We don't remember sending students who seriously lacked English proficiency except for the fall semester when (former President) needed the enrollment number." It appears DSU allowed individuals to enroll at DSU when admission requirements were not met.

Recommendation 4-5

We recommend Dickinson State University make changes to the admission process for international students. At a minimum, the University should:

- a) Establish a standard scoring system to measure the language proficiency of applicants;
- b) Require all applicants to take tests which are appropriately administered; and
- c) Ensure all appropriate documentation is received prior to admitting an applicant.

Management's Response

DSU agrees. In November, 2011, the Acting President affirmed to the Dickinson State community that prior to being admitted, potential students from non-English speaking countries would be required to demonstrate English proficiency through successfully scoring on TOEFL (Test of English as a Foreign Language) or IELTS (International English Language Testing System). This is in accord with State Board of Higher of Education policy and the Dickinson State catalog. Additionally, all required documentation will be required prior to applicant admission.

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Additional Areas Requiring Improvement

Taking Appropriate Action when Visa Requirements are Not Met

Based on a review of information related to 40 students receiving a Global Awareness Tuition Waiver, we identified instances in which DSU was not consistently taking appropriate action when requirements to maintain a visa were not apparently being met. For example:

- One student had been at DSU for 7 semesters and had completed only 58 credits at the end of Spring 2011. It appears this student is not “making normal progress toward completing a course of study” as required to maintain a visa. This student appealed 2 times (Fall 2009 and Fall 2010) and the former President approved the appeals. While this student was informed they were to be terminated from the federal database (SEVIS), it appears the individual was not terminated.
- One student was identified as having a cumulative grade point average (GPA) below 2.0 for 3 semesters. For 2 of these 3 semesters, the student completed less than 12 credits. This student appealed 2 times (Fall 2010 and Spring 2011) and the former President approved the appeals. No information was updated on the federal database.

A DSU representative stated the informal policy followed by DSU was to give students multiple chances prior to updating the federal database. No federal requirements identify how many chances students are to receive prior to action being taken. If a student is terminated from the federal database, the student’s visa will be revoked. While a student may be terminated from the federal database (meaning they should not be in the country), DSU does not have the authority to remove such individuals from the University and has to allow the individuals to enroll at the University.

Recommendation 4-6

We recommend Dickinson State University take appropriate action when visa requirements are not being maintained or met.

Management’s Response

DSU agrees. At present, there is not a nationally agreed upon interpretation of the Code of Federal Regulations in these areas. DSU will establish an internal policy for guidance.

Making Improvements with Human Resource Areas

DSU’s Office of Human Resources provides services related to staffing, hiring, payroll, and benefits to various offices and departments of the University. As part of this performance audit, we reviewed information related to the hiring process of non-faculty, performance reviews, salary increases, and the Code of Conduct policy. Based on our review, we identified improvements were needed. We identified noncompliance issues with performance reviews of employees as well as merit increases given to employees. Also, we identified changes were necessary with how investigations were conducted of alleged violations of policy. In addition, improvements were needed with the hiring processes used.

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Additional Areas Requiring Improvement

Ensuring Compliance with Merit Based Salary Increases

According to State Board of Higher Education (SBHE) Policy 604.3, all merit pay increases must be supported by current written performance reviews and be consistent with a salary administration plan adopted by the institution. We concluded DSU is in noncompliance with both requirements to award merit pay increases. In a review of 15 employees, we identified several merit increases being awarded to employees who did not have current written performance appraisals. For example, following a written performance review in 2002, an employee received 8 merit increases from 2005 to 2011 with no further written performance reviews. In addition, DSU's salary administration plan contains no information related to merit based salary increases.

Recommendation 4-7

We recommend Dickinson State University comply with State Board of Higher Education policies related to merit based salary increases. At a minimum, the University should:

- a) Modify its Salary Administration Policy to include requirements related to merit based salary increases; and
- b) Ensure merit based salary increases are supported by current performance reviews.

Management's Response

DSU agrees. In January 2012, the DSU President announced that performance appraisals would be conducted. This requires updating of position descriptions, followed by the formal appraisal. Appraisals are to be completed by March 31, 2012, and will serve as the basis for merit based compensation increases for FY2013. This will be an annual process.

Ensuring Compliance with Performance Review Requirements

SBHE Policy 604.3 states all benefited University System employees are to have an annual written and verbal performance development review. In a review of 15 DSU employees, none of the 15 employees had annual performance reviews. For example, two of the employees reviewed have had no written performance review since 2002. A DSU representative indicated the former two Presidents did not complete reviews of their direct reports and were aware annual reviews were not being performed.

Recommendation 4-8

We recommend Dickinson State University comply with State Board of Higher Education policies related to performance reviews and ensure annual reviews are completed for all benefited employees.

Management's Response

DSU agrees. Dickinson State is presently implementing performance reviews and annual reviews to be completed by March 31, 2012.

Improving Investigations of Alleged Violations

DSU implemented a Code of Conduct policy in March 2011. The policy states alleged violations are to be investigated by the Coordinator of Human Resources, the University Controller, or a representative of the North Dakota University System Office. In a review of investigations, we identified alleged violations were being reported to the Coordinator of Human Resources. While the Coordinator started an investigation, to

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Additional Areas Requiring Improvement

apparently move the investigation process along the Coordinator forwarded information to the supervisor and reviewer of the individual alleged to have violated the policy. The Coordinator performed no additional investigation work after the transfer of information. The policy requires the Coordinator to conduct an investigation and current investigations do not appear to be completed by the Coordinator.

Recommendation 4-9

We recommend Dickinson State University comply with Code of Conduct requirements and ensure the required individual completes an investigation.

Management's Response

DSU agrees. In future investigations of alleged Code of Conduct violations, the person leading the investigation will lead the process and play the central role to assure that the process is conducted effectively, fairly, in a timely manner, and to an appropriate conclusion. There are 4 people identified in the Code who may lead the investigations. The appropriate one of those for a specific instance will depend on the nature of the allegation.

Improving the Hiring Process

In a review of 6 hiring files, we identified certain information documenting the hiring decision was not maintained by DSU. For example, information related to the interview process and individual ranking sheets of committee members were not maintained. In addition, applications received by DSU before the application deadline were reviewed for completeness as soon as received. Applicants were sent a letter stating the application materials were received as well as identifying what documents were missing or still needed to be completed. Applicants submitting their application near the deadline were not given the opportunity to submit documents which may be missing or incomplete. As a result, applicants were not treated in the same manner.

Recommendation 4-10

We recommend Dickinson State University make improvements with the hiring process. At a minimum, the University should:

- a) Ensure all applicants applying for positions at the University are treated in a fair and equal manner; and
- b) Maintain documentation supporting the hiring decision.

Management's Response

DSU agrees. In January 2012, Dickinson State implemented a flow sheet for conducting hiring processes. The flow sheet serves as a "check list" to assure compliance with appropriate laws and policies.

Ensuring Appropriate Access to Systems

In a review of Roughrider awards, we identified three students were inappropriately awarded a total of \$2,500. Two of the students received additional \$1,000 awards each and one student received an additional \$500 award. In our review of how these students received additional awards, we identified the Office of Financial Aid was inappropriately sharing a user ID which had roles assigned to it which gave the user the

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Additional Areas Requiring Improvement

ability to enter data. Student workers were sharing this user ID. However, the Office of Financial Aid also used this user ID to allow one or more of its regular employees (non-student employees) to enter in financial award information. These regular employees had their own user IDs which did not have the capability to enter in financial award information. Sharing a user ID and allowing employees to use a user ID for which they are not authorized violates a proper internal control structure. This violation increases the risk of unauthorized transactions and the chances of corrupt data, and results in data being entered which can't be traced back to a specific individual.

Recommendation 4-11

We recommend Dickinson State University take the necessary action to ensure appropriate access to computer systems. At a minimum, the University should:

- a) Ensure adequate policies and procedures are established to restrict access privileges/assign appropriate roles to user IDs; and
- b) Ensure adequate reviews of security/user roles are being performed.

Management's Response

DSU agrees. Additional campus security procedures implemented in August 2011 include the requirement of Campus Connection credentials to access university workstations. This procedure enables the campus to identify who was on a workstation, the time the person was on, and what activity he/she performed. This process assures that work is linked to the person who performed it, not generically to the machine on which the work was accomplished. DSU is also adding authentication to the desktop operating systems for computers to assure that the situation described does not recur.

Establishing Policies Related to the Use of Student Housing

During our review of information, we identified instances in which DSU employees were residing in student housing. DSU has an informal policy which appears to allow employees to reside in student housing for temporary purposes. DSU has no formal policies or procedures related to rates to be charged, deposits being obtained, and/or agreements being entered into for such situations or when student housing is made available for use by non-students (such as camps). We identified an associate professor who resided in student housing for nearly 4 years and a DSU Director who resided in student housing for almost a year. In addition, we identified an employee who resided in student housing for 6 days paid less per night than students who resided in the same building.

Recommendation 4-12

We recommend Dickinson State University establish policies and procedures regarding the use of student housing by non-students. At a minimum, the University should:

- a) Establish criteria for the use of student housing;
- b) Develop contract terms and conditions; and
- c) Develop a rate setting process.

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Additional Areas Requiring Improvement

Management's Response

DSU agrees. Contracts and rates charged to summer camps and other non-students will be reviewed to develop written terms and conditions.

Audit and DSU Background Information

Purpose and Authority of the Audit

The performance audit of Dickinson State University (DSU) operations was conducted by the Office of the State Auditor pursuant to authority within North Dakota Century Code Chapter 54-10.

Performance audits are defined as engagements that provide assurance or conclusions based on an evaluation of sufficient, appropriate evidence against stated criteria, such as specific requirements, measures, or defined business practices. Performance audits provide objective analysis so management and those charged with governance and oversight can use the information to improve performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability. The purpose of this report is to provide our analysis, findings, and recommendations regarding our limited review of whether DSU has established an adequate system for monitoring operations.

Background Information

DSU was established in 1918 as the Dickinson State Normal School. The school held its first graduation in 1920, with 18 students completing their degrees. Its original primary purpose was to prepare teachers for rural schools in southwestern North Dakota. DSU now offers many bachelor's degrees including teacher education, business, computer science, agriculture, nursing, and liberal arts, as well as many associate degrees.

DSU is one of 11 colleges and universities which comprise the North Dakota University System. The institution is comprised of two colleges – the College of Arts and Sciences and the College of Education, Business, and Applied Sciences.

Objective of the Audit

The objective of this performance audit is listed below:
“Has Dickinson State University established an adequate system for monitoring operations?”

Scope and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit field work was conducted from the end of October 2011 to the end of February 2012. The audit period for which information was collected and reviewed was July 1, 2008 through June 30, 2011. In certain instances, additional information was reviewed. This was done, in part,

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Audit and DSU Background Information

to review necessary information related to selected areas as well as to review current information. At the beginning of this audit, we conducted a survey of DSU employees. Of the 249 employees surveyed, 190 completed the survey. Specific methodologies are identified in the respective chapters of this report.

Additional Reviews Performed on DSU

Prior to the start of this audit, an Internal Review Report issued by the North Dakota University System Director of Internal Audit and Risk Assessment identified areas related to enrollment reporting and leadership of DSU. During our audit, various information as well as reviews conducted related to DSU operations became public information. This included information from the former President's dismissal hearing and two additional Internal Review Reports issued by the Director of Internal Audit and Risk Assessment. The two areas of the review reports included the Office of Human Resources and issues with international transfer agreements. While the information from these sources of information was briefly reviewed, we conducted no audit work to verify the accuracy or reliability of information.

List of Recommendations

Recommendation 1-1	We recommend Dickinson State University make appropriate changes to ensure tuition rates are consistently charged and accurately reflect what will be collected.
Recommendation 1-2	We recommend Dickinson State University ensure access fee moneys are used for expenses associated with distance education and the fee amount charged to students is appropriate.
Recommendation 1-3	We recommend Dickinson State University make appropriate changes to fees charged to students. At a minimum, the University should: a) Ensure fees are only charged to students who are expected to utilize the services supported with the fees; and b) Ensure fees charged to dual credit students are fully disclosed.
Recommendation 1-4	We recommend Dickinson State University use application fee moneys for expenses associated with processing applications.
Recommendation 1-5	We recommend Dickinson State University specifically allocate and/or establish a budget for the use of moneys collected from students through the University fee.
Recommendation 1-6	We recommend Dickinson State University obtain proper approval from the Chancellor when required by State Board of Higher Education policy. At a minimum, the University should obtain approval for: a) Waiving application fees; and b) Charging less than the resident tuition rate.
Recommendation 2-1	We recommend Dickinson State University comply with established criteria in the awarding of Roughrider Scholarships.
Recommendation 2-2	We recommend Dickinson State University adequately monitor recipients of Roughrider Scholarships to ensure renewals, revocations, and reinstatements are appropriate and consistent.
Recommendation 2-3	We recommend Dickinson State University centralize the Roughrider Scholarship program and ensure all Roughrider Scholarship information is approved and maintained by a single department.
Recommendation 2-4	We recommend Dickinson State University establish policies and procedures to ensure institutional scholarships are budgeted, awarded, and monitored appropriately.
Recommendation 2-5	We recommend Dickinson State University adequately monitor recipients of Global Awareness and Cultural Diversity Tuition Waivers to ensure renewals, revocations, and reinstatements are appropriate and consistent.
Recommendation 2-6	We recommend Dickinson State University centralize the Global Awareness and Cultural Diversity Tuition Waiver programs and ensure

Appendix A

List of Recommendations

all waiver information is approved and maintained by a single department.

Recommendation 2-7

We recommend Dickinson State University establish formal policies and procedures for the administration of the Global Awareness and Cultural Diversity Tuition Waivers.

Recommendation 2-8

We recommend Dickinson State University notify the National Association of Intercollegiate Athletics of apparent violations of requirements. At a minimum, the University should report:

- a) Awarding 75% cultural tuition waivers, 100% cultural/global tuition waivers, and Blue Hawk Presidential Out-of-State Tuition scholarships only to athletes; and
- b) Awarding Roughrider Scholarships and Blue Hawk Presidential Out-of-State Tuition scholarships to athletes without involvement from a Committee on Student Loans and Scholarships

Recommendation 3-1

We recommend Dickinson State University be good stewards of public funds. At a minimum, the University should:

- a) Adhere to State Board of Higher Education Policy 308.1 and use good judgment to ensure good value is received for every expenditure;
- b) Avoid unnecessary and/or unreasonable use of public funds to ensure funds are available for essential purposes; and
- c) Create and maintain an organizational culture of accountability and stewardship of public resources.

Recommendation 3-2

We recommend Dickinson State University ensure adequate funds exist prior to incurring expenditures.

Recommendation 3-3

We recommend Dickinson State University comply with State Board of Higher Education requirements and receipt athletic camp income with the Bank of North Dakota.

Recommendation 3-4

We recommend Dickinson State University make improvements with international recruiting agent agreements. If such agreements are to be used, the University should:

- a) Adequately monitor vendors to ensure agreement requirements are met;
- b) Only make commission payments when appropriate; and
- c) Modify payment requirements to ensure students who have previously enrolled at the University do not require another full commission payment to enroll in subsequent semesters.

Recommendation 3-5

We recommend Dickinson State University make improvements with contracts and agreements entered into for services. At a minimum, the University should:

- a) Include applicable terms and conditions within contracts and agreements; and

Appendix A

List of Recommendations

b) Ensure legal counsel performs appropriate reviews.

Recommendation 3-6

We recommend Dickinson State University make improvements in the procurement of services. At a minimum, the University should:

- a) Establish a requirement for procurement of services estimated over a certain dollar threshold to be procured by and/or include an individual who has the appropriate procurement knowledge and training; and
- b) Comply with State Board of Higher Education policies.

Recommendation 3-7

We recommend Dickinson State University require a list of attendees for functions, events, and related activities which have costs associated with food and beverage paid by the University.

Recommendation 4-1

We recommend Dickinson State University make improvements to foster open communication and coordinate efforts of departments/offices.

Recommendation 4-2

We recommend Dickinson State University's Office of Enrollment Services only enroll individuals as students when required documentation is completed and submitted to the office.

Recommendation 4-3

We recommend Dickinson State University establish a formalized monitoring process to review compliance with academic standards and to validate the academic integrity of the University.

Recommendation 4-4

We recommend Dickinson State University conduct a formal review of classes offered, taking into consideration costs, enrollment in classes, and fields of study, and take appropriate action to ensure resources are used in an efficient manner.

Recommendation 4-5

We recommend Dickinson State University make changes to the admission process for international students. At a minimum, the University should:

- a) Establish a standard scoring system to measure the language proficiency of applicants;
- b) Require all applicants to take tests which are appropriately administered; and
- c) Ensure all appropriate documentation is received prior to admitting an applicant.

Recommendation 4-6

We recommend Dickinson State University take appropriate action when visa requirements are not being maintained or met.

Recommendation 4-7

We recommend Dickinson State University comply with State Board of Higher Education policies related to merit based salary increases. At a minimum, the University should:

- a) Modify its Salary Administration Policy to include requirements related to merit based salary increases; and

Appendix A
List of Recommendations

- b) Ensure merit based salary increases are supported by current performance reviews.

Recommendation 4-8

We recommend Dickinson State University comply with State Board of Higher Education policies related to performance reviews and ensure annual reviews are completed for all benefited employees.

Recommendation 4-9

We recommend Dickinson State University comply with Code of Conduct requirements and ensure the required individual completes an investigation.

Recommendation 4-10

We recommend Dickinson State University make improvements with the hiring process. At a minimum, the University should:

- a) Ensure all applicants applying for positions at the University are treated in a fair and equal manner; and
- b) Maintain documentation supporting the hiring decision.

Recommendation 4-11

We recommend Dickinson State University take the necessary action to ensure appropriate access to computer systems. At a minimum, the University should:

- a) Ensure adequate policies and procedures are established to restrict access privileges/assign appropriate roles to user IDs; and
- b) Ensure adequate reviews of security/user roles are being performed.

Recommendation 4-12

We recommend Dickinson State University establish policies and procedures regarding the use of student housing by non-students. At a minimum, the University should:

- a) Establish criteria for the use of student housing;
- b) Develop contract terms and conditions; and
- c) Develop a rate setting process.

Tuition Waiver Background Information

During this audit, a review of the Global Awareness Tuition Waiver and the Cultural Diversity Tuition Waiver was conducted. Approximately \$9 million of these two tuition waivers were granted to students from July 1, 2008 through June 30, 2011. The total Dickinson State University (DSU) tuition waiver amount during this time was in excess of \$10 million. Additional information on the two waivers follows.

Global Awareness Tuition Waiver

The Global Awareness Tuition Waiver Program was established for qualified international students. According to the Global Awareness Tuition Award Application, the global tuition waiver program was started as part of a DSU initiative to promote international learning and provide a cross-cultural experience for students and the campus community. In order for a prospective student to be considered for a waiver, the individual must submit a Global Awareness Tuition Waiver application along with a 250 word essay explaining who they are and how a DSU degree will enhance their personal and professional aspirations. As part of the admissions process, prospective international students are also required to submit an official transcript, official Test of English as a Foreign Language (TOEFL) or equivalent score, official bank statement, declaration of finances, campus security questionnaire, a copy of their passport, and, once on campus, a signed and hand delivered Foreign International Form. DSU requires a TOEFL score of 525 or higher on the paper based test, a 197 or higher on the computer based test, or a 71 or higher on the internet based test. DSU may waive a TOEFL score or equivalent requirement for universities in which a Memorandum of Understanding exists and for students from a country whose native language is English. The Global Awareness Tuition Waiver may be offered as multiple different percentages of tuition, which are identified in the following table.

Table B-1 Global Awareness Tuition Waivers	
Waiver Percentages	Eligible Recipients
100%	Student athlete international students only
53% ¹	International students (excludes Disney and Canadian students)
41%	Disney Program students
20%	Students from certain Canadian providences
¹ The waiver percentage was reduced from 62% to 53% prior to Fall 2009. Recipients granted 62% global tuition waivers prior to this change were grandfathered in at 62%.	

The Global Awareness Tuition Waiver is renewable for up to 4 years and students are given the opportunity to appeal for a 5th year of financial support (except for athletes who were awarded a 5th year by the athletics department). In order to maintain the global tuition waiver, the recipient must maintain a cumulative GPA of 2.0 or higher and successfully complete 12 credits per semester.

Cultural Diversity Tuition Waiver

According to the Cultural Diversity Tuition Award Application, the cultural tuition waiver was established due to the recognized educational benefits of a culturally diverse student population. The Cultural Diversity Tuition Waiver is available to students who are enrolled members of a federal or state-recognized American Indian Nation and/or Native Alaskan, members of a cultural, racial, or ethnic group which has been historically under-represented, or individuals whose total family contribution will not exceed 25 percent of the North Dakota resident tuition of the previous year, based upon the federally prescribed needs analysis formula. To be eligible for a Cultural Diversity Tuition Waiver, the student must be a citizen of the United States. For DSU to consider a student for a cultural waiver, individuals must complete the admissions process, complete a Cultural Diversity Tuition Waiver Award Application, and complete a Free

Appendix B
Tuition Waiver Background Information

Application for Federal Student Aid (FAFSA). Different waiver percentages exist for the Cultural Diversity Tuition Waiver. These percentages are identified in the following table.

Table B-2 Cultural Diversity Tuition Waivers	
Waiver Percentages	Eligible Recipients
100%	Student athletes only
75%	Student athletes only
50%	Non-North Dakota residents or recognized Native American tribes/ Alaska natives
25%	North Dakota residents

A Cultural Diversity Tuition Waiver is renewable for up to 5 years. In order to maintain the cultural waiver, the recipient must maintain a cumulative GPA of 2.0 or higher and successfully complete 24 credits per academic year.

Roughrider Scholarship Award Background Information

Based on a review of information and discussions with Dickinson State University (DSU) representatives, we attempted to identify a history of the Roughrider Scholarship program. Information identified from our review follows.

Roughrider Outreach Award

The Roughrider Scholarship was established in 2002 by a former President of DSU. The scholarship was originally called the Roughrider Outreach Award and it targeted new students from Wyoming, Nevada, Colorado, California, Arizona, Alaska, and all Canadian Provinces. The award was set at \$1,000 per year (renewable for up to five years) and was to be paid from oil royalty revenue. To maintain the scholarship, students had to complete 15 DSU credit hours per semester and maintain a DSU cumulative 2.5 grade point average (GPA). It appears the criteria were changed for the 2005-2006 academic year to reduce the minimum credit hours per semester requirement from 15 to 12. Also, the list of specifically targeted states/provinces was removed.

Roughrider Homestead Scholarship

In 2003, the Roughrider Homestead Scholarship was established for North Dakota residents. The award was set at \$500 per year (renewable for up to four years) to be paid from oil royalty revenue. To maintain the scholarship, students had to complete 15 DSU credit hours per semester and maintain a DSU cumulative 2.5 GPA. It appears the Roughrider Homestead Scholarship criteria were changed for the 2006-2007 academic year to reduce the minimum credit hours per semester requirement from 15 to 12. Also, the number of years the scholarship was renewable for was increased to five years and the award amount was changed to \$500 or \$1,000 per year.

Combining Roughrider Scholarships

It appears the Roughrider Outreach Award and the Roughrider Homestead Scholarship were combined into the Roughrider Scholarship Award in 2007. A Roughrider Scholarship Award document developed in 2007 states "The Roughrider Scholarship Award Program is designed to provide renewable scholarships to students who can demonstrate academic success, leadership skills, or special talent in specifically targeted areas." Criteria established by DSU for the Roughrider Scholarship Award included:

- The Roughrider Scholarship Award is a \$500 or \$1,000 annual scholarship (\$250 or \$500 per semester).
- High school graduates and community college transfer students who have been recommended by counselors, principals, recruitment staff, faculty, activity directors, or coaches are eligible for consideration.
- The Roughrider Scholarship is renewable for up to eight consecutive semesters for incoming freshmen; up to six consecutive semesters for students who have completed one year of higher education at another institution; and up to four consecutive semesters for incoming community college transfer students.
- The Roughrider Scholarship will be renewed each semester, subject to the recipient meeting the following qualifications.
 - Students must complete 12 DSU credit hours per semester and 24 DSU credit hours per academic year.
 - Students must maintain a 2.3 GPA during their first semester of attendance at DSU and a DSU cumulative 2.5 GPA after completing their first academic year and each semester thereafter.

It appears the criteria for the Roughrider Scholarship Award were changed for the 2011-2012 academic year to reduce the GPA requirements. The minimum first semester GPA was reduced to 2.0 and the minimum cumulative GPA was reduced to 2.25.