



Closeout Procedures for the Federal Perkins Loan Program at the University of North Texas

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State Auditor

July 31, 2025

Members of the Legislative Audit Committee:

The University of North Texas (University) ended its participation in the Federal Perkins Loan Program (Perkins Program) during fiscal year 2025. The U.S. Department of Education (Department) requires institutions to obtain a closeout audit when an institution liquidates its Perkins Program loans.

The State Auditor's Office determined that the University performed the required closeout procedures for its loan assignment and liquidation of the Perkins Program.

Auditors performed procedures to determine and assess whether the University performed end-of-participation procedures for the Perkins Program in accordance with Code of Federal Regulations, Title 34, Sections 668 and 674. This audit included reviewing supporting documentation and other information relating to the Perkins Program liquidation requirements listed in Figure 1.

Figure 1

Liquidation Requirement	University Compliance
The University returned any unspent funds to the Department.	Yes
The University notified the Department of its intent to stop participating in the Perkins Program via the Common Origination and Disbursement website.	Yes
The University purchased any outstanding loans left in its Perkins Program portfolio or assigned the outstanding loans to the Department.	Yes
The University informed the Department of how the University will provide for the collection of any outstanding loans made under the Perkins Program.	Not Applicable ^a
The University maintained program and fiscal records of all Perkins Program funds since the most recent Fiscal Operations Report and Application to Participate (FISAP) was submitted and reconciled this information at least monthly.	Yes ^b
^a This requirement was not applicable because the University assigned all loans to the Department and there were no outstanding loans to purchase.	
^b The University did not need to reconcile on a monthly basis following the Fall 2024 FISAP submission because Perkins Program liquidation procedures had been completed.	

Summary of Objective and Scope

The University of North Texas requested this audit to determine whether it has performed end-of-participation procedures for the Federal Perkins Loan Program in accordance with applicable requirements.

The scope of this audit included a review of financial and performance data, applicable processes, and other supporting documentation for the period from September 1, 2024, through May 31, 2025.

We conducted this performance audit from June 2025 through July 2025 in accordance with generally accepted government auditing standards. Those standards require that 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Sincerely,

Lisa R. Collier, CPA, CFE, CIDA
State Auditor

cc: The Honorable Greg Abbott, Governor
Members of the University of North Texas System Board of Regents
Dr. Michael R. Williams, Chancellor, University of North Texas System
Dr. Harrison Keller, President, University of North Texas



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