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September 2, 2004

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Mr. James Castress
US Department of Education
Student Financial Assistance
Case Management Team, Southwest-San Francisco Team
50 United Nations Plaza, Room 266
San Francisco, CA 94102

Dear Mr. Castress:

Enclosed is Collins College's response to the Program Review Report dated July 14, 2004 of the program review conducted in February and March 2003 (PRCN: 2003-2-09-21324, OPEID: 02174900). Thank you for you willingness to personally review the report and our response.

As we agreed in our discussion of July 22, 2004, we are providing a narrative response to address the findings cited by Mr. Dunne in the report.

As you will note, this report was issued seventeen (17) months after the review occurred at Collins College. This unusual lapse of time has complicated the process of preparing the response, particularly in terms of responding to assertions based on discussions with College staff. We are also deeply concerned both by the inaccuracies found in this report and by its adversarial and accusatory tone. We therefore request your immediate action to bring this review to a prompt and equitable resolution.

As an example of what we view as language that goes well beyond the bounds of propriety and reason, Mr. Dunne states in Finding 4 that there is "evidence suggesting a coordinated subterfuge to under-report the effect of Title IV revenues in the 90/10 attestations reported in the footnotes to the CEC financial statements" and that "the 90/10 attestations that CEC has provided to its stockholders and the Department with regards to the College, and possibly its other institutions, cannot be relied upon in assuring that such institutions continue to be eligible to receive funding under the programs authorized by the HEA." Not only is the finding inaccurate, but this language is entirely unsupported by any evidence offered by Mr. Dunne.

Likewise, Mr. Dunne states, in Finding 14, that "the College lacks sufficient internal controls to prevent waste, fraud and abuse of the Title IV programs" and that certain of the College's policies represent "a serious internal control weakness and an example of an impaired administrative capability that could easily foster fraud and abuse of the Title IV programs." This harsh conclusion is premised on an inaccurate understanding of the facts, as discussed in detail in the attached response, and we believe it to be both excessive and wholly unwarranted.

Finally, but only by way of further example, as a footnote on page 5 of the report, Mr. Dunne states, with reference to his review of the College's compliance with its Program Participation Agreement not to provide any commission, bonus, or other incentive payment based upon success in securing enrollments or financial aid, that "based on the information contained within the files and one witness interview, the Team has concerns as to whether the policies of the College and its corporate parent are meeting the requirements of the HEA." As Mr. Dunne offers no facts to support this assertion, we have no way of knowing what "information" is referenced, or what the "witness interview" revealed. (Parenthetically, we have never seen the staff of an institution referred to as a "witness" in a program review report. We think the use of such language is indicative of Mr. Dunne's predilection towards an adversarial stance, a posture the Department has expressly disclaimed in the conduct of program reviews, which are supposed to be collegial efforts to improve institutional performance.) In any event, these completely unsupported – and potentially very damaging – assertions deny Collins College and "its corporate parent" the opportunity to respond. We think that such a parenthetical has no place in a program review report: either there is a finding, supported by evidence, or there is not. Be that as it may, Collins College and its corporate parent believe that they are in full compliance with those requirements.

The enclosed response provides documentation and analyses in support of the proposition that many of the findings in the report are, in whole or in part, inaccurate. We also note, in the context of Mr. Dunne's implications of corporate complicity, that many other CEC schools have had program reviews, conducted by this and other regions, and most of the issues identified in this report have not been cited as violations. To extrapolate as this report does is irresponsible, most particularly with regard to an institution that is part of a publicly traded company. Likewise, the use of terms such as "*grossly* inaccurate" is inflammatory and, as shown in our response, misplaced in the context of the report. The damage that such unfounded and unsupported allegations can cause is considerable, particularly in light of the distribution of the report to other agencies. The Department has an affirmative obligation to act with discretion; most particularly at this early point in the process of resolving the program review.

As I told you when we spoke, Collins College is anxious to resolve this program review quickly. We ask that you promptly consider the attached response so that we can collectively undertake the speedy resolution of this review.

Please contact me if you require additional information. I look forward to discussing this matter with you as soon as possible.

Sincerely,

Mark J. Tobin

Mark J. Tobin
Vice President, Government Relations

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FINDING 1: Length of Academic Years

The Report asserts that Collins College does not have an academic year that contains 30 weeks of instructional time. This assertion is incorrect and Collins College disputes the finding.

Collins College offers classes in five-week modules with three five-hour sessions per day, Monday through Thursday, in which a course is offered four days per week over the five-week session. Collins College utilizes semester hours to measure student credits and progress, and therefore, as the Report acknowledges, the College is considered to be operating on a non-standard term basis. Six terms are considered to make up one academic year.

The Report indicates that the Case Team reviewed student attendance records to determine the period of scheduled classes within each academic year, and the College's catalogs to determine scheduled holidays and breaks. Based on this analysis, the Report asserts that the sum of scheduled classes within the six non-standard terms did not reach the minimum threshold of 30 weeks of instructional time. The College believes this analysis is incorrect, and that the College clearly <u>did</u> have academic years consisting of 30 weeks of instructional time.

As the Report states in quoting the definition of "academic year" contained in 34 C.F.R. 668.3, "An institution provides a minimum of 30 weeks of instructional time," and further that "a week is a consecutive seven-day period," and "a week of instructional time is any week in which at least one day of regularly scheduled instruction or examinations occurs."

On page 6 of the Report, ED gives an example of an academic year for Student 16 that it asserts contained only 29 weeks of instructional time. This assertion is premised on the statement that term 0112 (12/10/01 – 1/18/02) was only four weeks, due to the exclusion of two weeks of Christmas break. That statement is in error. In fact, there was only one full week of Christmas break (12/24/01-12/29/01). The next week, there were two holidays (12/31/01 and 1/1/02), but also two instructional days (1/2/02 and 1/3/02). Thus, the week of 12/31/01 was a week of instructional time, because it was a "week in which at least one day of regularly scheduled instruction" occurred. As a result, term 0112 consisted of five weeks of instructional time, not four weeks, and Student 16's academic year was 30 weeks of instructional time in length. Enclosed is a copy of the academic calendar for the 2001-02 award year, which demonstrates this fact.

In Appendix B of the Report, ED gives examples of various academic years that it indicates are all only 28.43 weeks of instructional time. We believe this analysis is faulty in that it calculates and relies on fractional weeks of instructional time. As the regulatory definition quoted above and in the Report provides, "a week of instructional time is any week in which at least one day of regularly scheduled instruction or examinations occurs." Thus, any such week must be counted as a full week of instructional time. Using as an example the first student listed in Appendix B (Student 2), each of the terms noted as containing 4.43 weeks or 4.29 weeks of instructional time actually contained five weeks of instructional time, per the regulatory definition. The term noted as containing 5.43 weeks of instructional time actually contained five weeks of instructional time, per the regulatory definition, as the week of 12/27/99 was a holiday week with no scheduled classes, and the week of 12/20/99 was a complete week of instructional time, since classes were held on the days of 12/20/99, 12/21/99 and 12/22/99. Thus, Student 2's academic year consisted of 30 weeks of instructional time. All of the other examples in Appendix B were similarly miscalculated in Appendix B, and all of those students' academic years were at least 30 weeks of instructional time, as measured by the regulatory definition.

Enclosed are copies of the academic calendars for the 1999, 2000, 2001, 2002, and 2003 calendar years. As will be noted, each term has five instructional weeks (i.e., five consecutive seven day periods with each such period having at least one day of regularly scheduled instruction or examinations).

Accordingly, Collins College does offer 30 instructional weeks during each academic year. According to the regulation as cited in the Report, a week of instructional time is any week in which at least one day of regularly scheduled instruction or examinations occurs or, after the last scheduled day of classes for a term or payment period, at least one day of study for final examinations occurs. Thus, Collins believes this finding is in error, and asks that this finding be closed with no further action required of the College.

FINDING 2: Inconsistent Payment Periods For Disbursing Title IV Funds

The Report asserts that Collins College incorrectly used inconsistent payment periods in disbursing Title IV funds for the same academic program. The Report indicates that for each academic year of six five-week terms, the College combined three terms into a semester (for a total of two fifteen-week semesters) for establishing payment periods for the FFEL loan programs, while combining two terms into a payment period (for a total of three ten-week payment periods) for purposes of the Federal Pell and FSEOG programs.

Collins agrees that its past practice was to disburse Title IV funds using different payment periods, as described in the Report. This practice was previously allowed by ED. As stated on page 77 of the "Institutional Eligibility and Participation" section of the 1999-2000 Student Financial Aid Handbook "Schools must disburse all SFA Program funds (except FWS) on a payment period basis (for more information on the definition of a payment period, see Chapter 2). However, disbursement requirements vary by program." On page 27 of the same section of the Handbook (Definition of a Payment Period) it states "all SFA program disbursements must be made on a payment period basis (for more information see Chapter 5). Note that FFEL and Direct Loan disbursements must still be made in accordance with the specific disbursement rules for those programs (see the SFA handbook: Direct Loan and FFEL Programs Reference for specific information on FFEL and Direct Loan disbursements.)

The "Direct Loan and FFEL Programs Reference" section of the 1999-2000 Student Financial Aid Handbook states on pages 33-34 that for a school that measures progress in credit hours without using standard terms, Stafford Loan disbursements are made at the beginning of the term and at the term's midpoint. However, the second disbursement may not be made until the later of the calendar midpoint between the first and last scheduled days of class of the loan period or the date (determined by the school) that the student has successfully completed half the academic coursework in the loan period. Further, pages 29-30 of the "Institutional Eligibility and

Participation" section of the 2000-2001Student Financial Aid handbook states, "A school may choose to group modules together and treat the entire period as a standard term. (For example, grouping three five-week modules together to create a 15-week 'semester'; or grouping four one-month modules into a 13-week 'term' would be acceptable)." Collins College chose to group two five-week modules together to form a ten-week term for Federal Pell Grant and FSEOG. Therefore, depending on the payment periods used by the school for Pell and FSEOG, and for FFEL, the Department of Education allowed the use of different payment periods. For 2000-01, this requirement relative to the disbursement of Federal Stafford Loans no longer was applicable to non-standard term credit hour programs.

Collins College continued to disburse Federal Stafford Loans under the prior requirements until January 1, 2004. Therefore, the Report is correct that during the period covered by the program review, Collins College disbursed Federal Stafford Loans using an incorrect disbursement schedule.

Collins College has discontinued this practice, as ED directed it to do in the Report. (Collins notes that while the Report directed it to discontinue the practice of different payment periods by the beginning of the 2004-05 award year, the College has complied with that requirement even earlier, effective January 1, 2004.) The College's new practice is that Federal Stafford Loan and PLUS Loans are scheduled in three disbursements (combining two terms) to correspond with the Federal Pell Grant and FSEOG disbursement schedule, so that the payment periods are consistent across all Title IV programs (except Federal Work Study), as the Report directs. Attached are samples of student Financial Aid Summary reports that demonstrate that Federal Stafford Loans (subsidized and unsubsidized) are scheduled in three disbursements.

FINDING 3: Calculation and Timeliness of Return of Title IV Funds When Students Withdrew

The Report asserts that Collins College incorrectly calculated a number of refunds for students in the program review sample (15 under-refunds and two over-refunds), and that the College also paid various refunds late. On that basis, the Report directs the College to perform a file review of all students enrolled during the three-year program review period to determine all incorrectly calculated refunds and all late refunds.

The College disagrees with the analysis contained in the Report concerning most of the allegedly miscalculated refunds. Many of these are based on a misreading of the College's records and policies by ED. The College also believes that the incidence of late refunds is overstated in the Report. Consequently, the College disagrees that a full file review is warranted.

In support of its findings, the Report states that the College's method for determining the timing and extent of refunds it makes under the Return to Title IV provisions is flawed in three main areas:

1. The College delays the withdrawal process in spite of the fact that it knows (or should have known) a student has withdrawn under its attendance policy and procedures.

2. The College uses the period of enrollment to coincide with its billing cycles instead of the period for which Title IV awards are intended.

3. The College does not include all of its institutional charges in determining how much unearned Title IV is due from the College.

Before responding to the individual students cited in the Report, Collins would like to address each of these three points.

1. Collins College does not have an attendance policy that requires dismissal. The Report has misconstrued the College's attendance policy with respect to student withdrawals. While the policy in effect during the period covered by the program review states that "Students must be present in the assigned classroom for at least 80 percent of the scheduled time of any course to achieve satisfactory attendance," this policy is intended for counseling purposes and has no requirement that students be dismissed for failure to achieve the 80 percent level. The policy is intended to strongly encourage students to develop good attendance habits before they enter the working world upon graduation. The policy was never intended by the College to require automatic dismissal of a student who misses more than 20 percent of scheduled classes. Students are counseled about their absences and encouraged to attend every class, usually well in advance of missing 20 percent of classes. For whatever reasons, some students are unable to attend 80 percent of the scheduled classes, but are nonetheless still able to complete the term. Again, for various reasons, some do eventually drop out. But the 80% attendance policy was never intended by the College as a hard and fast rule requiring student dismissal. The College's attendance policy further states "Students who have been absent from all of their scheduled classes for more than 10 consecutive days, not including scheduled holidays, may be terminated from the training program." Like the 80 percent provision, this aspect of the policy is for counseling purposes. It provides the College the option of terminating the student, but does not require the College to terminate the student. Therefore, the Collins College attendance policy does not have provisions that that would cause the College to know (or should know) the student has withdrawn, as the Report suggests. Collins notes that ED mistakenly relied on this misinterpretation of the attendance policy, as noted in footnote 10 on page 18 of the Report, as a basis for considering several of the students to have automatically withdrawn, when in fact they had not withdrawn. (See Collins College's response to Finding 12 below for further information on the College's attendance policy.)

2. Collins College used the loan payment period (i.e., 15 weeks) to calculate the return of Title IV funds. Because of the different disbursement policies for FFEL

loans as opposed to Federal Pell and SEOG grants during the period covered by the program review, there were special issues with the calculation methodology. However, Collins College consistently calculated refunds using the payment period for FFEL loans and the 15-week equivalent for the Federal Pell and FSEOG programs (e.g., a student received $1000 in Pell for the first ten-week period and $1000 in Pell for the second ten-week period, and withdrew during the first five weeks of the second ten-week period; the calculation would include $1500 of Pell). Therefore, while it may appear to have been cumbersome, the R2T4 calculation reflected the correct amount of Title IV funds for the longer payment period. As noted above in the College's response to Finding 2 of the Report, the College now uses the same two-term (10-week) payment period for all Title IV payments.

3. Collins College has included only tuition charges in the calculation on the basis that books and supplies were non-refundable institutional charges. Many of the supplies were properly excluded as they were consumable art supplies and books were excluded as they were not returned. However, the R2T4 calculation requires that the amount to be returned is the lesser of the amount of unearned institutional charges or unearned Title IV funds based on days attended and it would be a rare case that the Title IV is not less than the institutional charges. Adding books and supplies to the total institutional charges in the R2T4 calculation would only increase that amount and the Title IV funds would be lesser by a greater amount.

Also, as noted below, several of the students cited were past the 60% point of their payment period and, therefore, not subject to return of Title IV.

The following addresses the R2T4 calculations the Report identified as incorrect in Appendix C, or for which the Report asked the College for a further explanation.

Student 8 was not eligible for the second subsidized and unsubsidized Stafford Loan disbursements made. However, because Sallie Mae provided a letter stating the student "completely paid off the student loans starred (*) below," which were both disbursements of the loans the student received at Collins College, the $2,141.76 identified as due in Appendix C has been refunded to the student rather than to the lender. Also, this is a return of ineligible funds case, not a case of Return to Title IV funds for a student who withdrew during a payment period.

Student 13's records show a last date of attendance of 6/4/01 and a payment period of 4/2/01 to 7/8/01. However, upon review, the end of the period of enrollment should have been 7/19/01 (7/12/01 used in calculation due to 7 days of scheduled break). As the last date of attendance was past 60% of the payment period, no return of Title IV funds refund was due. Per Collins College's institutional refund policy, $845.07 was refunded to the lender, which the College believes is correct.

Student 19 had a last date of attendance of 3/7/02 on a period of enrollment of 2/25/02 to 6/6/02. The student earned 10.8% of the $625 Federal Pell Grant disbursed. Therefore, per return of Title IV calculations, a refund $557.50 was due. However, when Collins College applied its institutional refund policy, it determined a refund of $1183 was due and made a refund of that amount to the Federal Pell Grant program, which the College believes was correct. The basis of ED's alternative calculation In Appendix C was not provided.

Student 20 had a last date of attendance of 7/24/02 on a period of enrollment of 6/17/02 to 9/26/02. The student earned 37.3% of the Title IV funds disbursed and a return of Title IV refund of $2476.30 was due. However, when Collins College applied its institutional refund policy, $2950.38 was refunded, which the College believes was correct. The basis for ED's alternative calculation in Appendix C was not provided.

Student 21 had a last date of attendance of 10/31/01 on a payment period of 10/1/01 to 1/17/02 (note:1/7/02 used on calculation sheet to adjust for scheduled 10 day break). Collins College refunded $1555.35 based in this calculation, which the College believes is correct. The basis for ED's alternative calculation in Appendix C was not provided.

Student 23, as Appendix C indicates, was not due a return of Title IV funds. The Report asks why NSLDS shows an earlier date for a refund of unsubsidized Stafford loan funds than the ledger. While Collins College cannot explain the date difference in the NSLDS record, $1246.34 was returned to the lender on 6/8/01 because the student dropped classes with a last date of attendance of 4/5/01. As this was past the 60% point of the payment period, no return of Title IV funds was required. The funds were erroneously returned based on the credit balance for the bachelor's program after the tuition adjustment was applied. Also, the Report asserts that a post-withdrawal Pell Grant disbursement of $1100 is due to the student. For the 2001-02 award year (the student graduated from the bachelor degree program on 8/23/02, but did not submit a 2002-03 FAFSA), the student had a scheduled award of $1900 and received $1900 in three disbursements. The school disagrees with ED's statement in Appendix C that a post-withdrawal disbursement of Pell is due to this student because the student did not submit a 2002-03 FAFSA and, therefore, was not eligible for a post-withdrawal disbursement of a Federal Pell Grant.

Student 29 graduated from the associate degree program on 8/23/02. The student began the bachelor degree program on 9/30/02 and had a last date of attendance of 11/11/02. The return of Title IV funds calculation was performed incorrectly in that it did not provide the proper number of days in the payment period. A revised calculation used the proper payment period (adjusted end date for break period of greater than 5 days). A refund of $1049.12 is due the lender and will be paid.

Student 33 graduated from the associate degree program on 7/19/02, but continued into the bachelor degree program beginning 7/22/02. The student's last date of attendance was 9/26/02. This was beyond 60% of the payment period of 7/22/02 to 10/31/02. Returns of $180.13 of subsidized Stafford and $2425 of unsubsidized Stafford Loan funds were made on 12/31/02 based on the credit balance that existed. The College believes its calculations were correct, and Appendix C does not explain ED's alternative calculation for this student.

Student 37 had a last date of attendance of 11/4/02 for a payment period 9/30/02 to 1/16/03 (note: 1/6/03 used on calculation to allow for 10 day scheduled break). Based on this calculation, a refund of $2309.07 was due, which the College believes is correct. The refunds were paid to the lender on 12/31/02. The student was not officially dropped until 12/30/02.

Student 46 had a last date of attendance of 7/10/00 for a payment period of 3/27/00 to 7/13/00. As the student completed the payment period, no return of Title IV funds calculation was necessary. Based on the institutional refund policy for credit balances, returns of unsubsidized Stafford Loan funds and Pell funds were made on 8/31/00. Collins College does not understand the alternative calculation described in Appendix C. In addition, as Collins College has no record of a refund of an unsubsidized loan on 4/14/00, and thus cannot explain the refund referenced in Appendix C as occurring on 4/14/00.

Student 47 had a last date of attendance of 12/21/00 and his records indicated a payment period of 10/30/00 to 2/22/01. Based on that calculation, Collins College made the $1674.46 unsubsidized Stafford Loan refund to the lender. Upon review, it was determined the calculation did not properly account for the scheduled break (i.e., 2/2/01 was used in the calculation rather than 2/7/01). The recalculation based on the additional days in the payment period results in adjusting the amount that should have been refunded to $1775.38. Collins College will return the additional $90.92 and provide documentation to the Case Team. In addition, as the student dropped during the first five week class of the third disbursement period for the third Pell disbursement, one-half of the Pell was refunded. Thus, the notation that the net disbursement was $525.

Student 48, as indicated in Appendix C, did not have a return of Title IV funds refund due for the enrollment period in which the student withdrew. The Report questions an unsubsidized loan refund made on 3/22/02 per NSLDS and a second disbursement cancelled on 5/6/02. Collins College has no record of such refund and cancellation. Collins College posted an unsubsidized Stafford loan on 3/22/02 and a second on 5/7/02. On 9/30/02, Collins College returned unsubsidized Stafford Loan funds because the student was no longer enrolled and had a credit balance.

Student 49 had a last date of attendance of 7/19/01 for a payment period of 6/18/01 to 9/27/01. Loan funds were refunded on 8/31/01, two days after the date of determination of the student's withdrawal, 8/29/01. The student received the first disbursement of 2001-02 Federal Pell Grant ($1250) because she began the two classes in the 10 week Pell payment period. However, because she did not begin the classes in the second 10 week payment period, the second disbursement, posted 7/27/01, was returned.

Student 53 had a last date of attendance of 11/5/02 for a payment period of 9/30/02 to 1/16/03 (1/6/03 used in calculation to allow for scheduled 10 day break). The refunds were based on this calculation, which the College believes is correct. The basis for ED's alternative calculation in Appendix C was not provided.

Student 54 had a last date of attendance of 4/19/01 for a payment period of 1/22/01 to 5/4/01. As the last date of attendance is past 60% of the payment period, no return of Title IV funds is due. The student received Federal Pell Grant disbursements of $784 on 9/27/00 and 12/11/00, Unsubsidized Federal Stafford Loan of $1940 on 12/27/00, and Subsidized Federal Stafford

Loan of $1273.61 on 12/27/00. Although the student attended from 9/25/00 to 4/19/01, the Report has calculated the refund due at $1568 Federal Pell, $1273.61 Subsidized Federal Stafford, and $1940 Unsubsidized Federal Stafford. The basis for ED's alternative calculation was not provided, and the College believes its own calculation was correct.

Student 55 had a last date of attendance of 8/21/01 for a payment period of 5/14/01 to 8/23/01. The return of Title IV funds calculation determined no refund was due because the student completed the first loan payment period. The second disbursement of the unsubsidized Stafford Loan was received on 8/30/01 and returned on 9/21/01. In addition, because the student had a credit balance after withdrawing, additional unsubsidized Stafford Loan funds were refunded to the lender. As the student only received $1940 in unsubsidized Stafford Loan for the payment period for which he was enrolled, it is assumed ED's alternative calculation included the second disbursement that was returned. Including that disbursement, a total of $3120.34 was returned. The College does not believe that any additional amount is due to be returned.

Student 56 started on 7/17/00 and had a last date of attendance of 7/18/00. The student received a 100% refund of tuition. Although the student incurred charges for supplies, the entire Pell Grant should have be refunded. As only $630 was refunded, Collins College should refund the remaining $470. This refund will be made and documentation will be provided to the Case Team.

Student 57 had a last date of attendance of 4/19/01 for a payment period of 1/22/01 t 5/3/01. As the last date of attendance is past 60% of the payment period, no return of Title IV funds was due. Based on the institutional refund policy, a credit balance resulted in funds being returned. The College believes it returned the correct amounts. The basis for ED's alternative calculation in Appendix C was not provided.

Student 59 had a last date of attendance of 6/20/01 for a payment period of 5/14/01 to 8/23/01. The refunds were based on this calculation, which the College believes is correct. The basis for ED's determination that no refund was due was not explained.

In sum, we note that of the students cited in the Report, only three students (Students 29, 47 and 56) had additional refunds due based on a review of the College's previous calculations. Collins College will provide the Case Team with the documentation that the $1610.04 was refunded. Based on the small number of students from the sample that have additional refunds due, we believe the Report's requirement "to perform a review of all students who had withdrawn or were terminated in the Subject Award Years" and have "an independent auditor attest to the accuracy of the reconstruction" to be excessive, and the College requests that this file review not be required.

In addition, the Report also questions the timeliness of refunds for several students, in Appendix C1. The College has examined each of those students and provides the following explanations, which demonstrate that most of these refunds were not made late. Note that the Report asserts that several of these refunds were late based on an incorrect application of the College's attendance policy, as discussed above. Using a correct application of the attendance policy, these refunds were timely made.

Student 13 did not have a return of Title IV funds due as he completed over 60 percent of the payment period. Thus, any return could not have been late.

Student 19 had a last date of attendance of 3/7/02 and a drop date of 5/2/02. Collins College is not required to take attendance by an outside regulatory body and does not have an attendance policy that requires dismissal. Therefore, the refund would be required to clear by 6/6/02. The Report indicates the return payment was posted 5/31/02, and therefore was not late.

Student 20 had a last date of attendance of 7/24/02 and a drop date of 9/18/02. Collins College is not required to take attendance by an outside regulatory body and does not have an attendance policy that requires dismissal. Therefore, the refund would be required to clear by 10/18/02. The Report indicates the return payment was posted 10/2/02, and therefore was not late.

Student 21 had a last date of attendance of 10/31/01 and a drop date of 12/10/01. Collins College is not required to take attendance by an outside regulatory body and does not have an attendance policy that requires dismissal. Therefore, the refund would be required to clear by 1/9/02. The Report indicates the return payment was posted 1/16/02. This refund was late.

Student 29 had a last date of attendance of 11/11/02 and a drop date of 12/30/02. Collins College is not required to take attendance by an outside regulatory body and does not have an attendance policy that requires dismissal. Therefore, the refund would be required to clear by 1/29/03. The Report indicates unmade refunds are due. However, refunds were made electronically via ELM auto debit on 2/22/03. These refunds were late.

Student 33 did not have a return of Title IV funds due as she completed over 60 percent of the payment period. Thus, any return could not have been late.

Student 37 had a last date of attendance of 11/4/02 and a drop date of 12/30/02. Collins College is not required to take attendance by an outside regulatory body and does not have an attendance policy that requires dismissal. Therefore, the refund would be required to clear by 1/29/03. The Report indicates the return payment was posted 12/31/02, and therefore was not late.

Student 46 did not have a return of Title IV funds due as he completed over 60 percent of the payment period. Thus, any return could not have been late.

Student 47 had a last date of attendance of 12/21/00 and a drop date of 2/6/01. Collins College is not required to take attendance by an outside regulatory body and does not have an attendance policy that requires dismissal. Therefore, the refund would be required to clear by 3/8/01. The Report indicates the return payment was posted 3/5/01, and therefore was not late.

Student 53 had a last date of attendance of 11/15/02 and a drop date of 12/30/02. Collins College is not required to take attendance by an outside regulatory body and does not have an attendance policy that requires dismissal. Therefore, the refund would be required to clear by 1/29/03. The Report indicates the return payment was posted 12/31/02, and therefore was not late.

Student 59 had a last date of attendance of 6/20/01 and a drop date of 8/20/01. Collins College is not required to take attendance by an outside regulatory body and does not have an attendance policy that requires dismissal. Therefore, the refund would be required to clear by 9/19/01. The Report indicates the return payment was posted 10/31/01. This refund was late.

In sum, based on their drop dates, we note that only three students among those cited in the Report (Students 21, 29 and 59) actually had late returns of Title IV funds, which were an average of about 27 days late. Given the limited number of students in the sample whose return of Title IV funds refunds were late, we believe "a review of all students who had withdrawn or were terminated in the Subject Award Years" and having "an independent auditor attest to the accuracy of the reconstruction" is excessive, and the College requests that this file review not be required.

Collins College notes that it's Compliance Attestation Examination of Title IV Student Financial Assistance Programs for the Fiscal Year Ending December 31, 2003 did not have any findings for the late return of Title IV funds or improper calculations. Thus, the College believes that any refund problem it has had in the past has now been resolved, and believes that is another reason that the extensive file review described in the Report should not be required.

Finally, the College wishes to point out that due to late refund findings in its FY 2001 and FY 2002 compliance audits, the College has already posted letters of credit with the Secretary. For all of these reasons, the College requests that additional file reviews not be required.

FINDING 4: Revenue Calculation for the 90/10 Rule

The Report questions whether Collins College was an eligible institution pursuant to the "90/10 Rule" embodied in 34 C.F.R. §600.5(a)(8) and (d). The question is unfounded and Collins College disputes the Finding.

At issue is the College's treatment in the calculation of its 90/10 ratio of certain Title IV credit balance payments made by Collins College to its students and payments from the students to the institution that appeared to be related to those same Title IV credit balances, and on this basis the Report proposes that the College be required to reconstruct its calculations from which the 90/10 ratio is derived for calendar years 2000 through 2003 (one year beyond the Program Review period).

An examination of the underlying financial documents conclusively demonstrates that there was no possible combination of the elements questioned in the Report that could have even remotely brought Collins College near the 90% threshold, nor, for that matter, cause a material change in the reported 90/10 ratio. Collins College therefore believes that it is unnecessary to reconstruct the accounting procedures that the Report alleges "effectively distort[ed] its reported cash basis revenue in determining the College's continuing eligibility as a proprietary institution of higher education under the regulations." However, and for the record, Collins College, vehemently denies the unsupported allegations and characterizations of the College's conduct set forth in the Report respecting this Finding.

The College, and its parent, Career Education Corporation ("CEC"), take particular exception to the comments in the Report that there was "a coordinated subterfuge to under-report the effect of Title IV revenues in the 90/10 attestations reported in footnotes to CEC financial statements" and that this occurred with the complicity of CEC. Even more misplaced – and potentially enormously harmful not only to CEC but to its tens of thousands of students, employees and shareholders – is the conclusory statement that "the 90/10 attestations that CEC has provided to its stockholders and the Department with regards to the College, and possibly its other institutions, cannot be relied upon in assuring that such institutions continue to be eligible to receive funding under the programs authorized by the HEA." Inflammatory allegations of this nature not only do a disservice to the institution under review but they also bring discredit upon the Schools Channel that has sought to create a collegial and mutually respectful relationship with the institutions that participate in the Title IV Programs.

The Report questions whether the inclusion in non-Title IV revenue of certain sums paid by students to Collins College derived from credit balances paid to those same students may have altered the College's compliance with the 90/10 Rule. As the following table demonstrates, were Collins College to treat *every* Title IV stipend, regardless of whether or not there was any counterbalancing student payment, as remaining as Title IV revenue, the College's 90/10 ratios would have shown only marginal change in each of the years under review. To show the extent to which the allegations in the Report are unfounded, the College has calculated its 90/10 Ratio for the period of the Program Review as though *every* such stipend remained Title IV revenue. The results are clear:

Year	Reported 90/10 Ratio	90/10 Ratio Including All Title IV Stipends as Title IV Revenue	Difference
2000	75	77	2
2001	75	77	2
2002	77	78	1

These figures alone would lead an objective reader to question why the College would have any motivation to engage in what the Report describes as a "subterfuge" in calculating its 90/10 Ratio. There is no benefit, either from a regulatory perspective or in terms of the marketplace, in having a reported ratio that – already far below the 90% trigger – would vary by a very few percentage points. A spreadsheet that supports the above calculations is attached.

Collins College can provide detail regarding each of the specific student transactions cited in the Report as the basis for its conclusions, but the College has not done so here since the focus of this response is related to the underlying issue of the eligibility of the College under the 90/10 Rule. However, the College asserts that the Report seriously misconstrues the College's actions, which the College maintains were both proper and uniformly intended as a service to its students.

There appear to be two basic categories of transactions questioned in the Report:

1. Students with Title IV credit balances at the end of a loan period who, after receiving the disbursement, made a payment to the College in amounts similar to the disbursement to the student.[1] When the College pays a credit balance to a student, the student has the absolute right to use the amount remitted for his or her education-related expenses. In some cases, the student simply endorses the check back to Collins College to be applied to the student's account for future charges the student knows he or she will incur. Endorsing over a payment (which the College is required to make) is no different from writing a personal check, and for students often substantially more convenient. Either way, these are credit balance funds due the student, and the subsequent use of those funds by the student in payment of obligations to the College is properly non-Title IV revenue.

2. Payments made by the College to "RnR Real Estate" ("RnR") and subsequently repaid to the College by students. Collins College, as a nationally known institution, has a substantial resident student population which requires housing that is both reasonable in cost and convenient to the institution. As the Reviewer acknowledges, the College has an arrangement with a local real estate firm, RnR Real Estate, to provide students with rental accommodations. It should be noted that Collins College did not and does not either pay RnR for its services or receive any payments from RnR for the privilege of serving its students; all rental agreements were and are between the individual student and RnR. This kind of arrangement is common among institutions with substantial residential populations.

   Students who elect to use RnR to arrange off-campus housing are required under their leases to make their monthly payments directly to RnR. However, RnR requires payment by check; it refuses to accept payments by cash or credit card. As some students do not have personal checking accounts, upon a student's request the College would issue a check to RnR for the rent payment then due. The student would then repay the College by cash or credit card, often the very next day. No Title IV funds were or are involved in this type of transaction; it is entirely a zero-net convenience to the student.

   Occasionally, a request to make a rent payment would come from a student with a present or anticipated credit balance. In this situation, College would issue a check on the student's behalf to RnR and the amount of the check issued would then be debited against the current or, when it became current, the anticipated credit balance. The funds paid out as the request of and on behalf of the student are derived from the credit balance, so they are a proper use of Title IV funding. The fact that a student might restore the credit balance so that it would be available for future College charges does not change the nature of the funds as credit balances that are the property of the student and when paid over to the institution constitute non-Title IV revenue.

None of these procedures has a material effect on the recognition of either Title IV revenue or non-Title IV revenue, nor do any of these procedures suggests a "scheme" to manipulate the recognition of Title IV revenue or non-Title IV revenue in an improper manner.

[1] The College acknowledges that in a small number of cases an error was made in determining the amount or timing of a student stipend. The effect of these errors on the calculation of the 90/10 ratio was insignificant.

As discussed above, and as demonstrated through the alternative, worst-case calculations that are attached, Collins College believes it is perfectly clear that the College's 90/10 Ratio was not knowingly distorted to protect its eligibility or to materially misstate the reported ratio. Collins College believes that this Finding is not only unfounded but the allegations contained in the Finding are unsupported and entirely inappropriate. Collins College believes that this Finding should be withdrawn in its entirety, no further reviews or reconstructions should be required, and, as the College believes fairness and honesty require, the inflammatory statements accompanying the Finding be removed in their entirety.

FINDING 5: Reporting Inconsistent Enrollment Data to the Title IV Systems

The Report asserts that Collins College provided inaccurate or discrepant information when reporting student enrollment statuses to NSLDS, and directs the College to examine and explain each cited student. The College has reviewed the records for each of these students, and believes the majority of those students had the correct information reported to NSLDS. For the remaining students, the College will make the appropriate corrections.

The College's review of the cited students' files shows the following and supporting documentation is attached.

Per Appendix E, Student 3 has an effective withdrawal date of 2/14/02 on NSLDS and a last date of attendance of 2/14/02. However, the Report asserts that the student should have been dismissed earlier based on the student missing 10 consecutive days of class. As discussed more fully above in response to Finding 3, the Collins College catalog states "students who have been absent from all of their scheduled classes for more than 10 consecutive days, not including scheduled college holidays, may be terminated from the training program." There is not a policy at Collins College that requires such dismissal, as explained in our response to Finding 3 above. Thus, the College believes there is no error for this student.

Per Appendix E, Student 4 has an effective date of graduation on NSLDS of 11/2/01 and a last date of attendance per enrollment records of 11/1/01. As NSLDS requires the graduation date be reported when a student graduates, the reporting was correct. The Report questions the reporting because the institutional records show the student was on an LOA. However, the LOA was for the period 3/2/01 to 4/10/01. If a student begins and ends an LOA between reporting cycles, the LOA may not appear on an NSLDS reporting history.

Per Appendix E, Student 8 has an effective withdrawal date of 1/29/01 on NSLDS and a last date of attendance of 1/29/01. The Report questions the dates used in granting the LOA and the Title IV disbursements that were made. While the student requested the LOA starting 11/7/00 in her written request of 11/9/00, Collins College granted the LOA effective beginning 11/13/00 as this was the date the request was received. This date also represented the beginning of a five week term. While the student's last date of attendance in the prior five week term was 11/6/00, the student completed the course and received a grade. The Title IV funds that were received on 11/8/00 were first disbursements for a loan period that began on 9/25/00 and, therefore, eligible for late disbursement even if the earlier last date of attendance was used. The student also completed the subsequent 5 week term and received a grade. Thus, the student completed ten weeks of the fifteen week term, while being on LOA for the other 5 weeks. Therefore, the College believes an R2T4 calculation would not be necessary.

Per Appendix E, Student 11 had an effective date of graduation of 5/7/02 on NSLDS and a last date of attendance of 5/1/02. The Report indicates an LOA that was not in the student's file and a dismissal. The student's academic transcript indicates the student was on an LOA for the term 4/2/01 to 6/15/01 (the actual LOA ran until 5/14/01, but the student did not complete the course that ended on 6/15/01). There was no Title IV financial aid disbursed during the period and the student was not required to sign a new enrollment agreement upon returning to school.

Per Appendix E, Student 14 had an effective graduation date of 1/18/01 on NSLDS and a last date of attendance of 1/18/01. There is no discrepancy. The Report requests attendance records for terms prior to 9/27/99. Since Collins College is neither required to take attendance or maintain attendance records, and since the College's attendance policy did not mandate student dismissal, as discussed fully above, it is unclear what relevance such attendance records would have. Nonetheless, if ED still wishes to review them, the College will attempt to locate them.

Per Appendix E, Student 16 had an effective graduation date of 11/13/02 on NSLDS and a last date of attendance of 10/31/02. The Report states that on 1/14/03 the anticipated graduation date was changed from 11/1/02 to 11/13/02 and requests clarification as to why the anticipated graduation date has changed. Institutional records indicate the student graduated on 11/1/02 and the College does not have an explanation of why the date was changed after the student had graduated. Collins College will ensure the correct graduation date is provided on NSLDS.

Per Appendix E, Student 19 had an effective withdrawal date of 5/2/02 on NSLDS and a last date of attendance of 1/30/01. The Report cites reports various enrollment status changes on the NSLDS Enrollment Detail report. The student was an active student from 7/17/00 until granted a leave of absence on 2/6/01. When the student did not return from the LOA, he was dropped on 4/26/01. The student returned to school on 2/5/02 and was dismissed on 5/2/02, with a last date of attendance of 3/7/02. Collins College will ensure the effective date of withdrawal is corrected on NSLDS to 3/7/02.

Per Appendix E, Student 20 had an effective withdrawal date of 9/18/02 in NSLDS and a last date of attendance of 6/24/02. The Report asks, "pursuant to College policy, why was she allowed to return on 7/22 and 7/24?" The Collins College catalog states "students who have been absent from all of their scheduled classes for more than 10 consecutive days, not including scheduled college holidays, may be terminated from the training program." There is not a policy at Collins College that requires a student to be dismissed for missing class days, as explained to Finding 3 above. The student was; therefore, permitted to return to class because she was not prohibited from so doing. Therefore, 7/24/02 is the correct last date of attendance. Collins College will ensure the effective withdrawal date will be corrected in NSLDS to 7/24/02.

Per Appendix E, Student 21 had an effective withdrawal date of 12/10/01 in NSLDS and a last date of attendance of 10/31/01. The Report correctly notes that "institutions must use the LDA as the Effective Date when a student withdraws, not the drop date." Collins College will ensure the effective withdrawal date is corrected in NSLDS to 10/31/01.

Per Appendix E, Student 22 had an effective date of 1/22/02 for full-time status in NSLDS and a last date of attendance of 2/24/03. The Report states that the anticipated graduation date "has changed three times, all with the same Effective Date." The effective date of 1/22/02 is the date the student started at Collins College as a full-time student. Any changes to the anticipated graduation date would not change the effective date of the student's status as a full-time student.

Per Appendix E, Student 23 had an effective graduation date of 8/29/02 in NSLDS and a last date of attendance of 8/22/02. The Report questions the anticipated completion date. According to Collins College records, the student graduated from the bachelor degree program on 8/23/02. Collins College will ensure the graduation date is corrected in NSLDS to 8/23/02.

Per Appendix E, Student 26 had an effective date of 9/25/00 for full-time status in NSLDS and a last date of attendance of 2/20/03. The Report notes the student had an LOA status in institutional records that did not appear on NSLDS. The student was on LOA status from 7/22/02 to 8/26/02. If a student begins and ends an LOA between reporting cycles, the LOA may not appear on an NSLDS reporting history.

Per Appendix E, Student 29 had an effective withdrawal date of 12/30/02 in NSLDS, but did not have a last date of attendance. The Report noted a change in the anticipated completion date to 10/10/03 on 11/7/02 without a change in the effective date. The student started the associate degree program on 3/30/01 and graduated on 8/23/02. The student started the bachelor degree program on 9/30/02 with an anticipated graduation date of 10/10/03. Since the student status remained full-time, the effective date did not change. The student withdrew from the bachelor degree program with a drop date of 12/30/02 and a last date of attendance of 11/11/02. Collins College will ensure the withdrawal date is corrected in NSLDS to 11/11/02.

Per Appendix E, Student 30 had an effective date of 7/23/01 in NSLDS as a full-time student and a last date of attendance of 1/16/03. The Report notes the anticipated completion date was changed on 1/13/03 without changing the effective date. The student started Collins College as a full-time student on 7/23/01. A change in the anticipated completion date does not change the effective date of the student's status. On 1/13/03, the student remained a full-time student, and, thus, the effective date of the student's status did not change. The student graduated on 1/17/03 and the status was updated in NSLDS.

Per Appendix E, Student 32 had an effective date of 9/28/01 in NSLDS as a full-time student and a last date of attendance of 2/19/03. The Report indicates the institution's Student Degree Evaluation Report shows the student cancelled enrollment in the BA program. The student started at Collins College on 9/28/01 and graduated from the associate degree program on 2/21/03. The Report is correct that the student did not continue into the bachelor degree program. However, the student's status was updated to graduate in NSLDS based on the date the student graduated from the associate degree program.

Per Appendix E, Student 33 had an effective date of withdrawal of 12/30/02 in NSLDS and a last date of attendance of 9/26/02. The Report requests attendance records for the student's enrollment in the BA program, documentation of an LOA, and a R2T4 worksheet. The student began the bachelor degree program on 7/22/02, after earning her associate degree on 7/19/02. While the student was granted a leave of absence beginning 9/26/02, her last date of attendance was 9/16/02. Collins College will ensure the effective withdrawal date is corrected in NSLDS to 9/16/02.

Per Appendix E, Student 34 had an effective date of 7/22/02 as a full-time student in NSLDS and a last date of attendance of 2/20/03. No other comments were provided. The student began school on 7/22/02 as a full-time student and continued in that status until her withdrawal with a last date of attendance of 3/27/03. Therefore, at the time the reviewer looked at the records in February 2003, the information indicated in Appendix E was correct.

Per Appendix E, Student 35 had an effective date of 2/20/03 as a full-time student in NSLDS and a last date of attendance of 2/20/03. No other comments were provided. The student began school on 7/22/02 as a full-time student and continued in that status until the student graduated on 5/7/04. Therefore, at the time the reviewer looked at the records in February 2003, the information indicated in Appendix E was correct.

Per Appendix E, Student 36 had an effective date of 1/18/00 as a full-time student in NSLDS and a last date of attendance of 2/20/03. The Report states "the detailed attendance record shows the student has never enrolled full-time." Collins College has five week non-standard terms. The student started in the associate degree program on 1/18/00, graduated from the associate degree program on 11/2/01, and started the bachelor degree program on 1/22/02. Full-time status is defined as a minimum of "24 semester hours or 36 quarter hours per academic year for an educational program using credit hours but not using a semester, trimester, or quarter system, or the prorated equivalent for a program of less than one academic year." With the exception of the period 6/18/01 to 8/24/01 when on a leave of absence, the student continuously met this definition, and thus was a full-time student. The anticipated graduation date may change as a student moves from an associate degree program to a bachelor degree program, takes a leave of absence, or fails classes that must be repeated.

Per Appendix E, Student 37 had an effective withdrawal date of 12/30/02 in NSLDS and a last date of attendance of 11/4/02. The Report indicates records show a start date of 9/30/02 and a last date of attendance of 11/4/02. The student started at Collins College on 9/30/02 and completed the first five week term, but did not complete the next term. The student's last date of attendance was 11/4/02. Collins College will ensure the effective withdrawal date is corrected in NSLDS to 11/4/02.

Per Appendix E, Student 40 had an effective date of 9/28/01 in NSLDS as a full-time student and a last date of attendance of 2/18/03. The Report questions the student's status as a "pending graduate" if several courses were not completed. The student started at Collins College on 9/28/01 and graduated on 2/21/03. The student was in a "pending graduate" status because she was completing her final courses to graduate, which she subsequently completed. However, it is unclear why this would result in the student's inclusion in a finding for "error or unresolved discrepancy" in data reported to NSLDS, as it has no bearing on the status reported to NSLDS.

Per Appendix E, Student 44 had an effective graduation date of 9/28/02 in NSLDS, but no last date of attendance. The Report indicates previous LOAs the student had and questions why the student was absent from 12/19/01 through 1/22/02 without a leave of absence. The student graduated on 9/27/02 with an associate degree and had a last date of attendance of 9/26/02. The student was not given an LOA for the period 12/19/01 through 1/22/01 because she did not apply for one.

In summary, of the 20 students cited in the Report as having an "error or unresolved discrepancy," 6 students had an incorrect effective withdrawal date and 2 students had an incorrect effective graduation date in NSLDS. Collins College will make the appropriate corrections, and will submit evidence to the Case Team that those corrections have been made, as requested in the Report. Further, Collins College will ensure the software system uses last date of attendance, rather than withdrawal date, when transmitting NSLDS enrollment status updates. The remaining 12 students cited in the Report had the correct status code and effective date in NSLDS.

FINDING 6: Delayed Reporting of Enrollment Data to NSLDS

The Report asserts that the College failed to report a change in student status within the required timeframe for 37 of the 60 students in the program review sample. As a result, the Report directs the College to examine, and if necessary adjust the effective date in NSLDS for, the 37 cited students, and also to reconstruct the enrollment status changes of all Title IV recipients during the program review period to determine the overall timeliness of its reporting to NSLDS.

Collins College has reviewed the NSLDS reporting for the students cited in the Report as having a change in their student status reported beyond the required timeframe. A spreadsheet analysis of the date of enrollment status change for those students is attached.

As the spreadsheet shows, 14 of the 37 students cited in the Report as late were submitted on a timely basis. In each of those cases, the student's status change was reported to the department earlier than the date cited in the Report (the date cited in the report appears to be a subsequent certification), as follows:
Student 3 whose withdrawn status was initially certified on 3/1/02
Student 9 whose graduation status was initially certified 3/27/02
Student 11 whose graduation status was initially certified on 6/6/02
Student 15 whose graduation status was initially certified on 7/2/01
Student 16 whose graduation status was initially certified on 11/11/02
Student 18 whose graduation status was initially certified on 9/2/101
Student 24 whose graduation status was initially certified on 7/15/02
Student 28 whose graduation status was initially certified on 3/28/03
Student 31 whose graduation status was initially certified 1/7/04
Student 32 whose graduation status was initially certified 4/8/03
Student 34 whose withdrawn status was initially certified 5/3/03

Student 39 whose graduation status was initially certified 1/5/04
Student 40 whose graduation status was initially certified 3/24/03
Student 41 who had a variety of status certified on a timely basis
Of the 23 students the Report cited that were actually late, the spreadsheet analysis shows 13 students were 30 or less days late, 6 students were 31-60 days late, 1 student was 61-90 days late, and 3 students were over 90 days late. (Note: 4 of the 23 students had more than one status change that was late.) Thus, of the sample, 4 students had their enrollment status change reported more than one reporting cycle late (over 60 days).

Although Collins College agrees that in some cases, its reports of student status changes were late, and certainly agrees that this is not desirable, it should be noted that most of the changes were reported not too many days late, and further that students have a six-month grace period before entering repayment on their FFEL loans. Presumably if the lender is late in learning that a student has gone into the grace period, but still well before repayment begins, there is time for the lender to produce a coupon book or a bill before the student's first payment is due. Students are made aware of the approximate date their repayments will commence in their exit loan counseling. Thus, although a late-reported student will not receive all the grace period notices from the lender, which is regrettable, the student still will not be surprised when notified that he or she is about to enter repayment, and the repayment date is not affected by the school's slightly late reporting of the student's status change.

Collins College will continue to work to ensure that enrollment status changes are reported to NSLDS on a timely basis. The applicable computer software used to gather and report the data has been reviewed and corrected to ensure timely and accurate reporting. Given that the analysis of the cited students indicates that only 4 of the 45 students in the program review sample were greater than one reporting cycle late, and the fact that borrowers are aware of the schedule for beginning repayment, we believe the requirement to reconstruct the enrollment status changes of all its Title IV students during the subject award years is excessive, as this is less than 10 percent of the students in the sample, and we thus ask that the file review requirement be rescinded. Also, please note that, when the status changes are reported, the effective date is the date the change occurred, not the reported date.

FINDING 7: Timeliness of Reporting Pell Disbursement Data to the Department

The Report indicates that the College reported Pell disbursements late to the Department in a large number of cases. As a result, the Report directs the College to develop and implement procedures to ensure that it is able to report Pell disbursements on a timely basis in the future. As requested, Collins College has developed written procedures to ensure that it is able to report Pell disbursements on a timely basis in the future. Those procedures are attached.

Collins College believes that the Federal Pell Grant Reporting Procedures that are attached have sufficient monitoring and reconciliation processes to improve the timeliness of reporting.

FINDING 8: Retaining Title IV Loan Funds in Excess of Cash Management Timeframes

The Report states that Collins College disbursed FFEL funds to students later than the regulatory timeframes for 21 of the 45 students in the program review sample. As a result, the Report directs the College to reconstruct the timing of all disbursements made to all of its students under all Title IV programs for the entire program review period.

Collins College strongly disagrees with this finding, for several reasons. First, the Report misstates the timely disbursement requirements applicable to FFEL loans, which is the subject of this finding. Furthermore, under the applicable requirements, the College believes that only five students had late FFEL disbursements, not 21 as cited in the Report. Moreover, since the excess cash requirements are very different for Pell and FSEOG as compared to the timely disbursement requirements for FFEL loans, and since this finding only relates to FFEL disbursements, we believe there is no basis to require a file review of all Title IV disbursements. Each of these points is addressed in further detail below.

The delivery timeframes for FFEL funds, stated in pages 4-37 through 4-39 of The Blue Book dated June 2001, are:

a. Initial Period

- If received in the form of a check, "no later than 30 days after the school receives the funds."
- If received through EFT or master check, "no later than three business days after the school receives the funds."

b. Conditional Period

The school has ten business days after the last day of the initial period to deliver FFEL funds received by EFT or master check if the student has not completed the required clock or credit hours in the preceding payment period, but will complete those hours within those ten business days, or if the student has not met all the FFEL eligibility requirements, but is expected to meet those requirements during this ten business day period.

c. Return Period

For FFEL funds that are not disbursed by the end of the initial period or conditional period, as applicable, the school must return the funds to the lender not later than ten business days from the last day of the initial or conditional period. However, if the student becomes eligible to receive FFEL funds during the return period, the school may deliver those funds to the student provided the delivery of funds is made on or before the last day of the return period, which most often is 30 days.

These timeframes are also contained in the ED regulations at 34 CFR 668.167 (FFEL Program Funds).

Using these timeframes, the following addresses the 21 students cited by in the Report:

For Student 1, Collins College did not have the respective EFT roster and will accept the NSLDS dates reported. The postings appear to be after the disbursement date per NSLDS.

For Student 4, the loan funds were received via check. Collins College posted the checks within 30 days of receipt, which is the timeframe allowed per federal regulations.

For Student 7, Collins College did not have the respective EFT roster and will accept the NSLDS dates reported. However, the Report indicates posting by the College 5 days after disbursement per NSLDS. This would be within the return period.

For Student 9, the USA Group Guarantee Services Disbursement Register Report for 1/26/01 was dated 1/29/01 and funds were posted on 1/30/01.

For Student 10, the USA Group Guarantee Services Disbursement Register Report for 7/30/01 was dated 7/27/01 and the funds were posted 8/8/01. As the Report indicates, the posting was 9 days after disbursement, which is within the return period. Collins College did not have the other EFT roster and will accept the NSLDS dates reported. However, the Report indicates posting 6 days after disbursement per NSLDS. This would be within the return period.

For Student 11, funds were received by checks. Collins College did not maintain a photocopy of the check and will accept the NSLDS dates reported. However, the Report indicates the posting 12 days after disbursement per NSLDS. This would be within the initial period.

For Student 14, Collins College did not have the respective EFT roster and will accept the NSLDS dates reported. However, the Report indicates posting 8 and 12 days after disbursements per NSLDS. These would be within the return period.

For Student 22, the Disbursement Register for disbursements of 1/8/03 is dated 1/7/03. The posting was on 1/8/03. Collins College was unable to locate the other EFT roster. However, the Report indicates posting 7 days after disbursement per NSLDS. This would be within the return period.

For Student 23, the USA Group Guarantee Services Disbursement Register Report for 1/3/01 was dated 1/2/01. The funds were posted on 1/9/01. This would be within the return period. Collins College is unable to locate the remaining EFT roster and a duplicate has been requested from the lender. However, the Report indicates posting 10 days after disbursement per NSLDS. This would be within the return period.

For Student 25, the Disbursement Register for disbursement date 2/10/03 is dated 2/7/03. The funds were posted 2/10/03. Collins College did not have the EFT rosters for the 2002 disbursements cited and will accept the NSLDS dates reported. However, the Report indicates two disbursements were posted 7 days after disbursement per NSLDS for the 10/18/02 postings. The Report also indicates the 8/19/02 postings were made 18 days after the disbursement per

NSLDS, which is the 10th business day after the end of the initial period. Therefore, all four loan disbursements were posted within the return period.

For Student 26, Collins College did not have the respective EFT rosters and will accept the NSLDS dates reported. However, the Report indicates the 10/26/01 posting occurred 14 days after the disbursement per NSLDS. This is within the return period. The Report also indicates that $2259.13 was posted on 11/14/00 per the student's ledger, while NSLDS indicates disbursement occurred on 10/18/00. This PLUS Loan appears to have been posted after the return period, pending receipt of the roster to confirm disbursement dates.

For Student 28, the Disbursement Register for 3/27/02 disbursements is dated 3/26/02. The funds were posted 3/28/02.

For Student 30, Collins College did not have the respective EFT rosters for the loans disbursed on 2/25/02 and 6/10/02, and will accept the NSLDS dates reported. However, the Report indicates the postings occurred 9 days and 7 days, respectively, after the disbursement dates per NSLDS. These are within the return period. The other disbursements cited were made via paper check. All were disbursed within 30 days of the disbursement date.

For Student 31, Collins College did not have the respective EFT roster and will accept the NSLDS dates reported. However, the Report indicates the 1/21/02 disbursements per NSLDS were posted 4 days after disbursement. This would be within the return period. The 10/30/01 and 10/31/01 disbursements per NSLDS appear to be posted after the return period.

For Student 32, Collins College did not have the respective EFT rosters and will accept the NSLDS dates reported. However, the Report indicates the loans were posted 4 days, 5 days, 4 days, and 14 days after the disbursement date per NSLDS. These are all within the return period.

For Student 33, Collins College did not have the resepctive EFT rosters for the disbursements of 7/29/02 and 12/28/01 per NSLDS or a copy of the check (1607548) for the 2/6/01 disbursement per NSLDS and will accept the NSLDS dates reported. However, the Report indicates the loans disbursed via EFT were posted 14 days and 6 days after the disbursements per NSLDS and the check was posted 23 days after the disbursement per NSLDS. Thus, EFT funds were posted within the return period and the check was posted during the initial period.

For Student 34, Collins College did not have the respective EFT roster and will accept the NSLDS dates reported. However, the Report indicates posting was 7 days after the disbursement date per NSLDS. This is within the return period.

For Student 40, Collins College did not have the respective EFT roster and will accept the NSLDS dates reported. However, the Report indicates posting 5 days after the disbursement date per NSLDS. This is within the return period.

For Student 44, the funds were received via check. The check dated 7/12/01 was posted 8/3/01. This is within the initial period. The check dated 5/11/01 was posted 6/15/01. Collins College did not date stamp the date of receipt of the check. As 5/11/01 was a Friday, and the check was coming from Indianapolis to Phoenix, it is likely the check arrived within 30 days of the date of posting. However, Collins College cannot document this.

For Student 45, Collins College did not have the respective EFT roster and will accept the NSLDS dates reported. However, the Report indicates the 1/18/02 disbursements per NSLDS were posted 7 days after the disbursement date per NSLDS. This is within the return period. The 6/21/02 disbursement appears late, pending receipt of the roster to confirm the disbursement date.

In sum, at most 5 students (7 disbursements) from the sample of 45 students appear to have had FFEL funds posted past the timeframes permitted by regulation, as opposed to the 21 students (59 disbursements) cited in the Report. The Report states "the College must reconstruct the timing of each of the disbursements it made to students under all of the Title IV programs in which it participated (except FWS) during the Subject Award Years." However, this finding relates only to FFEL funds. There was no finding in this finding or anywhere else in the Report that the College did not disburse the other Title IV funds in accordance with cash management requirements. The FFEL program is not covered by the excess cash requirements applicable to the Pell, FSEOG and Direct Loan programs (found at 34 CFR 688.166, but is subject to a different set of timeframes found at 34 CFR 668.167 and described above). Therefore, to require Collins College to perform the reconstruction for all Title IV program disbursements is not in keeping with the Finding 8.

In addition, the regulatory strictures regarding the timeliness of crediting student accounts with FFEL proceeds are in place in order to ensure that institutions do not unnecessarily, and for a prolonged period, hold FFEL funds that should be returned to the lender. Collins College realizes that ineligible FFEL funds must be returned as soon as possible. However, in a case where FFEL funds are held in an institution's receiving bank account and are eventually credited to the appropriate student account (albeit slightly longer than the regulatory timeframe), there is no fiscal harm to the Department of Education as a result of any late crediting of the student's account. Indeed, to the extent that such funds are used to satisfy the student's institutional charges, as is usually the case, there is no harm to anyone as a result of tardiness in crediting the student's account. The lender no longer has the money, whether the money has been credited to the student's account by a certain time or not.

For all of these reasons, we believe that a reconstruction of all FFEL disbursements should not be required, and request that this finding be closed.

FINDING 9: Maintenance of Campus Crime Incident Log

The Report states that Collins College did not transfer the campus crime incident reports to a campus crime log on a timely basis, and directs the College to revise its procedures to provide for a crime log that is updated within two business days after information on a covered crime is received.

CFR 668.46 (f) states "an institution that maintains a campus police or a campus security department must maintain a written, easily understood daily crime log that records, by the date the crime was reported, any crime that occurred on campus, on a noncampus building or property, on public property, or within the patrol jurisdiction of the campus police or the campus security department. Collins College does not maintain a campus police or security department. Crime information is reported to the Student services Coordinator who maintains a crime report of each incident. Thus, Collins College was not required to maintain a daily crime log as stated in CFR 668.46(f).

Finding 10: Reporting of Crime Statistics in Annual Security Report

The Report indicates that the College may not have completely and correctly reported crime statistics in its annual security reports. The Report cited three shortcomings: (1) the reports did not break down the statistics by the three geographic areas specified in the regulations, (2) the reports did not include crimes occurring within certain apartment building properties, and (3) the reports did not include crime statistics for property or thoroughfares contiguous to its campus. The Report thus directs the College to develop and submit a corrective action plan addressing these three items.

Collins College understands that it needs to break down the crime statistics in its annual security reports into the three specified geographic areas (campus, non-campus buildings or property, and public property) and has consistently done so in its annual reports. Attached are the prior annual reports demonstrating this breakdown.

The Report states that Collins College underreported crime because it has a contractual relationship with RnR Real Estate and "this contractual relationship creates an additional source from which crime statistics must be selected, by including reports of crimes within the apartment building properties and their contiguous areas." As ED was informed during the site visit, Collins College did not have a contractual relationship with RnR Real Estate at that time. The College did not establish a formal relationship with RnR Real Estate until June 2003, 4 months after the on-site review. Collins College will include all crimes that Collins College is aware of at those apartments where Collins College students reside, beginning June 2003. Collins College will communicate with RnR Real Estate regarding obtaining the information in a timely manner, as described in the attached corrective action plan. That said, it is important to note that the Student Financial Aid Handbook states "whether rent is paid to a third party on behalf of the student or directly by the student, a student housing facility owned by a third party that has a contract with an institution to provide housing for the institution's students is considered under the control of the institution." While Collins College now has a contractual relationship with RnR Real Estate, neither Collins College nor RnR Real Estate owns the apartments that are rented to students.

Finally, Collins College has communicated with local police officials in the past to request that relevant crime information be provided for those public properties that should be included in the College's annual security report. As an example, on August 26, 2003, an e-mail was sent to the Tempe Police Department to request appropriate crime information. This was done because the "beat/district map" data on their website was not specific enough to include in the College's security report. The police department responded that "the breakdown that you see on the web page by beat and reporting district is the lowest level that we break our data down by. We do not currently report the Part II Crimes that you listed below, so that data is not readily available." As they also stated that, for a fee, they will do additional research, Collins College will do further follow-up with the Tempe Police Department. Further, to the extent that it becomes aware of crimes that occur on public property within the campus or immediately adjacent to, and accessible from, the campus, those crimes are also included. Collins College will continue to communicate with appropriate officials in an effort to obtain the necessary information.

Finding 11: Title IV Funds Bank Accounts

In this finding, the Report states that the College did not provide bank account information for FFEL funds it receives through electronic funds transfers, has not used the term "federal funds" in the title of the bank accounts containing federal funds, and did not pay the Department any interest earned on its federal funds accounts.

The bank account in which the College receives FFEL funds via EFT is the first account listed on page 32 of the Report, the Federal Title IV Loan Account at M&I Thunderbird Bank (account number 8011257). This account is the account that ELM and lenders deposit FFEL funds by EFT. Collins College previously provided to the Case Team the bank statements for FFEL loan EFT transactions. Please confirm if we should provide another copy of these bank statements.

M&I Bank will be notified to change the name of account 8010115 to "Federal Funds – Pell, SEOG, and FWS," and to change the name of account 8011257 to "Federal Funds – Title IV Loan Account." Please note the NIH Federal Account was formerly used for federal funds before opening account 8010115 and the Student REF account is a credit balance refund account and is not a federal funds account.

As directed by the Report, the College will calculate the amount of interest it earned on its federal funds accounts, and will return to the Department any amount in excess of $250 per award year.

FINDING 12: College Attendance Policy

The Report asserts that the College did not follow its institutional attendance policy, relating to attendance at 80 percent of scheduled classes. In other findings, e.g., Finding 3 relating to the return of Title IV funds, the Report interprets the attendance policy as mandating the termination of students who exceed this threshold.

The Report misinterprets Collins College's attendance policy. The College policy states that 80 percent classroom attendance in a course is required for a student to achieve satisfactory attendance. Students who do not meet the classroom attendance standard are counseled regarding the importance of attendance. In fact, students are typically counseled about their attendance habits well before reaching the 20% non-attendance threshold. This policy is intended to help students develop professional habits necessary for successful careers. This policy is not a part of the College's satisfactory academic progress standards. There are no mandatory penalties for not achieving the 80% standard. The College may dismiss a student before or after the student misses 20% of scheduled classes, if the school determines that by the student's lack of attendance, the student has in fact withdrawn and cannot successfully complete the term.

Specifically, the following is Collins College's attendance policy as stated in its current catalog (similar language from prior catalogs is attached):
"Regular attendance and punctuality will help students develop good habits necessary for successful careers. Satisfactory student attendance is established when students are present in the assigned classroom for the required amount of scheduled contact time.

Students are encouraged to schedule medical or dental appointments after college hours and should notify the college if they plan to be absent. Student must be present in the assigned classroom for at least 80 percent of the scheduled time of any course to achieve satisfactory attendance. Students who have been absent from all of their scheduled classes for more than 10 consecutive days, not including scheduled college holidays, may be terminated from the training programs."

Also the College wishes to note that the state of Arizona does not require schools like Collins College to take daily attendance. Thus, attendance standards adopted by the school are entirely voluntary and, as such, can be changed by the school at any time. Further, in the majority of courses cited in Appendix H in which students did not achieve the 80% standard, the students did exceed 75% attendance.

Collins College believes it has followed its attendance policy, given the intent of having that policy. Thus, we believe there is no indication of a lack of administrative capability, as the Report suggests. Nonetheless, the College will take steps to strengthen its follow-up with students who do not achieve satisfactory attendance, and will consider revising the language of the policy to more explicitly reflect the College's intent to encourage regular and consistent student attendance.

FINDING 13: Satisfactory Academic Progress Policy

The Report states that Collins College failed to administer a satisfactory academic progress policy in compliance with Title IV regulations because of (1) its practice of not considering failed courses as part of a student's CGPA at the time the student failed the course, and (2) its policy to allow students to remain eligible for Title IV funds during second probation periods.

The Report is incorrect in stating that Collins College does not count failed grades in the CGPA at the time a student fails the course. The student must repeat any required course in which a grade of F is received. The failed (F) grade is included in the calculation of the student's CGPA until the student repeats the class and achieves a passing grade. At that point, the passing grade replaces the failed grade in calculating the student's CGPA. Attached are student transcripts for two students in the program review sample that demonstrate that student F grades are included in the calculation of their cumulative grade point average (Cum GPA) at the time the grade is earned.

Student 3 received a grade of F in Term 0112 and the CGPA dropped from 3.25 to 3.05.

Student 37 received 2 F grades in Term 0209, her first term, and had a CGPA of 0.00.

As to the issue concerning two consecutive probationary terms, the College believes that this is a perfectly acceptable practice. A school's satisfactory academic progress policy must contain quantitative and qualitative measures, measure progress in increments of the lesser of one academic year or one-half the program length, designate the minimum amount of work a student must complete at each increment, and have policies related to appeal and reestablishing satisfactory academic progress. Probationary periods are very common for students who fall below the minimum performance standards.

Per the current catalog, Collins College's Satisfactory Academic Progress Policy provides:

1. A student must successfully complete at least 67% of the credits attempted at the end of each academic year to be considered making satisfactory academic progress. Credits attempted are defined as those credits for which students are enrolled in the academic year and have incurred a financial obligation. The completion requirements will be reviewed at the end of each academic year after grades have been posted to determine if the student is progressing satisfactorily. Programs that are less than an academic year in length will be measured at the mid-point of the maximum time frame permitted to complete the program.

2. Students must meet minimum cumulative grade point average (CGPA) requirements at specific points during their enrollment in order to be considered making satisfactory academic progress. These will be reviewed at the end of each grading period [Sounds like the increment is each term] after grades have been posted to determine if the student's CGPA is in compliance. Once a student reaches a review point, they must maintain the minimum CGPA for that level at the end of each grading period [Sounds like the increment is each term] until such time as they reach the next level of review.

3. Students will be placed on Warning the first grading period in which the CGPA or rate of progress falls below specified values. At the end of the next grading period, students will be removed from Warning and returned to regular status if they meet or exceed the minimum standards, or will be placed on Probation if they continue to fall below the specified values.

4. Students on Probation will be evaluated at the end of their second grading period of monitoring. Students who raise their CGPA and rate of progress at or above the minimums will be removed from Probation and returned to regular status. If the student does not meet the minimum CGPA or rate of progress requirements at the time of evaluation, the student will be dismissed from the college.

5. Students on Warning and Probation must participate in academic advising as deemed necessary by the institution as a condition of academic monitoring. Students who fail to comply with these requirements may be subject to dismissal even though their CGPA or rate of progress may be above the dismissal levels.

6. A student who has been academically dismissed may appeal the determination if special or mitigating circumstances exist. Any appeal must be in writing and must be submitted to the Dean of Students within three days of receiving notification of dismissal. The student should explain what circumstances contributed to the academic problem and what plans the student has to eliminate those potential problems in the future. The decision of the Committee is final and may not be further appealed.

As a grading period is at the end of each five-week course, a student would be placed on Warning after five weeks, Probation after ten weeks, and be subject to dismissal after fifteen weeks. Collins College believes that allowing students successive probationary periods of this length during which the student remains eligible for Title IV funds is within the satisfactory academic progress requirements. While the College conducts evaluations more frequently than is required by federal regulations, the policy does not violate federal regulations.

It is important to note that in a program two academic years in length or longer, the increments for measurement of satisfactory academic progress may be as long as <u>one entire academic year</u>. Thus, it is permissible for a school with such a program not to evaluate student progress <u>at all</u> until the student has completed an entire academic year (two complete semesters, three quarters, 30 weeks, etc.), at which point, if the student is not maintaining satisfactory progress, the school may place the student on probation for an additional entire academic year. Collins College only allowed students to be on probation for an additional ten weeks (one third of an academic year).

We further note that the "increments" chosen by schools in their academic progress policies are almost always longer than Collins College's individual five-week terms. As the Report observes, on page 36, "Increments are generally expected to coincide with payment periods." At Collins, payment periods are two terms (ten class weeks) in length. So if Collins specified that its satisfactory progress increments were equal in length to its payment periods, and allowed students to be on financial aid probation for one payment period, that clearly would have been acceptable, and consistent with the requirements set forth in the Report.

For Collins College to permit a student on probation to continue to receive federal student aid for a period of ten weeks (two terms, rather than one payment period) before the possible loss of Title IV eligibility for failure to maintain satisfactory progress is perfectly reasonable, and the position taken in the Report is truly a matter of form over substance. This is especially so considering that the College <u>could have</u> placed the student on probation for a whole academic year, and still would not have run afoul of the regulations.

Collins College's system of allowing up to two five-week periods of probation, during which the student remains eligible for Title IV funds, is altogether comparable to the system used by numerous other colleges that are on the quarter system – where the student's progress is checked, found to be lacking in some respect, and the student is placed on probation (with continued Title

IV eligibility) for one quarter. The main difference is that Collins also checks progress during the probationary period, after five weeks, while other schools do not check it again until ten or eleven or more weeks have elapsed. Therefore, while Collins performs evaluations more frequently than is required by federal regulation, it does not believe its policy violates federal regulations. Collins should not be penalized for doing more than it is required to do in this area. In a section of the Report headed "Conditional or probationary periods" (page 37), the Report states that the ED standard is that "Your institution's policy can include a limited conditional or probationary period in its satisfactory progress policy. During such a probationary period, a student who didn't meet the satisfactory progress standards can still be treated as if he or she did meet the standards." This is exactly the standard contained in the Federal Student Aid handbook (see 2002-03 Handbook, page 1-12). Collins College believes that it has clearly complied with this standard, as its probationary period (ten weeks) is much shorter and much more "limited" than the maximum allowed by ED regulations (30 weeks or 1 academic year). The report does not cite any ED regulation or other regulatory authority that prohibits an institution from having two short terms (total of ten weeks) of probation in its satisfactory progress policy. In the absence of any such authority, Collins College's policy should not be considered in violation of ED regulations.

In summary, the College believes that its satisfactory academic progress policy did comply with ED standards, and therefore that no file review is warranted.

FINDING 14: Administrative Capability – ISIR Certification Page and Fraud Reporting Process

The Report asserts that Collins College uses its own "ISIR Certification Page" for students to certify application information in lieu of standard documentation, which the Report asserts is a "serious internal control weakness" because key data is not properly reviewed and certified on that form. The Report also questions whether the College has a policy for referring cases of fraud, waste and abuse to the Department's Office of Inspector General.

Collins College did use the ISIR Certification Page in the past (but has been discontinued), but Report misunderstands its use and significance. The ISIR Certification Page was an extraneous document that mirrored the page of the ISIR on which the students certified that they would use the federal financial aid funds received during the award year for educational expenses, that they were not in default on a Title IV educational loan, they did not owe an overpayment on a Title IV educational grant, that and that they would notify the school if they do owe an overpayment or are in default. Collins College did not transmit FAFSA data via the Electronic Data Exchange unless it had a completed and signed FAFSA. Further, if corrections were made to the ISIR, the documentation required to support the change was obtained.

More specifically, when a student's ISIR was found to be incorrect in any material respect, whether as a result of verification or for some other reason, the College ensured that it had documentation to back up any changes it made to the ISIR. Such documentation could be a signed tax return, a letter from an agency, a signed statement from the student, appropriate (student or parent) initials on the ISIR item being corrected, or appropriate signature or signatures on the subsequent, corrected ISIR itself. Such forms of documentation were sufficient to satisfy applicable regulatory requirements. Collins' ISIR Certification Page was superfluous.

Collins College agrees that the ISIR Certification Page that Collins used in the past would not be sufficient, standing alone, to document any change made to an ISIR. But Collins never used the ISIR Certification Page for that purpose and never used it standing alone. The College always collected the required documentation to support any changes made to the ISIR.

Examples of such documentation for students in the Department's program review sample are as follows:

Student 8 has an ISIR Certification Page (signed 8/12/00) in her file. In addition, the file contains the 2000-01 FAFSA and the 2000-01 ISIR (transactions 1 and 2).

Student 19 has an ISIR Certification Page (signed 6/20/00) in his file. In addition, the file contains his 1999-00 ISIR and 1999-00 FAFSA; 2000-01 ISIR (transactions 1 and 2), a "paid in full letter" from U.S. Department of Education stating "the defaulted student loans held by the Debt Collection Service of the US Department of Education should no longer prevent you from receiving Title IV Federal Student Assistance" (this was needed to clear the "C Code") and 2000-01 FAFSA; and 2001-02 ISIR and 2001-02 FAFSA.

Student 58 has an ISIR Certification page (signed, but not dated) in his file. In addition, the file contains the 1999-00 ISIR, copy of Certificate of Naturalization (needed to clear "C Code"), letter from Selective Service System stating "you were not required to register with Selective Service because you entered the United States for the first time after your 26th birthday" (needed to clear "C Code"), and 1999-00 FAFSA.

Copies of student documents for the examples above are enclosed. The ISIR Certification Page was an unnecessary document.

The College notes that the Report does not cite a single case where any change to an ISIR was made without other proper documentation (initials on the ISIR being corrected, a tax return, or some other official document, as stated above). If such cases were found, we would ask the Case Team to advise the College of these cases, by student number and with specifics. In the absence of such information, and given the College's actual practices, as explained above, the College requests that the file review requirement described in the Report be rescinded.

With respect to the College's policy of referring certain matters to the Office of Inspector General, the College is aware of and understands the importance of this regulatory requirement. While the College has not had a formal written policy on this point, the College has trained all its staff to attempt to resolve discrepant information in student files, and to report any suspicious or possibly fraudulent activity or documentation to the Director of Financial Aid. The College has in the past had some situations that at first blush looked suspicious, but after conducting a review of the application, as required by the regulations, decided that there was not "credible information" indicating that an applicant had "engaged in fraud or other criminal misconduct in connection with his or her application," as indicated in 34 C.F.R. 668.16 (g).

The College will formalize its policy for complying with this regulatory requirement, and distribute it to all financial aid staff at the school. A copy of the policy will be provided to the Case Team.

In light of the College's explanations of its policies, the College believes that the harsh language contained in the Report under this finding is completely unwarranted. In this regard, we are referring specifically to the title of Finding 14, "Administrative Capability Weakness – The College Lacks Sufficient Internal Controls to Prevent Waste, Fraud and Abuse of the Title IV Programs," and also the last sentence before the "References" section on page 38 of the Report, which states "The Team considers the implementation of the aforementioned policies to be a serious internal control weakness and an example of an impaired administrative capability that could easily foster fraud and abuse of the Title IV programs." The College requests that this language be removed from the Report, and that the Department confirm that there were no internal control weaknesses or impaired administrative capability relating to issues covered by Finding 14.

FINDING 15: Inconsistent Information In Student Files – Signatures

The Report identifies five students whose files contain signatures that appeared inconsistent to the Case Team, or for which the Case Team thought there were suspicious circumstances. The Report also indicates that one financial aid staff member told the Case Team she was not aware of any College policy of referring cases to the Office of Inspector General. As a result, the Report directs the College to provide procedures describing how its employees review information from various sources, for discovering and resolving inconsistencies, and referring cases of fraud to the Office of Inspector General.

The College has reviewed the files of the five students cited in the Report, and disagrees that all the questioned signatures appear fraudulent. In fact, two of the questioned signatures were not even required to be obtained (for Student 7, as a married student, the spouse's signature is not required; for Student 17, as an independent student, the parent's signature was unnecessary). For one of the other students (Student 30), the student's signature on the student loan exit interview form is questioned, but because this form is signed only at the end of the student's program after all Title IV aid has been disbursed, it could not represent fraud in connection with the student's application for or receipt of Title IV funds. For another of the students (Student 15), the College disagrees that the signatures are "remarkably similar."

The College agrees that the parent's signature on the PLUS credit balance authorization form for Student 35 appears different than the parent's signature on the FAFSA. The College will follow-up with the student and parent regarding these signatures. We note that this student has already graduated. In addition, since the Case Team has the documents in question on this student, we request guidance from the Case Team whether the College should refer this matter to the Office of Inspector General at this time, or whether the Case Team will handle this matter.

Collins College's policy relative the inconsistent information is to follow-up as necessary to resolve the conflict. Title IV financial aid funds are not to be disbursed until the conflicting information is resolved. In cases where it is determined by the senior manager at Collins College that it has credible evidence that fraud or other criminal act in applying for Title IV financial aid has occurred, Collins College will refer the evidence to the US Department of Education Office of Inspector General.

FINDING 16: Matching Federal Supplemental Educational Opportunity Grant (FSEOG) Funds

The Report requests documentation to demonstrate the non-federal (institutional) share of FSEOG was made by the College for the 2000-01 and 2001-02 award years.

Collins College uses the aggregate method to match FSEOG. During 2000-01, $193,330 in federal funds was available for FSEOG, including FWS funds transferred to and spent in FSEOG and FSEOG funds carried forward from 1999-00. During 2000-01 net FSEOG disbursements were $257,683. During 2001-02, $318,826 in federal funds was available for FSEOG, including FWS funds transferred to and spent in FSEOG and 2002-03 FSEOG funds carried back and spent in 2001-02. During 2001-02, net FSEOG disbursements were $418,490.

Based on the calculation of the net amount of FSEOG disbursed in the respective years, it was determined that it is necessary to return $68 in federal FSEOG to the program for 2000-01 and $4,959 to the program for 2001-02. The error occurred because Collins College did not appropriately adjust for refunds. The College will provide the Case Team with documentation the funds have been returned.

FINDING 17: Uneven Disbursement of FSEOG Awards

The Report asserts that seven FSEOG awards were not made in accordance with FSEOG regulations, because the awards were disbursed in unequal amounts without sufficient reason or documentation. The Report directs the College to review each of the seven cases, comment on the scheduling of each disbursement, and provide award letters associated with each disbursement.

The College has reviewed each of the seven disbursements in question and offers the following explanations:

Student 3 received three equal disbursements (because the $650 award did not divide evenly in whole dollars, the third disbursement was $1 less than the other two disbursements), as the Report indicates in Appendix I. The FSEOG was awarded for the 9/00, 12/00, and 2/01 payment periods. The College believes this student is not an exception.

Student 5 received three equal disbursements, as the Report indicates in Appendix I. The FSEOG was awarded on 5/30/01 for the 10/00, 01/01, and 04/01 payment periods (note: due to system conversion, disbursements do not properly reflect payment periods awarded on the Financial Aid Summary). These funds were awarded late in the award year when it was determined additional FSEOG was available to award. The three disbursements were made on 5/30/01 as that was when the funds were available and was during the payment period of the third disbursement.

Student 10 was originally awarded $400 which was disbursed in a single disbursement, as permitted by regulation. At the end of the award year, it was determined that additional FSEOG was available. The student was awarded $600 in additional FSEOG funds on 6/17/02. The two disbursements should have been evenly divided. However, they were intended as an additional award for the 10/01, 1/02, and 4/02 payment periods. The two disbursements were made on the same day since the funds only became available at that time.

Student 19 received three equal disbursements, as the Report indicates in Appendix I. The FSEOG was awarded for the 7/00, 9/00, and 12/00 payment periods. These funds were awarded later in the student's academic year when it was determined additional FSEOG was available to award. The first and second disbursements were made during the second payment period on 11/13/00 and the third disbursement was at the beginning of the third payment period on 12/1/00.

Student 26 received three equal disbursements, as the Report indicates in Appendix I. The student was originally awarded $500 which was disbursed in a single disbursement, as permitted by regulation. At the end of the award year, it was determined that additional FSEOG funds were available. This student was awarded $1,000 in additional FSEOG funds, which was disbursed in two equal payments attributable to the 1/02 and 4/02 payment periods. The two payments were disbursed on nearly the same day since the funds only became available at that time.

Student 41 received three equal disbursements, as the Report indicates in Appendix I. The FSEOG was awarded for the 7/02, 9/02, and 12/02 payment periods. These funds were awarded later in the student's academic year when it was determined additional FSEOG was available to award. The first and second disbursements were made during the second payment period on 10/29/02 and the third disbursement was made during the third payment period on 12/30/02.

Student 43 was originally awarded $400 which was disbursed in a single disbursement, as permitted by regulation. At the end of the award year, it was determined that additional FSEOG was available. The student was awarded $600 in additional FSEOG funds on 6/17/02. The two disbursements should have been evenly divided. However, they were intended as an additional award for the 10/01, 1/02, and 4/02 payment periods. These two disbursements were made on the same day since the funds only became available at that time.

In sum, only Students 10 and 43 did not receive FSEOG in equal disbursements for a single FSEOG award, and in those cases, additional FSEOG was awarded at the end of the award year. The College believes the small amounts of unevenness for these two students ($33 each) were isolated mistakes by the College.

FINDING 18: Records Retention

The Report asserts that the College was unable to provide three specific types of documentation during the site visit. The Report thus requires the school to address those three areas, provide the documentation now if it is available, and submit a corrective action plan addressing the retention of electronic and hard copy records.

First, the Report states that Collins College was unable to provide "all award year 2001-02 ISIRs used to determine a student's eligibility, preceding the ISIR under which the student was actually paid." This finding is only partly correct. Collins College does maintain and did have available paper copies of all ISIRs received for all students during that award year. These were made available for the Case Team's review during the site visit. Collins College was unable to recover all electronic ISIR batches it received for the 2001-02 award year. This was due to a failure to maintain all ISIRs batches in a recoverable format. The College did have all electronic ISIRs for the other years covered by the program review, as confirmed by the Report. The College understands that it is required to retain ISIRs in the format in which they were received by the institution. That has been and continues to be the school's practice, except for the 2000-01 award year. Copies of the 2000-01 ISIRs for all the students in the sample who were enrolled during the 2000-01 award year are enclosed. If the Case Team needs paper copies of any other students' 2000-01 ISIRs, the College will be happy to provide them.

Second, the Report asserts that Collins College was unable to produce "documentation supporting the College's calculation of completion or graduation rates under the consumer information requirements described in 668.46 and 668.49." This finding is in error. Collins College was able to supply such information and had it available for the Case Team upon request at the time of the site visit. Attached is that supporting documentation.

Finally, the Report asserts that Collins College was unable to produce "accounting and employment records under the requirements of the Federal Work Study program described in § 675." This finding is also in error. Collins College was able to supply such information and had it available for the Case Team upon request, at the time of the site visit. The amount of documentation covered by this item is quite voluminous, but the College will gladly provide it for any students the Case Team would like. A random sample of students is provided to demonstrate the records that are maintained.

In sum, with the exception of an inability to restore all electronic ISIR batches received for one award year, this finding should be eliminated. If there is a finding related to an inability to produce all electronic ISIR records, it should fairly state that the institution did maintain the paper copies of such ISIRs.

shane

UNITED STATES DEPARTMENT OF EDUCATION
STUDENT FINANCIAL ASSISTANCE
SCHOOLS CHANNEL/CASE MANAGEMENT AND OVERSIGHT
CASE MANAGEMENT TEAM, SOUTHWEST-SAN FRANCISCO TEAM
50 UNITED NATIONS PLAZA, ROOM 286, S.F., CA 94102
(415) 556-4295

JUL 1 4 2004

Mr. John M. Larson
President
Career Education Corporation
2895 Greenspoint Parkway, Suite 600
Hoffman Estates, IL 60195-5248

CERTIFIED MAIL
RETURN RECEIPT
0011 9632 3958

RE: **PROGRAM REVIEW REPORT – Collins College**

PRCN: 2003-2-09-21324
OPEID: 02174900
TIN: [redacted]
DUNS: (b)(2)

Dear Mr. Larson:

On February 24 through February 28 and March 5, 2003, a program review was conducted of the Title IV Federal student financial assistance programs administered at Collins College located at 1140 South Priest Drive in Tempe, AZ. The findings of that review are presented in the enclosed report.

This report contains serious findings regarding the institution's administration of the Title IV student assistance programs. Findings of non-compliance are referenced to applicable regulations and specify the action required to comply with the regulations and statutes. Please review and respond to the report, indicating the corrective actions taken by the institution. Your response should be sent directly to me **within 60 days**. So that I can easily identify your program review response, please use the Program Review Control Number (PRCN) as shown above.

I would like to express my appreciation for the courtesy and cooperation extended during the review. If you have any questions concerning the report, please call me at (415) 556-4170.

Sincerely,

Shane F. Dunne

Shane Dunne
Senior Institutional Review Specialist

Enclosure

cc: Accrediting Commission of Career Schools and Colleges of Technology
Arizona Board of Private Postsecondary Education
USA Funds
Robert James, Proprietary School Liaison

PROGRAM REVIEW REPORT
PRCN 2003-2-09-21324
Collins College, OPEID 02174900
Site Visit of 2/24/2003 – 3/5/2003

TABLE OF CONTENTS

A. INSTITUTIONAL REVIEW DATA SHEET

Institutional Data		
School Name and Address	Collins College 1140 South Priest Drive Tempe, AZ 85281	
OPE ID#	02174900	
EIN:	860752105	
DUNS:	(b)(2) [redacted]	
PPA	Provisional Certification due to resolution of program review findings	
TYPE AND CONTROL	Proprietary For-Profit	
ACCREDITATION	Accrediting Commission of Career Schools and Colleges of Technology	
Cohort Default Rates	7.6% (2000); 9.9% (1999); 10.0% (1998)	
Title IV Funding[1] – Advanced System of Payment		
Title IV Program	**Fiscal Year Ending 12/31/2001**	**Fiscal Year Ending 12/31/2002**
Federal Supplemental Educational Opportunity Grant	$142,287	$189,669
Federal Family Educational Loans	$17,005,794	$18,994,253
Federal Work Study	$177,636	$179,620
Pell Grants	$2,721,163	$2,799,573
Total Title IV	**$20,046,880**	**$22,163,115**

[1] FFEL funding according to NSLDS Disbursement Activity Report ; Other Title IV funding according to GAPS Activity Report – Cumulative Summary. The parameters used in the activity reports coincide with the College's fiscal year period (January 1 – December 31).

Program Review Data	
DATES OF REVIEW:	February 24 through 28, 2003 and March 5, 2003
ED REVIEWER:	Shane Dunne, San Francisco Case Management Team
SCOPE OF REVIEW:	July 1, 2000 through February 23, 2003
Institutional Officials Interviewed	
Joan Spencer	President
Tina Newman	Financial Aid Director
Patti Van Tasel	Controller
Heidi Martinson	Financial Aid Officer
Karin Schmelling	Registrar
George Fitzpatrick	Director of Education Operations
Jeff Largesse	Staff Accountant
Pam White	Campus Security Officer
Kristen Tutherow	Assistant Controller
Toby Craver	Director of Internet Admissions

B. BACKGROUND

Collins College was established in 1978. The College is owned by Al Collins Graphic Design School, LTD., a Delaware Corporation. The corporation is a wholly owned subsidiary of Career Education Corporation (CEC), a publicly traded entity (NASDAQ – CECO) which purchased the College on January 31, 1994.

CEC's Colleges, Schools and Universities Group operates 79 campuses, in the U.S., Canada, France, the United Kingdom and the United Arab Emirates and offers doctoral degree, master's degree, bachelor's degree, associate degree and diploma programs in the career-orientated disciplines of visual communication and design technologies, information technology, business studies, culinary arts and health education. Its Online Education Group operates American InterContinental University Online and Colorado Technical University Online and offers degrees in information technology, business administration, visual communication and education.

The program review encompassed a review of the College's administration of the federal student financial aid program authorized by Title IV of the Higher Education Act of 1965 (HEA), as amended. The review also covered other operations at the College as they relate to the requirements promulgated under the student financial assistance programs authorized in Title IV of the HEA, such as admissions, registration, student services and financial services.

The College participates in the Federal Pell Grant, Federal Family Education Loan (FFEL), Federal Work Study and Federal Supplemental Educational Opportunity Grant programs. It does not use a third party servicer in the administration of its Title IV, HEA programs.

The College is accredited by the Accrediting Commission of Career Schools and Colleges of Technology and the Arizona Bureau for Postsecondary Education to offer training and education in technology related programs, animation visual communications, media arts, game design and PC/Networking. The College confers baccalaureate and associate degrees and also non-degree certificate programs.

C. SCOPE OF REVIEW

The program review was conducted to examine the fiscal administration, financial responsibility and organizational operations relating to Title IV programs. The focus of the review was to determine the College's compliance with the Higher Education Act of 1965 (HEA), as amended, its implementing regulations, and with specific terms of the College's Program Participation Agreement relating to federal financial aid administration. The review consisted of, but was not limited to, an examination of College's policies and procedures regarding institutional and student eligibility, admissions' practices, and fiscal records. The reviewer also examined the pertinent forms, policies and procedures at the College relating to Title IV administration and conducted interviews with appropriate institutional personnel.

Prior to arrival at College, notice of the program review was provided by telephone, fax and certified mail on February 18, 2003.

The review included a review of 60 student files, selected as follows:

- A statistical random sample of files of the universe of all Title IV recipients for the award year 2000-2001 (Students #1 – 15);
- A statistical random sample of files of the universe of all Title IV recipients for the award year 2001-2002 (Students #16 – 30);
- A statistical random sample of files of the universe of all Title IV recipients for the award year 2002-2003 (Students #31-45);
- An initial statistical random sample of students who received Title IV funds in the enrollment period in which they withdrew from the College. A judgment sampling was then performed on the statistical sample to include only students that the College had performed Title IV refund calculations (Students #46-60);

The student files numbered 1 through 45 are hereinafter referred to in the report as the *Regular Sample*. Student files numbered 46 through 60 are hereinafter referred to in the report as the *Withdrawn Student Sample*.

The review further consisted of a statistical sample of employment and payroll records of 15 individuals identified as having positions in the Admissions Department at the College[2]. During the visit, areas of non-compliance were noted. Findings of non-compliance are referenced to the applicable regulations. Each finding specifies the actions to be taken by College to bring operations of the financial aid programs into compliance with governing authorities (regulations, statutes and/or publications of the Secretary).

D. DISCLAIMER

This program review was thorough, however, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning the College's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve the College of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV programs.

While this report reflects the initial findings of the Department, they are, however, not final. The Department will issue its final findings in a subsequent Final Program Review Determination Letter.

E. AUDITOR'S ATTESTATIONS

Some of the findings below require certain actions and reports to be made by the College in response to this Program Review Report. Due to the significance of some findings, the College must perform file reviews and provide a report in response to this Report. When a file review and report is required, the College must have an independent CPA audit the report. The auditor must also render an audit opinion on the compliance with specific requirements applicable to the Title IV programs involved, as well as the accuracy and completeness of such reports as required in the finding. The audit must be conducted in accordance with generally accepted auditing standards issued by the Comptroller General of the United States, and the January 2000 Audit Guide, *Compliance Audits (Attestation Engagements) of the Federal Student Financial Assistance programs at Participating Institutions and Institution Servicers*, issued by the Department's Office of Inspector General. The CPA must also identify the process used to complete the audit, and submit copies of the working papers to substantiate the opinions presented.

The specific findings for which an Auditor's Attestation is required are Findings 3, 4, 6, 7 and 8.

F. FINDINGS AND REQUIREMENTS

FINDING 1: THE COLLEGE ESTABLISHED ACADEMIC YEARS FOR ITS PROGRAMS THAT DO NOT MEET THE MINIMUM STANDARDS

The College establishes its eligible programs upon an academic calendar that consists of non-standard terms and awards semester credit hours to its students. Its definition of an academic

[2] This information was collected in order to determine the College's compliance with its Program Participation Agreement to not provide any commission, bonus, or other incentive payment based directly or indirectly upon success in securing enrollments or financial aid [34 C.F.R. §668.14(b)(22)]. Based on the information contained within the files and one witness interview, the Team has concerns as to whether the policies of the College and its corporate parent are meeting the requirements of the HEA. The Case Management Team reserves the right to address this issue in a subsequent program review

year includes 30 weeks of instructional time for which a full time student completes at least 24 semester credit hours. Each academic year consists of six terms of substantially equal lengths. Each term represents a class scheduled within the academic calendar that a student completes before continuing on to the next term. The academic programs offered at the College start at various times throughout the academic calendar, and therefore, every Title IV loan program award is scheduled upon a borrower based academic year. Students within the same academic degree programs follow a pre-determined set of core courses with a portion of the program dedicated to optional specialty tracks.

According to the College Catalog, for each academic program classes are held four days a week (Monday through Thursday) for four hours each day. The College is open on Friday and Saturdays to avail its computer labs, photo/video labs, and studio to the students. Attendance is not taken on Friday or Saturday.

In evaluating whether the College's academic year met the minimum standards, the reviewer relied upon each student's attendance records to determine the period of scheduled classes within each 30-week period and the College's catalog addenda[3] to determine the scheduled holidays and breaks. The results, summarized in detail at **Appendix B**, indicate that the sum of scheduled classes within the six non-standard terms did not reach the minimum threshold of 30 weeks of instructional time.

Consequently, each borrower based academic year established by the College did not meet the minimum requirements set forth in the federal regulations, causing each student to complete their academic years earlier than they would have otherwise. Because the academic year, and portions thereof, are established by institutions for the purpose of establishing periods of enrollment in certifying awards under the FFEL and Direct Loan programs, an oversight in achieving the minimum standard results in potential over-awards to each borrower.

Within **Appendix B**, the reviewer computed each borrower based academic year for each student within the regular sample. The reviewer computed the difference between the last day and the first day of scheduled classes within each block of six non-standard terms to determine the number of weeks of instruction. Depending upon the calendar dates contained within the academic year, the weeks of Christmas, Spring and Summer Breaks were excluded from the computation. The computation for Student 16 is presented here as an example:

Term	Weeks of Instructional Time	Term Period
0108	5 weeks	08/27/2001 – 09/28/2001
0110	5 weeks	10/01/2001 – 11/02/2001
0111	5 weeks	11/05/2001 – 12/07/2001
0112	4 weeks (Excluding 2 weeks of Christmas Break)	12/10/2001 – 01/18/2002
0201	5 weeks	01/22/2002 – 02/22/2002
0202	5 weeks	02/25/2002 – 03/29/2002
	29 Weeks	

[3] Catalog Addendum Number 1 to Catalog ACGDS 3/00 GC-107 – Effective Date 1/1/00 and Catalog Addendum Number 1 to Catalog Collins College 1/01 GC-107 – Effective Date 4/1/02

August 2001

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

September 2001

Thu	Fri	Sat	Sun	Mon	Tue	Wed
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October 2001

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

November 2001

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

December 2001

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

January 2002

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

February 2002

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

March 2002

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

The results indicate that many students' academic years only reached 29 weeks. While the academic year shortfalls would appear to be not material, the cumulative effect of an extra week when considering the entire population of Title IV recipients is significant. By miscalculating the 30-week academic year, an institution may be over-awarding Title IV loans and grants to its students. Students are harmed by receiving funds to which they are not entitled, and other needy students may not be receiving Title IV financial aid because the excess loan and grant amounts were awarded incorrectly. Likewise, the federal interest suffers when Title IV funds that are appropriated in excess of students' need.

REFERENCES: **34 C.F.R. §668.3**[4]
2002-03 Federal Student Aid Handbook, Volume 2, Chapter 3

REQUIREMENTS:

Establishing a precise period for an institution's academic year is crucial to the certification of Title IV loans for borrowers because it provides a framework from which *periods of enrollment* (periods for which Title IV loan are intended) are measured. For all term -based academic programs, periods of enrollment (loan periods) generally coincide with the program's academic year. An exception is permitted when certifying loans for periods of enrollment in programs that are less than an academic year in length, or to establish a period to cover the remaining portion of a borrower's program that is less than a full academic year.

In defining its academic year, an institution must establish a period that begins on the first day of classes and ends on the last day of classes or examinations during which –

(1) An institution provides a minimum of 30 weeks of *instructional time*; and

(2) For an undergraduate educational program, a full-time student is expected to complete at least –

(i) Twenty-four semester or trimester credit hours or 36 quarter credit hours for a program measured in credit hours; ***

For the purpose meeting the aforementioned standard, the Student Assistance General Provisions provides the following definitions:

(1) A ***week*** is a consecutive seven-day period;

(2) A ***week of instructional time*** is any week in which at least one day of regularly scheduled instruction or examinations occurs or, after the last scheduled day of classes for a term or payment period, at least one day of study for final examinations occurs; and

(3) Instructional time *does not include* any vacation periods, homework, or periods of orientation or counseling. [34 C.F.R. §668.3]

The College must present the Team with a report, organized by student beneficiary, which identifies each award under the Title IV programs (except Federal Work Study) it made during the Subject Award Years for the entire population. The list shall include all loan and grant periods that fall inclusively within the dates of July 1, 2000 to the date of the response report. When reporting the award periods, the College must reconstruct the periods based on the formula and method described above. The intent of the report is to demonstrate whether or not the student beneficiary received an excess of Title IV awards as a result of any 29-week academic years. Accordingly, the report must include a pro-rata calculation that represents any

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[4] All regulatory citations throughout this report are referenced to the current volume of the Code of Federal Regulations (at the time of the on-site visit), Revised as of July 1, 2002. It should be understood that the Code of Federal Regulations, dated July 1, 2002, encompasses and updates the Federal regulations.

concomitant over-award by multiplying the actual awarded amounts by 1/30 for each 29-week year, 2/30 for each 28-week year, etc.

The College must engage an independent certified public accountant to attest to its response to this finding, as detailed in Part E of this report. The Final Program Review Determination Letter (FPRDL) will assess any applicable liabilities as determined by the file review.

FINDING 2: THE COLLEGE IMPROPERLY APPLIED INCONSISTENT PAYMENT PERIODS WHEN DISBURSING TITLE IV FUNDS WITHIN THE SAME ACADEMIC PROGRAM

As stated in the previous finding, the College offers its programs on a non-standard term basis during the academic year. The College combines its six, five-week terms of substantially equal length into two, fifteen-week semesters periods for the purpose of establishing payment periods for the FFEL loan programs. However, it incorrectly combines its terms into three, ten-week payment periods for the purpose of creating Federal Pell Grant and FSEOG payment periods.

This practice harms the Pell and FSEOG programs by permitting a student to earn two thirds of an annual award in less than one semester's time.

REFERENCES: **34 C.F.R. §§668.4 and 668.164(b)**
2002-03 Federal Student Aid Handbook, Volume 2, Chapter 2

REQUIREMENTS:

For a student enrolled in an eligible program that is offered in semesters, trimesters, quarters, or other academic terms and measures program in credit hours, the payment period is the semester, trimester, quarter or other academic term [**34 C.F.R. §668.4(a)**]. Unlike eligible programs that measure progress in credits without terms and clock hours, payment periods for term-based programs may not be altered to correspond to periods that do not coincide with the terms. For institutions such as the College that use non-standard terms, the terms can be combined to form a standard term for the purpose of establishing a payment period [**2002-03 Federal Student Aid Handbook, Volume 2, pp. 33-34**]. In other words, regardless of the whether the institution combines its terms or not, the resulting payment period must be consistent across all the Title IV programs (except Federal Work Study). An institution may choose to establish different terms for different eligible programs as long as the payment period consistency is maintained. For example, the College could combine two of its five-week terms into a payment period to establish two payment periods for its 20-week programs.

The College must discontinue its practice of establishing three payment periods in its academic year for the Pell and FSEOG awards, while establishing two payment periods for the FFEL awards in the same eligible academic programs, beginning with the Award Year 2004-05. The College must present its plan to implement the new payment period policy as a response to this finding.

FINDING 3: THE COLLEGE DID NOT ACCURATELY OR TIMELY RETURN TITLE IV FUNDS WHEN ITS STUDENTS WITHDREW[5]

The College provided the ED reviewer with a list of students who had withdrawn from the College during the Subject Award Years (Students 46 through 60). A statistical sample of the withdrawn student list was performed and the College provided attendance, enrollment and refund calculation worksheets on the students selected.

In performing the test for compliance in this area, information from the College's attendance, academic and student financial ledgers were compared with reported award, enrollment and application information contained in the FSA Systems: National Student Loan Data System (NSLDS), Common Origination and Disbursement (COD), and Recipient Financial Management System (RFMS). The reviewer notes that the College's stated policy for determining how much Title IV aid a student earned under the Return to Title IV provisions is to use the payment period for students enrolled in its certificate programs, and the period of enrollment for students enrolled in its degree programs.

Of the 45 student files that consist of the regular sample, the reviewer determined that 11 students **(Files 5, 8, 13, 17, 19, 20, 21, 23, 29, 33, and 37)** had withdrawn from the college at some point, causing a Return to Title IV calculation to be performed. The reviewer computed the amount the College was required to return to the Title IV programs, using the Return to Title IV worksheet for credit hour programs found on the Information for Financial Aid Professionals website at http://www.ifap.ed.gov/aidworksheets/current.htm.

The results of the reviewer's computations for affected students in both the regular and withdrawn student samples are found at **Appendix C. Appendix C-1** includes a summary worksheet on the **timing** of the returns the College did make on behalf of those students.

The following describes the sources of information the reviewer relied upon in completing the Return to Title IV Worksheets for Appendix C:

Period of Enrollment:	Loan periods reported by the College in certifying the student's Stafford loans, as indicated in NSLDS
Payment Period:	For a full academic year, the student's academic transcript showing the beginning and endings of three, five-week terms. For remaining periods of less than an academic year, the calendar midpoint of the period.

[5] On November 1, 1999, the Secretary published the Final Rule in the Federal Register [64 FR 59038], promulgating the rules for the treatment of Title IV funds when a student withdraws under the Higher Education Amendments of 1998. The Final Rule allowed institutions to delay the implementation date (by continuing to apply the rules under the prior Higher Education Amendments of 1992) until no later than October 7, 2000. During the review, the College stated that it chose to implement 1998 Amendments on this date. Accordingly, the College was required to apply the rules in effect under the 1992 Amendments for students it had determined to have withdrawn prior to October 7, 2000. The reviewer applied this distinction to the finding.

Title IV disbursements:	Student Ledger Cards prepared by the College
Last Day of Attendance:	Detail Attendance reports prepared by the College
Institutional Charges:	Student Ledger Cards (all charges were considered institutional charges)

The cumulative results of the appendix indicate a finding that the College should have returned an additional $19,853.19 to the Title IV programs, above and beyond what it actually returned behalf of those students.

For the purpose of determining whether the College made its returns on a timely basis (Appendix C-1), the reviewer relied on the following documentation and construction of the College's policies:

Last Day of Attendance:	Detail Attendance reports prepared by the College
Actual Withdrawal Determination:	(Earlier of) Drop Date as provided by the College's institutional refund worksheet or the date the Return of Title IV Worksheet was completed by the College
Withdrawal Determination Per 10-Day Policy:	The date that falls on the eleventh consecutive scheduled class day following the last day of attendance. This date was used to determine the beginning of the 30-day period in which the College was required to return Title IV funds.
Return Payment Posted to Bank Records:	The date the payment was posted pursuant to the College's bank statements (unless otherwise noted in the appendix)

The results of the finding indicate that the College's method for determining the timing and extent of refunds it makes under the Return to Title IV provisions is fundamentally flawed in three main areas:

1. The College delays the withdrawal process in spite of the fact that it knows (or should have known) a student has withdrawn under its attendance policy and procedures.

2. The College uses the period of enrollment to coincide with its billing cycles instead of the period for which Title IV awards are intended; and,

3. The College does not include all of its institutional charges in determining how much unearned Title IV is due from the College;

The undue retention of Title IV proceeds results in an institution having use of such funds to which it is not entitled, and causes unnecessary increased expenses to needy students and the Department. Such improper retention of Federal funds deprives needy students of the opportunity to use such funds for other educational programs and unjustly enriches the institution at the expense of students and the Department.

REFERENCES: 34 C.F.R. §668.22
2002-03 Federal Student Aid Handbook, Volume 2, Chapter 6
Dear Colleague Letter GEN-00-24, December 2000
Federal Register, Vol. 64, pp 59016-44, November 1, 1999

REQUIREMENTS:

1992 Higher Education Amendments

The regulations under the 1992 Amendments required institutions to perform calculations that were designed to measure how much Title IV aid was earned by the **institution** during the portion of the enrollment period for which the student was in attendance. The method of measuring the portion of the enrollment period completed by the student depended upon the enrollment history of the student who withdrew.

First Time Students:

For those students who were first-time students and who withdrew **on or before** the 60% point in time of the enrollment period for which they were charged, the institution must calculate a statutory pro-rata refund and compare this amount to the refund amount from the applicable state and accrediting agency policies (if any) to determine the most equitable refund policy (yields the largest available refund) to the student[6].

Continuing Students:

If a student is a continuing student (not a first time student) who withdrew, **or a first time student who withdrew after the 60% point of the enrollment period** for which they were charged, the institution must calculate the student's refund amounts using the applicable state and accrediting agency policies (if any), compare the resulting refunds, and use the calculation that provides the largest refund. If the state and accrediting agency policies do not exist or are not applicable, the institution must calculate the refund under the **Federal Refund Policy** and the institution's policy (if any) and provide the largest refund[7]. The Federal Refund Policy mandated the percentage of institutional costs that must be refunded as follows:

• withdrawal on the first day of class—100% refund of institutional costs (less the permitted administrative fee of the lesser of $100 or 5% of institutional costs).

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[6] In the case of the College, neither the state of Arizona nor its accrediting agency implemented legally enforceable refund policies. Therefore, the statutory pro-rata refund method applied to first time students and the comparison of a most equitable refund policy was not applicable.
[7] In the case of continuing students, the College was required to make a comparison of the Federal Refund Policy and its own policy and determine which provided for a more equitable refund for the student.

• withdrawal after the first day of class through the first 10% of the enrollment period for which the student has been charged—90% refund of institutional costs.

• withdrawal after the first 10% of the enrollment period for which the student has been charged through the first 25% of the enrollment period for which the student has been charged—50% refund of institutional costs.

• withdrawal after the first 25% of the enrollment period for which the student has been charged through the first 50% of the enrollment period for which the student has been charged—25% refund of institutional costs.

Pro-rata Calculation Worksheet Example

STEP ONE

Unpaid Charges

*Scheduled SFA payments and FFEL/Direct late disbursements that have not yet been received, for which the student is still eligible in spite of having withdrawn, must be counted to reduce the student's scheduled cash payment. This includes late State aid disbursements as allowed under written State policy. (Scheduled payments from sources other than those above cannot be counted in this manner.)

	4500	Total Institutional Costs (from Withdrawal Record)	A
–	4045	Total Aid Paid to Inst. Costs* (also from Withdrawal Record)	C
=	455	Student's Scheduled Cash Payment (SCP)	
–	0	Student's Cash Paid (from Withdrawal Record)	
=	455	UNPAID CHARGES	

STEP TWO

Refund Amount

Generally, funds must be returned to the appropriate program account(s) within 30 days of the date of withdrawal, and to the lender within 60 days of the same.

	4500	Pro Rata Institutional Costs (from Withdrawal Record)	A1
x	50%	% to be Refunded (from the Portion That Remains)	
=	2250	Initial Refund Amount	
–	455	Unpaid Charges (from Step One)	[illegible]
=	1795	ACTUAL REFUND TO BE DISTRIBUTED	

Federal Refund Policy Example

STEP ONE*
Unpaid Charges

*Scheduled SFA payments and FFEL/Direct late disbursements that have not yet been received, for which the student is still eligible in spite of having withdrawn, must be counted to reduce the student's scheduled cash payment. This includes late State aid disbursements as allowed under written State policy. (Scheduled payments from sources other than those above cannot be counted in this manner.)

	6000	Total Institutional Costs (from Withdrawal Record)	A
−	3492	Total Aid Paid to Inst. Costs* (also from Withdrawal Record)	C
=	2508	Scheduled Cash Payment (SCP) (attribution not allowable)	
−	0	Student's Cash Paid (from Withdrawal Record)	
=	2508	UNPAID CHARGES	

STEP TWO
Refund Amount

Generally, funds must be returned to the appropriate program account(s) within 30 days of the date of withdrawal, and to the lender within 60 days of the same.

	5900	Federal Refund Calculation Inst. Costs (from Withdrawal Record)	A1
X	25%	% to be Refunded (from the regulatory policy)	
=	1475	REFUND AMOUNT TO BE DISTRIBUTED	

An institution is permitted to exclude up to 5% of institutional costs ($100 maximum) for the purpose of administrative fees. Note that the above example excludes $100 from the actual costs ($6000-$100 = $5900).

The 1992 Amendments required that refunds be distributed to the Title IV programs and other sources in the following order:

REFUND DISTRIBUTION—Prescribed by Law and Regulation

TOTAL REFUND 1475

1. Federal SLS Loan		8. Federal Perkins Loan	
2. Unsubsidized Federal Stafford Loan		9. Federal Pell Grant	
3. Subsidized Federal Stafford Loan	928	10. FSEOG	
4. Federal PLUS Loan	547	11. Other Title IV Aid Programs	
5. Unsubsidized Federal Direct Stafford Loan		12. Other Federal, state, private, or institutional aid	
6. Subsidized Federal Direct Stafford Loan		13. The student	
7. Federal Direct PLUS Loan			

1998 Higher Education Amendments

The 1998 Amendments do not dictate the comparison of a most equitable refund policy for first time or continuing students. Instead, a statutory schedule is used to determine the amount of Title IV funds **a student has earned as of the date he or she ceases attendance**. The amount of Title IV Program assistance earned is based on the amount of time the student spent in academic attendance; it has no relationship to the student's incurred institutional charges.

Up **through the 60%** point in each payment period or period of enrollment, a pro rata schedule is used to determine the amount of Title IV funds the student has earned at the time of withdrawal. **After the 60%** point in the payment period or period of enrollment, a student has earned 100% of the Title IV funds.

The regulations require that institutions undertake the following steps in calculating any amount to be returned to the Title IV programs. The steps vary slightly between academic programs that are measured in terms with credit hours and those measured in clock hours or non-term programs and also whether the institution is required to take attendance or not. As the College offered term-based programs with credit hours and was required to take attendance, the following focuses on those requirements.

Step 1 **Determine the Net Amount of Title IV Funds Disbursed or Could Have Been Disbursed During the Payment Period or Period of Enrollment**

In this step an institution includes the amount of Title IV loan (net of origination and insurance fees) and grant funds disbursed to a student, or parent on behalf of a student during the payment period or period of enrollment. In this step, an institution includes Title IV funds disbursed up until the point when the institution determines that the student withdrew, to include inadvertent post-withdrawal disbursements. Title IV funds that "could have been disbursed" include those disbursements that meet the requirements of a *late disbursement* under the cash management regulations[8]

Step 2 **Determine the Percentage of Title IV Aid Earned by the Student**

When determining the percentage of Title IV aid earned by a student in an institution that is required to take attendance, an institution divides the total number of days in the payment period or period of enrollment by the number of days the student completed in the period. The percentage excludes scheduled breaks of five or more days or periods when the student was on approved leaves of absence.

Step 3 **Multiply the Percentage of Title IV Aid Earned by the Student by the Total Amount of Title IV Aid Disbursed Plus Title IV Aid That Could Have Been Disbursed to the Student**

The result represents the amount of Title IV aid earned by the student

[8] Conditions for a late disbursement: (i) Except in the case of a PLUS loan, the Secretary processed a SAR or ISIR with an official expected family contribution; and (ii) (A) For a loan under the FFEL or Direct Loan programs, the institution certified or originated the loan; or (B) For an award under the Federal Perkins Loan or FSEOG programs, the institution made that award to the student [34 C.F.R. §668.164(g)(2)].

Step 4 **Total Title IV Aid to be Disbursed or Returned**

Compare the amount determined in Step 3 with the amount of Title IV aid disbursed (not could have been disbursed):

- If the amount in Step 3 **is greater than** Title IV aid disbursed, a *post-withdrawal disbursement* is due to the student. **Subtract Title IV aid disbursed for the payment period or period of enrollment from the amount of Title IV aid earned. This is the amount of the post-withdrawal disbursement due. An institution must follow the procedures of a post-withdrawal disbursement**[9] (no Return to the Title IV programs is applicable).

- If the amount in Step 3 **is equal** to the amount of Title IV disbursed, *no further action is necessary*

- If the amount of in Step 3 **is less than** the amount of Title IV disbursed, **the amount represents Title IV aid that must be returned.** The institution then proceeds to calculate the share of aid to be returned to the Title IV programs by both the institution and the student.

Step 5 **Title IV Aid to be Returned by the Institution**

The institution must determine the amount of Title IV that it is responsible to return by:

a. Considering the amount of institutional charges it assessed to the student during the payment period or period of enrollment;

b. Determine the percentage of Title IV aid unearned by the student (100% - percentage derived in Step 2);

c. Multiply the results of Step 5a and 5b

d. Compare the result of Step 5c with the amount of Title IV aid to be returned in Step 4 and consider the lesser amount. **The result represents the institution's share of funds that need to be returned to the Title IV programs.**

Step 6 **Return of Title IV Funds by the Institution**

The institution must return the unearned aid for which it is responsible (Step 5d) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source:

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[9] The post-withdrawal disbursement procedures are described in 34 C.F.R. §§668.22(a)(4) and 668.164(g) The requirements for these procedures are omitted here, as the reviewer did not identify any findings in this area.

a. Unsubsidized FFEL/Direct Stafford Loan
b. Subsidized FFEL/Direct Stafford Loan
c. Perkins Loan
d. FFEL/Direct PLUS
e. Pell Grant
f. FSEOG
g. Other Title IV programs

Step 7 **Initial Amount of Unearned Title IV Aid Due From the Student**

This amount is derived by subtracting the total amount of unearned Title IV aid as determined in Step 4 from the institution's share of unearned aid in Step 5d.

Step 8 **Return of Title IV Funds by the Student**

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Step 7) by repaying funds to the sources in the same order described in Step 6 up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%. Loans are returned in accordance with the terms of their promissory notes and the institution is only responsible for notifying the lender of the student's withdrawal.

The following paragraphs expand upon the requirements under both Amendments as they relate to the three areas of deficiencies identified by the reviewer in the finding. The guidance provides for references to the current law, as implemented under 34 C.F.R. §668.22, unless otherwise noted.

1. Timing of an Institution's Determination that a Student Withdrew:

Under both Higher Education Amendments, institutions are required to return unearned Title IV funds, as soon as possible, but no later than 30 days after the date of the institution's determination that the student withdrew. [34 C.F.R. §668.22(j)] The "date of the institution's determination that the student withdrew" is defined in the Return to Title IV provisions in accordance with the following:

(i) For a student who provides notification to the institution of his or her withdrawal, the student's withdrawal date as determined under paragraph (c) of this section or the date of notification of withdrawal, whichever is later; ***[paragraph (c) applies to institutions who are not required to take attendance]***

(ii) For a student who did not provide notification of his of her withdrawal to the institution, the date that the institution **becomes aware that the student ceased**

attendance[10];

(iii) For a student who does not return from an approved leave of absence, the earlier of the date of the end of the leave of absence or the date the student notifies the institution that he or she will not be returning to the institution; or

(iv) For a student whose rescission is negated under paragraph (c)(2)(i)(B) of this section, the date the institution becomes aware that the student did not, or will not, complete the payment period or period of enrollment. **[The negated rescission refers to circumstances when a student provides an official notification to an institution of an intent to withdraw, then rescinds the notice, but never returns]**

(v) For a student who takes a leave of absence that is not approved in accordance with paragraph (d) of this section, the date that the student begins the leave of absence. **[paragraph (d) relates to acceptable leaves of absence policies of an institution]**

[34 C.F.R. §668.22(l)(3)]

2. ***Use of Payment Period or Period of Enrollment***

The portion of Title IV funds earned by a student prior to withdrawal may be determined by an institution on either a payment period basis or a period of enrollment basis, provided that the institution consistently applies either method to the same academic program for the following classes of students:

(*1*) Students who have attended an educational program at the institution from the beginning of the payment period or period of enrollment.

(2) Students who re-enter the institution during a payment period or period of enrollment.

(*3*) Students who transfer into the institution during a payment period or period of enrollment.

[34 C.F.R. §668.22(e)(5)]

The 1998 Amendment prescribes the method of determining institutional refunds of Title IV assistance in Section 485. The statute describes period of enrollment as *the period for which student assistance is awarded* [P.L. 105-244 §485(d)]. The regulations implement the statutory intent of this definition by describing the period of enrollment as the academic period established by an institution for which institutional charges are generally assessed (i.e. length of the student's program or academic year) [34 C.F.R. 668.22(l)(2)]. The definition in the regulations is not be construed to permit an institution to use a shorter enrollment period that coincides with an its billing period, but rather to demonstrate that actual assessed charges are considered in applying the Return to Title IV provisions. The use of either a period of enrollment or payment period establishes the period to consider when determining how much Title IV funds a student earned at the point in time when they withdrew.

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[10] The reviewer used this provision as justification for applying the College's policy to invoke an administrative withdrawal to a student following 10 consecutive days of absences, unless the student file contained an approved leave of absence or other documented circumstances.

An institution may not shorten the period of enrollment to correspond to the timing of its billing practices, unless the Title IV assistance it awards is intended for that period. In many cases, the effect of considering a shorter period of enrollment when applying the Return to Title IV provisions results in withdrawing students earning a disproportionately greater amount of Title IV aid during the period and less being returned to the programs.

3. ***Institutional Charges***

Tuition, fees, room and board, and other charges assessed by an institution for required educational costs have been collectively and historically referred to as *institutional charges*. As a general rule, institutional charges are defined as expenses that an institution assesses a student for educational expenses and are paid to the institution directly.

Under the 1992 Amendments, the refund provisions required the use of institutional charges in measuring the portion of Title IV funds ***earned by an institution*** when a student withdraws. Institutional charges incurred by the student are charges for which the student is responsible and were initially assessed by the institution for the payment period or period of enrollment.

In the requirements of the 1998 Amendments, institutional charges are used to determine any portion of unearned Title IV aid (in Step 5) that the institution is responsible for returning after determining the percentage of Title IV aid ***earned by the student***. Nevertheless, the concept of institutional charges applies to both of the HEA Amendments with respect to the method of determining any amount of Title IV refunds an institution must make when a student withdraws, transfers or is terminating from an institution during a payment period or period of enrollment for which the aid was intended.

Institutions are required to consider the following as institutional charges:

- all charges for tuition, fees, and room and board (if contracted with the institution); and
- expenses[11] for required course materials, if the student does not have a *real and reasonable opportunity* to purchase the required course materials from any place but the institution.

Non-institutional charges include:

- a charge to student's account for group health insurance fees, if the insurance is required for all students and the coverage remains in effect for the entire period for which the student was charged, despite the student's withdrawal; or
- a charge to a student's account for discretionary educationally-related expenses (e.g., parking or library fines, the cost of athletic or concert tickets, etc.).
- application and registration fees **[FR 59, April 29, 1994, Final Rule, Page 22356]**.

[11] Institutional and non-institutional expenses are not defined by whether an actual charge has been made to a student's institutional account. If a student pays cash for materials required in their academic program, the amount is considered an institutional charge, in spite of the fact that the institution's accounting records may not reflect the transaction in the student's ledger.

Excludable Charges

An institution has the discretion to exclude from institutional charges such costs as the documented cost of un-returnable equipment, and the documented cost of returnable equipment if not returned in good condition within 20 days of withdrawal.

Institutional charges include the cost of required books, supplies and returnable equipment, unless the institution can demonstrate that the student had a real and reasonable opportunity to purchase those materials elsewhere. Notwithstanding the availability of the materials, a real and reasonable opportunity does not exist if the institution disburses Title IV funds to a student at a time when it would not be practical to purchase the materials outside of the institution. For example, if an institution disburses funds to a student to buy equipment that he or she is required to have by the first day of class, but the disbursement is so late that the student only has time to purchase the equipment at the institution, the cost of the equipment must be included as institutional charges.

The College must respond to each of the exceptions described in **Appendices C and C-1.**

In addition the College is to perform a review of the files of all of its students who had withdrawn or were terminated in the Subject Award Years to determine the total number of files, amounts and dates due of all Title IV funds that were to have been returned and were not returned timely. It is to prepare a report of such review, providing the same in electronic (*.xls or *.mdb format) and hard copy format, setting forth the following data:

a. Student Name
b. Student Social Security Number
c. Date of determination of withdrawal
d. Amount of Title IV refund due
e. Date Title IV refund was due
f. Amount of Title IV funds, by program, returned
g. Date Title IV funds were returned
h. Number of days late

The College must have an independent auditor attest to the accuracy of the reconstruction in a manner described in Section E of this report.

The College is also to establish and maintain such additional policies and procedures that will assure that its computation of Return to Title IV funds will be accurate and returned in a timely manner. A copy of such policies and procedures must be submitted with its response to this report.

The College will be liable for return of any additional Title IV funds to be returned, together with imputed interest, special allowance and loan interest accrued. Instructions for repayment of any determined liability will be provided in the Final Program Review Determination Letter.

FINDING 4: THE COLLEGE INCORRECTLY APPLIED THE PROVISIONS OF THE 90/10 RULE WHEN ATTESTING TO ITS ELIGIBILITY AS A PROPRIETARY INSTITUTION OF HIGHER EDUCATION

The College and its corporate parent company, Career Education Corporation (CEC) implemented accounting procedures to effectively distort its reported cash basis revenue in determining the College's continuing eligibility as a proprietary institution of higher education under the regulations. Evidence suggesting a coordinated subterfuge to under-report the effect of Title IV revenues in the 90/10 attestations reported in footnotes to the CEC financial statements is described in the following observations and interviews of witnesses during the review.

The student ledgers indicate that the College improperly inflated its non-Title IV revenues by characterizing credit balance payments to students as "cash" received for tuition, fees and other institutional charges. Specifically, the College would issue a check to a student and the student would endorse the check back to the College. The College would then record the endorsed check as a non-Title IV payment. In other transactions, the College would issue a stipend to RNR real estate (student housing) and then record a student payment in the same amount with a (CC/CRCRD) transaction code. The reviewer observed this type of transaction in 14 of the 45 files within the regular sample. The specific file numbers and the fiscal year in which the transaction took place follow:

Students: 2 (2000), 4 (2000)(2001), 5 (2001), 7 (2001), 9 (2000), 10 (2001)(2002), 11 (2001), 22 (2003), 23 (1999)(2000), 25 (2001), 26 (2001), 30 (2001), 32 (2003) and 36 (2002)

The reviewer interviewed a student whose ledger shows an example of the foregoing transactions. I asked the student to recollect upon two transaction in her ledger that shows how the College first paid her a stipend on August 28, 2002 and how she made a payment in the same amount with the same check reference number to the College on September 9, 2002. The student explained that she was called into the College's administration office and was given a check that she was required to endorse back over to the College. She didn't understand the transaction, but she was left with the impression that it was financial aid that she had to use to cover her institutional charges.

In addition, the reviewer interviewed Ms. Patti Van Tansel, the Chief Financial Officer at the College. Ms. Van Tansel stated that beginning with the 2002 fiscal year, the corporate CEC staff took over the responsibility of monitoring and reporting each of its institutions' 90/10 ratios. During the interview, Ms. Van Tansel claimed that she was unaware of student ledger entries that show payments to students by the College and subsequent payments soon after by the students to the College in the same amount. When I asked her to remark upon the ledger of the student I interviewed, she ventured to say that it was not unusual for students to retain un-cashed living expense checks for a couple of weeks and give them back to the College to cover their charges. Ms. Van Tansel also claimed to not have any knowledge of any contractual relationship the College has with RNR real estate[12].

[12] RNR real estate refers to RNR Real Estate Marketing, LLC (West Palm Beach, Florida) According to its website, it provides student housing services to students at the College and two other institutions in Arizona. Pursuant to the Dormitory Style Housing Pursuant to License Contract, v. 1.4 as published on the site, RNR Real Estate acts as a broker in granting leases to students in represented schools The contract contains a General

In another interview with Ms. Van Tansel, the reviewer, and Donna Wittman of the San Francisco Case Management Team, Ms. Van Tansel was asked to explain certain ledger entries and how the transactions fit within the 90/10 formula and reported by the College in its attestation of compliance. During the interview, Ms. Van Tansel was unable to distinguish between ledger entries that describe Title IV credit balances paid to students, refunds to the Title IV programs and returns of Title IV loan proceeds to lenders. She did, however, send reviewer a copy of a CD that provides a basis for the 90/10 attestation that the College made during its fiscal year ending December 31, 2002.

In addition to the interviews, the reviewer requested that CEC direct its financial statement auditor, Ernst & Young LLP, to provide the Team with copies of its work papers in connection with the Collins College 90/10 attestation. The audit firm responded that it would provide the requested information if the Department would sign a release of confidentiality and to hold the firm harmless against any claims in connection with its attestation. Upon the advice of the Department's counsel, the Team did not sign the release. Mr. Mark Tobin, Vice President of Government Relations at CEC was notified of this fact shortly thereafter.

In addition to the check endorsement scheme, the College also paid students credit balances when balances were not due on the institutional accounts. This practice diminishes the numerator of the College's 90/10 ratio by causing an underreporting of Title IV that are applied to the formula (because true credit balances do not get counted in the formula under the regulations). It also artificially inflates the revenue reported exclusively in the denominator when the student subsequently uses the proceeds of the "credit balance refunds" as the College treated those payments as revenue arising from non-Title IV sources.

In summary, the aforementioned accounting practices serves to distort the true proportion of Title IV revenue that the College relies upon in satisfying its students' tuition, fees and other institutional charges in contravention to the requirements of the regulations. As a result, the 90/10 attestations that CEC has provided to its stockholders and the Department with regards to the College, and possibly its other institutions, cannot be relied upon in assuring that such institutions continue to be eligible to receive funding under the programs authorized by the HEA.

REFERENCES: 34 C.F.R. §600.5
2002-03 Federal Student Aid Handbook, Volume 2, Pages 9-11
Dear Partner Letter GEN-99-33, Dear CPA Letter 99-02

REQUIREMENTS:

In order to be eligible for participation in Title IV programs, a proprietary institution must have no more than 90 percent of its revenues derived from Title IV program funds, pursuant to 34 C.F.R. §600.5(a)(8). In determining whether no more than 90 percent of revenues are from Title IV funds, an institution must examine its revenues under the following formula for each fiscal year:

Sanctions clause that provides for referrals to schools for disciplinary action for violations of conduct. The contract also contains an indemnity clause that holds schools and the broker "harmless for any death or injury to the students or guest(s) of the student resulting from or arising out of the students use of the Unit" As a result of the inadequate response provided by the College regarding its relationship with RNR Real Estate, the extent of the contract's effect on the College's 90/10 formula, if any, cannot yet be determined.

Title IV HEA program funds the institution used to satisfy its students' tuition, fees, and other institutional charges to students **[Divided by]**
The sum of revenues ***including*** **Title IV HEA program funds (carried forward from the numerator)** generated by the institution from: tuition, fees, and other institutional charges for students enrolled in eligible programs as defined in 34 C.F.R. §668.8; and activities conducted by the institution, to the extent not included in tuition, fees, and other institutional charges, that are necessary for the education or training of its students who are enrolled in those eligible programs

[34 C.F.R. 600.5(d)(1) -Emphasis and Clarification Added]

An institution must use the cash basis of accounting when calculating the amount of Title IV program funds in the numerator and the total amount of revenue generated by the institution in the denominator of the formula from institutional charges of eligible programs and other activities permitted under the regulations. When counting revenue in the formula, an institution must only include revenue generated from eligible programs.

When considering the extent of revenue to apply to both the numerator and denominator of the 90/10 formula an institution must apply the standards of institutional, non-institutional and excludable charges (see discussion in Finding 3). As such, institutions must implement a system of classified accounts that provides for the distinction of revenue derived from institutional and non-institutional charges in order to accurately attest that it meets the requirements under the law.

Consider for example, a student who purchases textbooks required for his eligible academic program in an institution's bookstore by paying cash. The cost of the textbook is included in the 90/10 formula, in spite of the fact that a record of that transaction may not be recorded on the student's account with the institution. If that student also purchases snacks, pens, and a sweatshirt as part of the transaction, the revenue the institution receives in the transaction for those items does not get included in the 90/10 formula because those items represent *discretionary*, *education-related* (pens) and *non-educational* expenses.

In calculating the amount of revenue generated by an institution in the 90/10 formula, an institution may not include as Title IV program funds in the numerator nor as revenue generated by the institution in the denominator –

(i) The amount of funds it received under the Federal Work-Study (FWS) Program, unless the institution used those funds to pay a student's institutional charges in which case the FWS program funds used to pay those charges would be included in the numerator and the denominator;

(ii) The amount of funds it received under the Leveraging Educational Assistance Partnership (LEAP) Program (formerly known as the State Student Incentive Grant or SSIG Program);

(iii) The amount of institutional funds it used to match Title IV program funds;

(iv) The amount of Title IV program funds that must be refunded or returned under 34 C.F.R. §668.22; or

(v) The amount charged for books, supplies, and equipment unless the institution includes that amount as tuition, fees, or other institutional charges.

[34 C.F.R. §600.5(e)(1)]

In determining the amount of Title IV program funds received by the institution under the cash basis of accounting, the institution <u>must presume</u> that any Title IV funds disbursed or delivered to or on behalf of a student will be used to pay the student's tuition, fees, or other institutional charges, regardless of whether the institution credits those funds to the student's account or pays those funds directly to the student, and therefore must include those funds in the numerator and denominator.

[34 C.F.R. §600.5(e)(2) - Emphasis Added].

In considering its revenues in the 90/10 formula, an institution is permitted to not presume that Title IV funds are used to pay institutional charges when those charges are satisfied by:

(i) Grant funds provided by non-Federal public agencies, or private sources independent of the institution;

(ii) Funds provided under a contractual arrangement with Federal, State, or local government agencies for the purpose of providing job training to low-income individuals who are in need of that training, e.g., Workforce Investment Act (WIA);

(iii) Funds provided by State prepaid tuition plans.

With the exception of the above three revenue sources, an institution is required to consider Title IV first in applying revenue against institutional charges.

By applying the aforementioned revenue sources against institutional charges in the order so described, an institution may not include credit balances in the formula. Guidance on this issue is addressed in the October 29, 1999 Federal Register (Institutional Eligibility Under the Higher Education Act of 1965, as amended and Student Assistance General Provisions; Final Rule [Page 58610]):

In general, funds held as credit balances in institutional accounts do not get counted in the 90/10 formula in §600.5(d)(1). However, once funds held as credit balances are used to satisfy institutional charges, they would be counted in both the numerator and denominator of the formula.

An institution cannot artificially mitigate the amount of Title IV funds included in the numerator of the formula by disbursing funds to a student in excess of an actual credit balance. When the Title IV presumption rules are applied correctly, any funds a student pays back during the fiscal year to the institution is treated as Title IV funds and not cash from private sources. The

Department will permit payment of those credit balance funds to be included in the formula for the following year to satisfy institutional charges as long as those transactions do not represent a pattern or practice to bypass the regulatory Title IV presumption.

In response to this finding, the College is required to recalculate its 90/10 attestations by following the prescribed instructions contained in **Appendix D** for each of its fiscal years ending December 31, 2000 through 2003. **The College must have an independent auditor attest to the accuracy of the revised 90/10 attestations for each of the four fiscal years in a manner described in Section E of this report.**

FINDING 5: THE COLLEGE REPORTED ENROLLMENT DATA TO THE TITLE IV SYSTEMS THAT IS INCONSISTENT WITH INSTITUTIONAL RECORDS

A comparison of NSLDS enrollment records to institutional records revealed that 20 of the 45 regular student sample files contain errors or discrepant information that distorts its students' enrollment statuses. A detail of each inconsistency is found at **Appendix E.**

Inconsistent reporting of enrollment statuses of students reflects an impaired administrative capability that affects a broad range of student and institutional eligibility requirements, including whether a student enters repayment status on their loans. As such, grossly inaccurate records can distort an institution's default rates.

REFERENCES:

34 C.F.R. §682.610(c) (FFEL); §685.309(b) (Direct Loans)
Dear Colleague Letters GEN 99-9; GEN 96-5; GEN 96-17
Federal Student Aid Handbook 2002-03, Volume 8, Chapter 7

REQUIREMENTS:

Upon receipt of a student roster file (formerly known as Student Status Confirmation Report) from the Department through NSLDS or by a guaranty agency, an institution is required to submit the enrollment status of each student within 30 days. Notwithstanding the receipt of the roster, an institution is required to report a change in its student's status within 30 days of the change, unless it expects to receive a new roster within 60 days of the change.

Enrollment status codes in NSLDS are as follows:

Enrollment Status Codes
A = Approved Leave of Absence
D = Deceased
F = Full time
G = Graduated
H = Half time or more, but less than full time
L = Less than half time
W = Withdrawn
X = Never attended
Z = Record not found

The College must directly respond to each comment relating to the 20 students for which the reviewer asserts there is inconsistent information between the student's status pursuant to institutional records and that, which is reported in NSLDS. In cases where the College does not agree with the reviewer's assertion, please provide documentation that would clarify the College's position that the NSLDS information is in fact consistent with its enrollment records, such as **original** attendance rosters, notices by the student regarding withdrawals, or leave of absence applications and approvals.

If the College asserts that data contained in the NSLDS enrollment records is incorrect, it must take whatever corrective action is necessary to correct the data and submit evidence to the Team that the adjustments have been made.

FINDING 6: THE COLLEGE DELAYED THE REPORTING OF ENROLLMENT DATA TO NSLDS BEYOND THE REQUIRED TIMEFRAME

The comparison between College records and NSLDS revealed that the College failed to report a change in student status within the required timeframe for 37 of 45 of the files tested.

In determining whether the College reported its students' enrollment status changes in a timely manner, the reviewer ran an Enrollment Detail Report for the Subject Award Years. The report's fields are reproduced within **Appendix E** (in addition to data related to Finding 5) for students within the regular sample. The relevant fields are defined as follows:

- **Eff. Date**—The Effective Date, which is the date when the reported enrollment status took effect.
- **Cert. Method**—The method the school used to certify the enrollment information.
  - o School Batch—The school certified the enrollment information through the batch enrollment reporting process.
  - o NSLDS Web—The school certified the enrollment information using the Enrollment Maintenance page on this site
- **Date Received**—Indicates the day when the NSLDS processed the enrollment information.

Improper enrollment reporting may directly impact a student's eligibility to receive Title IV awards and result in an undue delay in the repayment period of Stafford loans, causing an extra expense to the Department in excessive loan interest subsidies. Consistent inaccurate reporting also affects an institution's cohort default rates by distorting the true number of borrowers who enter repayment during the period considered in determining the rate.

REFERENCES: 34 C.F.R. §§682.610; 682.304
2002-03 Federal Student Aid Handbook, Volume 8, Chapter 7

REQUIREMENTS:

At scheduled times during the year, not less than semiannually, NSLDS sends Roster (formerly known as Student Status Confirmation Reports) files electronically to an institution (or its designated servicer) through its Student Aid Internet Gateway mailbox. The file includes all of the school's students who are identified in NSLDS as Stafford borrowers (or the beneficiaries of a PLUS loan).

An Institution (or their third party servicer) must certify the information and return the Roster file within 30 days of receiving it. Institutions may also go to www.nsldsfap.ed.gov and update its information about students online. An Institution is required to report changes in the student's enrollment status, the effective date of the status and an anticipated completion date. **Changes in enrollment to less than half-time, graduated or withdrawn must be reported within 30 days.** However, if a Roster file is expected within 60 days, an institution may provide the data on that roster file.

A review of NSLDS reporting schedules indicates that the College has consistently chosen to receive its Roster file every two months during the Subject Award Years. **Therefore, in the case of the College, the period between a student's status change and the requirement to report that information to NSLDS cannot exceed 60 days.**

The College must reconstruct the enrollment status changes of all of its Title IV students during the Subject Award Years to determine the effect of the timeliness of its reporting to NSLDS. The Team will use this information to determine the amount of excess interest subsidies paid by the Department in its FPRDL. The enrollment status reconstruction must be summarized in a table that specifies, on an enrollment status by enrollment status basis:

Student	SSN	Date of Enrollment Status Change per College	Effective Date in NSLDS	Date Enrollment Status Received by NSLDS	Number of Days in Excess of 60-day Requirement

The College must have an independent auditor attest to the accuracy of the reconstruction in a manner described in Section E of this report.

With regards to 37 students with the late reports, the College must adjust the effective date in NSLDS to reflect the actual date any change in student status occurred, if appropriate.

FINDING 7: THE COLLEGE REPORTED PELL DISBURSEMENT DATA TO THE DEPARTMENT ON AN UNTIMELY BASIS

A review of 123 Pell disbursements within the regular sample disclosed that 51 of the disbursements were reported to the Department in excess of the required 30 days. The detailed results are displayed in **Appendix F.**

The 30-day reporting requirement ensures that federal funds won't remain at an institution when its students don't need the funds. It further ensures that if the student transfers to another institution, Pell payments to the student through the new institution won't be blocked. Institutions that don't submit required records on time, and institutions that submit incomplete records, will have their Pell allocations reduced and may be fined.

REFERENCES: 34 C.F.R. §690.83
2002-03 Federal Student Aid Handbook, Volume 3, Chapter 3

REQUIREMENTS:

Under the regulations, an institution that participates in the Pell grant program must submit required reports to the Department in a manner that is prescribed by the Secretary through an annual notice published in the Federal Register [34 C.F.R. §690.83(a)(2)]. During the Subject Award Years, the requirement to report Pell disbursement records no later than 30 days following the disbursement to the student has remained constant. The last day to report disbursement records for a particular award year is generally 90 days following the end of that award year (September 30), but may vary slightly from year to year, as promulgated in the federal register notice.

In response to this finding, the College must develop and implement written procedures to ensure that it is able to report Pell disbursements in timely basis in the future. Documentation of such procedures must be provided with the College's response to this report.

FINDING 8: THE COLLEGE RETAINED TITLE IV LOAN FUNDS IN EXCESS OF CASH MANAGEMENT REGULATORY TIMEFRAMES

A comparison between disbursement dates in the student ledgers and NSLDS indicates that in 21 of the 45 files FFEL funds were disbursed to students after tolerable excess cash limits. Details for the loan disbursement findings are found at **Appendix G.**

Institutions that do not disburse Title IV funds within the allowable time period maintain excess cash and prevent students from receiving timely payment credits to their accounts and earn interest on those Title IV funds for which they are not entitled.

REFERENCES: 34 C.F.R. §668.166
2002-03 Federal Student Aid Handbook, Volume 2, Chapter 5, Page 94

REQUIREMENTS:

An Institution must disburse funds no later than three business days following the date the school receives them. *Excess cash* is any amount of Title IV program funds, other than funds received under the just-in-time payment method that an institution does not disburse to students by the end of the third business day. Excess cash must be returned to the Department immediately. However, sometimes an institution is prevented from disbursing funds in the required three days because of circumstances outside the school's control. For example, an institution may not have been able to disburse funds because of a change in a student's enrollment status, a student's failure to attend classes as scheduled, or a change in a student's award as a result of verification. To take these circumstances into account an institution may maintain an excess cash balance for up to seven additional days.

The College must reconstruct the timing of each of the disbursements it made to its students under <u>all of the Title IV programs</u> in which it participated (except FWS) during the Subject Award Years. For the loan programs, the College must use the format followed in Appendix F. For the grant programs, the College must use the date it withdrew funds from GAPS as the starting date in the analysis of whether it disbursed those funds in accordance with the cash management regulations.

The College must have an independent auditor attest to the accuracy of the reconstruction in a manner described in Section E of this report. The Team will use the information in the reconstruction to determine the extent of the College's liability in the FPRDL.

FINDING 9: THE COLLEGE DID NOT PROPERLY MAINTAIN ITS CAMPUS CRIME INCIDENT LOG

The College maintains a campus crime incident log. The reviewer examined the logs maintained during 1999, 2000 and 2001 and the referenced incident reports. All of the crime log entries had a referencing incident report, except for 2 missing reports in the 2000 log entries.

The College does not regularly maintain its crime log as required under the regulations. Rather, incident reports are maintained and aggregated annually to form the log to assist in the preparation of the annual security report. As a result, students, parents, employees and other interested parties did not have access to crime statistics in order to make an informed decision about the safety of the College campus.

REFERENCES: 34 C.F.R. §668.46(f)
2002-03 Federal Student Aid Handbook, Volume 2, Chapter 7, pp 240-41

REQUIREMENTS:

The federal regulations require that schools that maintain a campus police or security department must make, keep, and maintain daily logs of any crime that occurs within the patrol jurisdiction of the campus police or security department designated by the institution. The logs must be written in a manner that is easily understood. For each crime, the school must record the date it was reported, the nature, date, time, and general location, and the disposition of the complaint, if known. The logs must be made public, except where prohibited by law or when disclosure would jeopardize the confidentiality of the victim. Schools are required to update logs with new information when available, but no later than two business days after the information is received, unless the disclosure is prohibited by law or would jeopardize the confidentiality of the victim. The school must disclose any information withheld once the adverse effect is no longer likely to occur.

The College is directed to revise its procedures to provide for a contemporaneous crime statistics log that is updated within two business days after the information is received and made available to the public for sixty days. The College is required to provide a copy of such procedures in its response to this finding.

FINDING 10: THE ANNUAL SECURITY REPORT UNDERREPORTED CRIME STATISTICS

The College provided the ED Reviewer with copies of its annual Crime Statistics Reports for the three years preceding the site visit. The reports contain comparative statistics for the past three years, as required in the federal regulations. However, the reports do not break down the three geographic areas described in the requirements section of this finding. In addition, the College works with a third party, RNR Real Estate, to provide housing for its students. By definition, this contractual relationship creates an additional source from which crime statistics must be selected, by including reports of crimes within the apartment building properties and their contiguous areas.

The reviewer's examination of the College's campus security records and interview with the designated official revealed that the College underreported crime statistics by failing to include property or thoroughfares contiguous to its campus. Consequently, students, parents and others are not comprised of criminal activity on the campus of the College in order to be fully informed of the safety of their surroundings.

REFERENCES: 34 C.F.R. §668.46(a)
2002-03 Federal Student Aid Handbook, Volume 2, Chapter 7, pp 237-38

REQUIREMENTS:

Institutions must meet the campus security report requirements **individually for each separate *campus***. Institutions must provide crime statistics for three discrete categories: campus, non-campus buildings or property, and public property. The following definitions apply to areas that must be covered in an annual campus security report.

A ***Campus is:***

• any building or property (including residence halls) owned or controlled by an institution within the same reasonably contiguous geographic area and used by the institution in direct support of or in a manner related to its educational purposes.

• property within the same reasonably contiguous area that is owned by the school but controlled by another person, frequently used by students, and supports the institution's purposes (such as a food or other retail vendor).

***Non-campus building or property* is:**

• any building or property owned or controlled by a student organization officially recognized by the institution; and

• any building or property (other than a branch campus) owned or controlled by the institution, that is **not** within the same reasonable contiguous area, is used in direct support of or in relation to the institution's educational purpose, and is frequently used by the students.

This includes *Third Party Housing*. Whether the rent is paid to the third party by the institution on behalf of the student or directly by the student, a student housing facility owned by a third party that has a contract with an institution to provide housing for the institution's students is considered under the control of the institution

Public property:

All public property including thoroughfares, streets, sidewalks, and parking facilities that is within the same campus or immediately adjacent to and accessible from the campus is included in the category of public property. This would not include, for example, highways that are adjacent to the campus, but that are separated from the campus by a fence or other man-made barrier. An institution may use a map to visually illustrate the areas included in the definition of its campus.

Coordination With Local Law Enforcement:

Institutions are required to make a reasonable, good faith effort to obtain crime statistics and may rely on the information supplied by a local or state police agency. An institution making a good faith effort will not be held responsible for the failure of local and state police agencies to supply the required statistics.

The College is required to submit a corrective action plan that will address the deficiencies noted in this finding. The plan must identify steps it is going to take to consider crimes committed on RNR real estate property where its students reside. The plan must also include the method it will use to coordinate with local law enforcement in gathering statistics on crimes committed in areas contiguous to its campus.

FINDING 11: THE COLLEGE DID NOT ADEQUATELY MAINTAIN AND ACCOUNT FOR TITLE IV FUNDS

In support of its compliance with the cash management requirements contained within the General Student Assistance Provisions, the College provided the following bank account statements during the review:

Title IV Program	Institution	Title	Account Number	Period Provided	Interest Accrued per Year Ending	
Pell, FSEOG, FWS	M&I Thunderbird Bank #08[13]	EFT	8010115	January 1, 2000 through January 31, 2003	12/31/2000	$1364.55
					12/31/2001	$1134.29
					12/31/2002	$371.47
					Total	**$2870.31**

13 M&I Thunderbird Bank #08 was changed to M&I Marshall & Ilsley Bank #401800 beginning with the June 30, 2001 closing statements.

FFEL	M&I Thunderbird Bank #08	Federal Title IV Loan Account	8011257	July 01, 2000 through January 31, 2003	**Not Applicable**
Unknown[14]	M&I Thunderbird Bank #08	NIH Federal Account	8110845	January 1, 2000 through December 31, 2002	**Not Applicable**
Credit Balances	M&I Thunderbird Bank #08	Student REF	8127022	January 1, 2002 through January 31, 2003	**Not Applicable**

As noted in the table above, the College has not used the term, *federal funds* in the title of the bank accounts containing Title IV funds. The College has also stated that it has not filed a UCC-1 statement, in lieu of using the federal funds title on the accounts.

In addition, the College failed to provide any bank account information for FFEL loan funds it receives through Electronic Funds Transfer and claimed that the transactions were linked directly into its ledger system. If this unlikely scenario is accurate, those portions of FFEL funds do not meet the foregoing cash management requirements.

A review of the refund report for the College in GAPS shows that no refunds of interest were paid to the Department. Staff at the Department that provides support to GAPS confirmed this fact.

Institutions that do not properly identify federal funds and maintain excess interest on those funds abuse their fiduciary role as a steward of Title IV funds.

REFERENCE: 34 C.F.R. §§668.163; 675.19(a); §676.19(a); §690.81(b)
2002-03 Federal Student Aid Handbook, Volume 2, Chapter 7 pages 241-42

REQUIREMENTS:

A participating institution must maintain Title IV accounts funds in a bank or investment account that is Federally insured or secured by collateral of value reasonably equivalent to the amount of those funds. For each account that contains Title IV funds, the College must identify that Title IV program funds are maintained in the account by:

• including the phrase *federal funds* in the name of the account, or

• notifying the bank or investment company of the accounts that contain Title IV program funds and keeping a copy of this notice in its records *and*, except for public institutions, filing an UCC-1 statement with the appropriate state or municipal government entity that discloses that an account contains federal funds. The institution must keep a copy of the UCC-1 statement in its records.

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14 This account has seen no activity in the period reviewed and has maintained a steady balance of $11.49

Except in the instances discussed below, the account that Direct Loan, Pell Grant, FSEOG, and FWS program funds are deposited in must be an interest-bearing account or an investment account. An investment account must consist predominantly of low-risk income producing securities. If an institution chooses to maintain federal funds in an investment account, the institution must maintain sufficient liquidity in that account to make required disbursements to students.

Any interest earned on Direct Loan, Pell Grant, FSEOG, and FWS program funds maintained in an interest-bearing account or an investment account that exceeds $250 per award year, must be remitted to the Department by June 30 of that award year. An institution may keep up to $250 per year of the interest or investment revenue earned (other than that earned on Perkins Loan funds) to pay for the administrative expense of maintaining an interest-bearing account.

To resolve this finding, the College must reimburse the Department for the interest it retained in excess of the $250.00 maximum amount for each award year. Additional interest on this excess amount earned up to the award year ending June 30, 2003 will be included in the assessment of the liability if it is sustained in the FPRDL. Instructions for repayment of the determined amount will be provided in the FPRDL.

The College must also provide a copy of the bank statements that pertain to the loan EFT transactions described in the finding for all months covered within the Subject Award Years

FINDING 12: THE COLLEGE FAILED TO ADHERE TO ITS ATTENDANCE POLICY

In 25 of 45 student files in the regular sample, the reviewer discovered that students did not complete at least 80% of the scheduled classes in one or more of their courses. According to the College catalog under its attendance policy requirements, students must present in the assigned classroom for at least 80 percent of the scheduled time of any course to achieve satisfactory attendance. A review of each student's attendance records indicates that many students failed to meet the attendance threshold and there was documentation in the file to indicate that the student had been counseled. The detailed results are found at **Appendix H.**

Institutions that do not follow their own policies and procedures lack the administrative capability to provide the education they promise.

REFERENCES: 34 C.F.R. §668.16
Federal Student Aid Handbook 2002-03, Volume 2, Chapter 3

The College is required to respond to this finding by developing a corrective action plan that is designed to strengthen its procedures in following the stated attendance policy.

FINDING 13: FAILURE TO ADMINISTER A SATISFACTORY ACADEMIC PROGRESS POLICY IN COMPLIANCE WITH TITLE IV REGULATIONS

The reviewer found that the College meets the standards set forth in the administrative capability regulations at 34 C.F.R.§668.16(e), except, two crucial elements: its policy to allow students to remain eligible for Title IV during secondary probation periods, and its practice of not considering failed courses as part of the CGPA at the time that students fail the course, as outlined in the requirements section of this finding.

Under the satisfactory academic progress policy published by the College in its catalog, in order to remain in good academic standing a student must maintain the following minimum standards as applied to the Cumulative Grade Point Average (CGPA):

Credit hours attempted Associates Degrees	Certificate programs	Minimum CGPA
15	5	1.0
30	10	1.5
45		2.0
60		2.0

Students enrolled in the Bachelor of Arts Program must maintain a CGPA of 2.0 to maintain in good standing.

A student's CGPA is evaluated at the end of each period for which grades are issued (the end of each six non-standard terms during the academic year). Those students not maintaining the minimum CGPA for all credit hours attempted will be placed on an initial academic probation for the next grading period. Students are eligible to receive Title IV proceeds during this period and must repeat any failed course as soon as it's available. If students have not achieved the required minimum CGPA but have achieved a passing grade for the grading period, the student may continue their training program for a second probationary period. Students who continue their probationary period will remain eligible for financial aid if they achieve the required minimum CGPA by the end of the second probationary period. Student that do not achieve the required CGPA by the end of the second probationary period will be terminated from training by the College.

The College defines credits attempted as those credits for which students are enrolled at the end of the term. For determining progression toward completion, grades of "F" (failure), "I" (incomplete), and "WN" (withdrawal no penalty) are counted as hours attempted but are not counted as hours successfully completed. When a grade of "I" is replaced with a letter grade, the CGPA and satisfactory academic progress determination are recalculated based on that grade. Grades of "I" must be converted to letter grades within two weeks of initial issue. If no grade is earned within two weeks, the "I" is converted to an "F". For financial aid purposes, "F" is counted as a completed grade. For a repeated class, the highest grade will be used to calculate the CGPA, however, both grades remain part of the official transcript. The reviewer also noted that some students were permitted to audit courses before taking them for credit.

Improperly considering failing grades in computing a students' grade point average may cause some students to meet satisfactory academic progress when they would not have otherwise, and thereby falsely permitting those students to remain eligible for Title IV disbursements.

REFERENCES: 34 C.F.R. §668.16
Federal Student Aid Handbook 2002-03, Volume 2, Chapter 3

REQUIREMENTS:

To be eligible for Title IV, a student must make satisfactory academic progress. An institution must have a satisfactory academic progress policy that contains elements specified in the regulations. An institution can use satisfactory progress standards set by a state, accrediting agency, or some other organization, as long as those standards meet the federal requirements. An institution must monitor its Title IV recipients to ensure that they are meeting the institution's satisfactory progress standards. An institution's satisfactory progress policy for students receiving Title IV funds must be at least as strict as the policy used for students who do not receive Title IV funds. The policy must be applied consistently to all Title IV recipients within identifiable categories of students (such as full time or part time, graduate, or undergraduate students).

An institution's satisfactory progress policy can include whatever standards it finds acceptable, as long as the policy meets the minimum statutory and regulatory requirements. A satisfactory progress policy must include both a qualitative measure (such as the use of cumulative grade point average) and a quantitative measure (such as a maximum time frame for completion) of the student's progress. The law and regulations specify minimum standards for these two measures. Your institution may set stricter standards in its policy.

Qualitative standards

The law specifies that by the end of the second academic year (measured as a period of time, not by the student's grade level), the student must, in general, have a C average or its equivalent, or have an academic standing consistent with the requirement for graduation from the program. If an institution does not use letter grades, its satisfactory progress policy should define "equivalent of a C average." If an institution determines that a student has maintained satisfactory progress standards even though his or her average falls below a C average, it must be able to document that the student's average is consistent with the academic standards required for graduation.

Rather than using a single fixed standard throughout the program, an institution may use a graduated grade point requirement. For example, an institution using a 4-point scale can require students to have a 2.0 average by graduation, but allow the student's average to be lower earlier in the student's academic career. If an institution's policy permits progression toward the 2.0 graduation requirement, it may permit a lower standard at the end of the second academic year.

Quantitative standards

To accurately measure a student's progress in a program, more than a qualitative standard is needed. A student who is maintaining a high GPA by withdrawing from every course he or she attempts after the first year would meet a qualitative standard, but wouldn't be progressing towards graduation. Therefore, the satisfactory progress policy must also include a quantitative measure to determine the number or percentage of courses, credit hours, or clock hours completed. To quantify academic progress, an institution must set a maximum time frame in which a student is expected to finish a program. For an undergraduate program, the maximum time frame cannot exceed 150% of the published length of the program measured in academic years, academic terms, credit hours attempted, or clock hours completed, as appropriate. For instance, if the published length of an academic program is 120 credit hours, the maximum time frame established by the institution must not exceed 180 attempted credit hours (that is, 120 x 1.5).

To ensure that a student is making sufficient progress throughout the course of study, an institution's academic progress policy must divide the maximum time frame into equal evaluation periods called increments. An increment can't be longer than half the program or one academic year, whichever is less. Increments generally are expected to coincide with payment periods.

An institution's policy must also state the minimum amount or percentage of work a student must successfully **complete by the end of each increment**. This amount must be high enough to allow the student to complete the program within the maximum time frame.

An academic progress policy may use a graduated completion percentage for each year of enrollment. For instance, you can let students complete a lower percentage in the first academic year but then gradually increase the required percentage to ensure that the student completes program requirements within the maximum time frame. However, as soon as a student reaches a point when it's clear that he will not be able to meet the quantitative standard by graduation, he becomes ineligible for aid.

Academic amnesty/renewal

Some institutions have academic amnesty or renewal procedures through which a student can apply to have grades earned in previous semesters excluded from the calculation of the student's grade point average. Though an institution may include this in its academic policies, the Title IV program regulations don't provide for such amnesty. However, if an institution has a written policy that allows only the highest or most recent grade to be counted or both credits and grades from previous attempts to be deleted, it may exclude a grade for a prior attempt (***after*** the student completes the second attempt) when considering the qualitative SAP standard, but it must count the credits attempted when considering the quantitative SAP standard. Also, the institution may consider the circumstances a student uses to support an academic amnesty request as mitigating circumstances in an SAP appeal.

Other elements

An institution's satisfactory progress policy must explain how withdrawals, grades of "incomplete," repeated courses, transfer courses, and noncredit remedial coursework affect the academic progress determination. An institution must also establish procedures that enable the student to appeal a determination that finds him not to be making satisfactory progress. For students ultimately judged not to be making satisfactory progress, the institution must establish specific procedures that enable such students to once again meet satisfactory progress standards. Generally the quantitative and qualitative standards used to judge academic progress must be cumulative and include all periods of the student's enrollment. Even periods in which the student did not receive Title IV funds must be counted. However, a institution may allow a student who switches degree programs to "start over" regarding the quantitative standard (but not the qualitative standard), though minimally any courses taken that apply to the new program must be counted. Similarly, an institution must at least count those transfer credits that apply toward the current program, though it may count all credits from the previous institution. An institution cannot set a maximum time frame based on hours attempted and then have a policy to routinely exclude certain hours attempted, such as hours taken during a summer session, from the satisfactory academic progress check.

Mitigating circumstances

An institution's policy can set aside the satisfactory standards for individual students if it determines that an unusual situation affected the student's progress. The law gives some examples where allowances might be made for mitigating circumstances; for instance, if a student becomes very ill or is severely injured, or if a student's relative dies. If you want to make allowances for mitigating circumstances, your institution's written policy must explain what those circumstances may be.

Conditional or probationary periods

Your institution's policy can include a **limited conditional or probationary period** in its satisfactory progress policy. During such a probationary period, a student who didn't meet the satisfactory progress standards can still be treated as if he or she did meet the standards.

Completion of degree requirements

A policy can state that a student who has completed all the coursework for his or her degree or certificate but hasn't yet received the degree or certificate can't receive further Title IV aid for that program. This restriction can't simply be a limit on the number of hours completed (for instance, that the student isn't eligible once he or she has completed 120 semester hours for a program that requires 120 semester hours). The student must have actually completed the academic requirements for the degree or certificate he or she is pursuing. Of course, if the student enrolls in another program (seeking a different degree or certificate), this restriction would no longer apply, although the student would still have to meet other satisfactory progress standards.

In response to this finding the College must provide the Team with a report that summarizes the results of each student's academic progress during the evaluation periods within the Subject Award Years under its current policy. In addition, the College must submit a second revised report that excludes the effect of its current policies to include an initial failing grade in a student's CGPA and provide students with an opportunity for subsequent probationary periods. The College is required to compare the results of the reports to determine whether any ineligible disbursements of Title IV aid were made as a result of the current deficiencies in its satisfactory academic progress policy and summarizes any liabilities on an award year basis.

The reports must contain the following data fields:

Student; SSN; Academic Program; Title IV Program; Disbursement Amount; Disbursement Date; First, Second etc.; Evaluation Date; and CGPA

In addition, the College must develop a plan to re-constitute its satisfactory academic progress policy to remove the secondary probationary period and report to the Team the specifics of its plans.

FINDING 14: ADMINISTRATIVE CAPABILITY WEAKNESS – THE COLLEGE LACKS SUFFICIENT INTERNAL CONTROLS TO PREVENT WASTE, FRAUD AND ABUSE OF THE TITLE IV PROGRAMS

The College permits its students to apply for Title IV eligibility through its financial aid office, whereby the College staff transmits the applicant's data through the Electronic Data Exchange (EDE) to the Central Processing System. The Institutional Student Information Records (ISIRs) reviewed for the regular sample indicates that the vast majority of applications are transmitted in this manner. The reviewer notes that in cases where the applicant has made an update or correction to the Free Application for Federal Student Aid, the College is using its own "ISIR Certification Page" to use as the applicant's certification of the changes to the information submitted through the EDE.

This alternative method of certifying adjustments to a FAFSA, in the absence of other documentation, is unacceptable because the "ISIR Certification Page" does not provide any referential data (i.e., student, award year, transaction number) to the ISIR that documents the application adjustments. As such, the certification it provides is completely ambiguous and legally unenforceable if challenged. Moreover, it deviates from the ISIR in that it omits a certification that the applicant understands the Secretary of Education has the authority to verify information reported on this application with the Internal Revenue Service and other federal agencies.

In addition, it appears from conversations with the financial aid staff that the College has not implemented a policy for referring cases of fraud, waste and abuse to the Department's Office of the Inspector General.

A lack of sufficient internal controls and procedures for reporting waste, fraud and abuse exposes the College and its students to potential liability for misappropriation of Title IV funds. The Team considers the implementation of the aforementioned policies to be a serious internal control weakness and an example of an impaired administrative capability that could easily foster fraud and abuse of the Title IV programs.

REFERENCES: 34 C.F.R. §668.16(c)(1)
Federal Student Aid Handbook 2002-03, Application and Verification Guide, Chapter 2

REQUIREMENT:

According to the Application and Verification Guide of the Federal Student Aid Handbook, an institution must follow certification and records retention procedures if a student submits a FAFSA through EDE at the institution. In such cases, the institution must obtain the signatures on a completed paper FAFSA or on the "echo document" printed through EDE. The institution must keep the signed document (original or imaged) in its files (even if the student doesn't eventually receive federal student aid or doesn't attend the institution). Adjustments must be supported by verifiable documentation and certified by the applicant.

The College must cease the practice of using the "ISIR Certification Page" immediately and provide the Team with an explanation as to why it was ever implemented. For each student that submitted its FAFSA through EDE during the Subject Award Years, the College must make a good faith effort to have those students (and parents, if applicable) attest to the application they submitted by having them sign the associated echo documents from its EDE software. The College should attempt to obtain this information from the student regardless of whether they are currently in attendance at the College or have left. In cases where the College is not successful, please provide the Team with the last known address and telephone number for the student.

FINDING 15: THE COLLEGE DID NOT RESOLVE INCONSISTENT INFORMATION WITHIN STUDENT FILES

In 5 of the 45 files in the regular sample, the reviewer noted signatures in documents within the student's files that appear to be inconsistent or there were suspicious circumstances surrounding information in the files. During the on-site review, the reviewer made a point to demonstrate to the financial aid director the various instances of signature inconsistencies as they were discovered. This topic was discussed at length with the financial aid director and College president during the exit interview. The reviewer strongly suggested that the financial aid director remind her employees to be aware and cognizant of differences in signatures and inconsistent information and to refer suspected cases of fraud and abuse to the Department's Office of the Inspector General (OIG).

In an interview with a financial aid staff member, the interviewee indicated that she had witnessed cases where students would quickly return with documents that had been purportedly signed by parents or spouses. She indicated that since she did not actually witness the falsifying of signatures, she did not take any further action. She also indicated that she was not aware of any College policy of referring cases to the OIG.

The particular files and concerns are as follows:

Student 7: This 19 year-old signed a 2000-01 FAFSA on June 10, 2000, indicating that she had been married sometime earlier that month. Her spouse, also a 19-year old student at the College, submitted an application on the same day. Her application was flagged with a C code for name/SSN match and received back from the processor on June 21. Her application was also selected for verification (as was his). The College resolved her C code by obtaining a new copy of her SSN card (showing her married name) and birth certificate. The verification flag was resolved by copies of her and her husband's 1999 federal tax returns (the student signed her tax return on August 16, 2000). However, on the verification form, her husband's signature is remarkably different than what is shown on his tax return. It appears that the student or somebody else printed his signature with the same handwriting as was used to fill out the form.

Student 15: This student's 2000-01 FAFSA was signed by the both student and parent on August 8, 2000. The FAFSA contains cross outs and write-overs to income and household size. The parent's signature is markedly different than the signature contained on the 1999-00 FAFSA (where the two signatures appear to be very similar).

The application was transmitted to CPS on August 24, 2000. The College received the processed application on August 29 with a C Code flag for rejected SSN (as reported on the FAFSA), unconfirmed Selective Service match, unconfirmed citizenship and income for a spouse, although the student reported that he was not married.

The College retransmitted the application on October 24, 2000, changing spousal income to zero, student's income to $840 (from zero) and parents' tax to $11,911 (from $15,767).

The student and parent signed an "ISIR Certification Page" on November 6. The signatures appear identical. No other documentation was found in the file to support the application adjustments.

Student 17: This student's 2001-02 FAFSA was signed by the student and parent (both signatures bearing a remarkable resemblance) on March 11, 2001 in spite of the fact that the student answered that she was born before January 1, 1978. The student changed her answer to whether or not she was going to file a tax return on the $3,000 in income she earned from working in 2000. She also changed the household size from six to one. An "ISIR Certification Page" was signed by the applicant and parent on March 16, 2001. The 2001-02 ISIR (transaction 01) was transmitted as an electronic application on November 2.

The ISIR was returned to the College from the processor on November 6 with a C code because the student's SSN was transcribed incorrectly. The College re-transmitted the application (transaction 02) on November 15 with the corrected SSN (as reported on the FAFSA). This application was returned by CPS with no flags on November 21.

Student 30: The student and his parent completed a 2001-02 paper FAFSA on February 21, 2001. The College received an ISIR on February 23 with an application source of FAFSA (on the) WEB. The application was rejected because the applicant provided an SSN (as written on the paper FAFSA) that belongs to somebody else, and neither the signature page of the student, nor the parent was sent in with the application. The College re-transmitted the application through EDE on March 22, changing the answer to selective service registration, filed tax return (from will file) and number of household members (from 6 to 5). The parent and student signed an "ISIR Certification Page" on April 2.

The student's file contains an undated student loan exit interview form. The student's signature is remarkably different than what he had used on the FAFSA, ISIR Certification page, etc.

On September 27, 2001, the College made a disbursement of $1,000 to the student's mother, even though no credit balance existed on the student's account. On November 12, a scholarship in the amount of $1000 was posted to the student's account with a Michigan merit reference notation. The student's loan cost of attendance was retroactively adjusted for the scholarship on the same day. Three days later, the student received a stipend in the amount of $1000.

Student 35: The student and parent signed a 2002-03 FAFSA on April 14, 2002. On April 17 the parent (Frank Lembcke) signed a "Financing Preferences" form that expressed his interest in assisting with his son's finances with his own resources as opposed to "Parent Loan financing that may be available". On the same form the parent also checked that he authorized the College to deliver credit balances/living expenses from PLUS loan funds to [his] son/daughter. His signature is remarkably different than the FAFSA (looks exactly like the son's) he presumably signed three days earlier.

The failure to resolve inconsistent information in a student's records results in thwarting the purpose of the HEA to assure eligible Title IV funding to be reserved for students by virtue of financial need.

REFERENCES: 34 C.F.R. §668.16(c)(1)
Federal Student Aid Handbook 2002-03, Volume 2, Chapter 3

REQUIREMENTS:

In order to begin and to continue to participate in any Title IV program, an institution must demonstrate that it is capable of adequately administering that program under each of the standards established in 34 CFR 668.16. One such standard is that an institution:

Develops and applies an adequate system to identify and resolve discrepancies in the information that the institution receives from different sources with respect to a student's application for financial aid under Title IV, HEA programs. In determining whether the institution's system is adequate, the Secretary considers whether the institution obtains and reviews—

(1) All student aid applications, need analysis documents, Statements of Educational Purpose, Statements of Registration Status, and eligibility notification documents presented by or on behalf of each applicant;

(2) Any documents, including any copies of State and Federal income tax returns, that are normally collected by the institution to verify information received from the student or other sources; and

(3) Any other information normally available to the institution regarding a student's citizenship, previous educational experience, documentation of the student's social security number or other factors relating to the student's eligibility for funds under the Title IV, HEA programs;

The College is required to develop and implement a corrective action plan that describes how its employees review documents and information from a variety of sources relating to a student's eligibility for awards under the Title IV programs to determine whether inconsistencies exist. The corrective action plan must address procedures an employee must take when discovering and resolving inconsistencies. In cases where the College suspects that a student or parent fraudulently misrepresents information to obtain Title IV funds, procedures for referring those cases to the Office of the Inspector General must be included in the plan.

FINDING 16: THE COLLEGE FAILED TO DEMONSTRATE HOW IT USED INSTITUTIONAL RESOURCES TO MATCH FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS (FSEOG)

In its Fiscal Operations Report and Application to Participate (FISAP), the College reported that it had contributed $64,421 and $106,276 in cash outlays to FSEOG recipients during the 2000-01 and 2001-02 award years, respectively. However, there is no detail contained in the student ledgers that would indicate that the institutional match is being made.

Failure to deposit the institutional matching share into the FSEOG account causes an increase expense to the federal government and short changes the amount of aid to needy students.

REFERENCES: 34 C.F.R. §676.21
2002-03 Federal Student Aid Handbook, Volume 7, Chapter 1

REQUIREMENTS:

The federal share of FSEOG awards made by an institution may not exceed 75% of the total FSEOG grants it wards to its students during the award year. The institution must contribute a nonfederal share (also called "institutional share") of 25%, unless it's granted a waiver from the regulatory provision, under 34 C.F.R. §676.21(b). The non-federal share of FSEOG awards must be made from the institution's own resources, which include:

1. Institutional grants and scholarships;
2. Tuition or fee waivers;
3. State scholarships; and,
4. Foundation or other charitable organization funds [34 C.F.R. §676.21(c)]

The three methods a institution may use to meet its non-federal share include:

1. **Individual FSEOG recipient basis**—the institution provides its share to an individual FSEOG recipient together with the federal share; that is, each student's total FSEOG would consist of 25% nonfederal resources and 75% federal dollars for the applicable award year;

2. **Aggregate basis**—the institution ensures that the sum of all funds awarded to FSEOG recipients in the applicable award year comprises 75% FSEOG federal funds and 25% nonfederal resources.

3. **Fund-specific basis**—the institution establishes an "FSEOG fund" into which it deposits FSEOG federal funds and the required 25% nonfederal share. Awards to FSEOG recipients then are made from the fund.

The College must provide the Team with evidence that support its Fiscal Operations report with regards to the institutional match of FSEOG award funds for the Subject Award Years, by asserting which of the three aforementioned bases it used to meet the 25% requirement. Depending upon the bases it used, please provide the necessary accounting records and bank statements to show the outlay of cash in each award year.

FINDING 17: THE COLLEGE UNEVENLY DISBURSED FSEOG AWARDS TO ITS STUDENTS WITHOUT SUPPORTING DOCUMENTATION ON EDUCATIONAL COSTS

A review of the regular sample indicates that 9 of the 45 students received FSEOG awards. One student received two FSEOG awards for two award years, for a total of 10 awards for which the disbursements were evaluated. The reviewer examined the associated student ledgers for these awards and found that disbursements in 7 of the 10 awards were not made in accordance with FSEOG program regulations. The details of these awards and the disbursements therein are found at **Appendix I.**

REFERENCES: 34 C.F.R. §676.16
2002-03 Federal Student Aid Handbook, Volume 7, Chapter 1

REQUIREMENTS:

In determining the amount and timing of payments of an FSEOG, an institution uses the following formula:

$$\frac{\text{FSEOG}}{\text{N}}$$

where:

FSEOG=the total FSEOG awarded for an academic year and N=the number of payment periods that the institution expects the student will attend in that year. **[34 C.F.R. §676.16(a)(2)]**

As mentioned previously in this report, the College established three payment periods for its FSEOG awards. Also previously mentioned are the payment period regulations under §668.4 that require institutions to disburse a portion of a Title IV award on the basis of an academic term for institutions that provide term based academic programs.

Under the FSEOG regulations, an institution may determine that a student incurs uneven costs or resources during an academic year and needs additional FSEOG funds in a particular payment period. However, upon making this determination, the institution must be able to document those uneven costs or resources in order to make unequal FSEOG disbursements. In the case of the exceptions noted in this finding, the reviewer was unable to find such documentation in the students' files.

An institution is permitted to make only one disbursement during the award year if the student's award is less than $501.

The College is to examine each of the 7 exceptions noted in the appendix and comment on the individual circumstances surrounding the scheduling of each disbursement. Along with its response, the College must furnish the Team with the award letters (originals and any amendments) associated with each questioned disbursement.

FINDING 18: THE COLLEGE FAILED TO MEET THE TITLE IV PROGRAM RECORD RETENTION REQUIREMENTS TO MAINTAIN RECORDS AND SAFEGUARD ITS APPLICATION DATA

During the review, the College was unable to provide certain program records that are required to be maintained under the regulations. The following list describes categories of documents for which the College was unable to provide upon request:

1. All award year 2000-01 ISIRs used to determine a student's eligibility, preceding the ISIR under which the student was actually paid. For example, if student X was paid upon ISIR transaction 03, then College was unable to provide the applicant data for transactions 01 and 02 that show the original responses to the FAFSA questions and any subsequent changes made to those responses. This oversight was discovered during the time after the on-site visit when the reviewer requested that the College export all of its electronic application data batches it received from the CPS. In a conference call with the College's Financial Aid Director and a member of the College's IT staff, the College conceded that it was unable to recover any other data files than the most recent transaction received.

2. Documentation supporting the College's calculation of completion or graduation rates under the consumer information requirements described in §§668.46 and 668.49

3. Accounting and employment records under the requirements of the Federal Work Study program described in §675

Institutions that do not maintain or adequately safeguard Title IV program data cannot demonstrate that they have administered the programs under the requirements of the law. Institutions that cannot exhibit compliance with program requirements are subject to fines, limitations or suspensions of their ability to participate in the Title IV programs.

REFERENCES: 34 C.F.R. §668.24
2002-03 Federal Student Aid Handbook, Volume 2, Chapter 8

REQUIREMENTS:

An institution is required to maintain required records in a systematically organized manner and make those records available to the Secretary for review at its designated location. An institution may keep its required records in hard copy or in microform, computer file, optical disk, CD-ROM or other media formats provided that the records must be retrievable in a coherent format acceptable by the Secretary.

Notwithstanding the above, an institution shall maintain the Student Aid Reports or ISIRs used to determine a student's eligibility for Title IV program funds **in the format in which it was received by the institution.**

The College must supply the Team with the missing information described above if it is able. Regardless of availability, the College must submit a corrective action plan that addresses how it will safeguard its electronic and other hard copy records. Suggested procedures for safeguarding data can be found at the EDExpress Basics On-Line training tool:

http://www.ifap.ed.gov/edexpress/index.htm

G. APPENDICES

APPENDIX A: LIST OF SAMPLED STUDENT FILES

Award Year 2000-01

Student Number	SSN	Last Name	First Name
1	(b)(6) [redacted]		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

Award Year 2001-02

Student Number	SSN	Last Name	First Name
16	(b)(6) [redacted]		
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			

Award Year 2002-03

Student Number	SSN	Last Name	First Name
31	(b)(6) [redacted]		
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			

Withdrawn Student Sample

Student Number	SSN	Last Name	First Name
46	(b)(6) [redacted]		
47			
48			
49			
50			
51			
52			
53			
54			
55			
56			
57			
58			
59			
60			

APPENDIX B: ACADEMIC YEAR ANALYSIS

Student #	Program	Course	First Day of Class	Last Day of Class	Weeks of Instructional Time in Term	Weeks of Instructional Time in BBAY
2	AA- PC/Networks	PTA105	23-Aug-1999	23-Sep-1999	4.43	
		PTA110	27-Sep-1999	28-Oct-1999	4.43	
		PTA210	1-Nov-1999	2-Dec-1999	4.43	
		PTA215	6-Dec-1999	13-Jan-2000	5.43	
		PTA220	18-Jan-2000	17-Feb-2000	4.29	
		PTA230	22-Feb-2000	23-Mar-2000	4.29	28.43
6	AA- Visual Communications	COR134	27-Sep-1999	28-Oct-1999	4.43	
		COR216	27-Sep-1999	28-Oct-1999	4.43	
		COR168	1-Nov-1999	2-Dec-1999	4.43	
		COR144	6-Dec-1999	13-Jan-2000	5.43	
		COR204	18-Jan-2000	17-Feb-2000	4.29	
		COR156	22-Feb-2000	23-Mar-2000	4.29	
		COR180	27-Mar-2000	27-Apr-2000	4.43	28.43
9	AA- Visual Communications	COR134	27-Sep-1999	28-Oct-1999	4.43	
		COR144	27-Sep-1999	28-Oct-1999	4.43	
		COR156	6-Dec-1999	13-Jan-2000	5.43	
		COR168	18-Jan-2000	17-Feb-2000	4.29	
		COR228	22-Feb-2000	23-Mar-2000	4.29	
		COR192	27-Mar-2000	27-Apr-2000	4.43	28.43
11	AA- Visual Communications	COR134	1-Oct-2001	1-Nov-2001	4.43	
		COR144	5-Nov-2001	6-Dec-2001	4.43	
		COR168	10-Dec-2001	17-Jan-2002	5.43	
		COR156	22-Jan-2002	21-Feb-2002	4.29	
		COR180	25-Feb-2002	28-Mar-2002	4.43	
		COR192	1-Apr-2002	2-May-2002	4.43	28.43
12	AA- PC/Networks	PTA105	14-Jun-1999	15-Jul-1999	4.43	
		PTA110	19-Jul-1999	19-Aug-1999	4.43	
		PTA210	23-Aug-1999	23-Sep-1999	4.43	
		PTA215	27-Sep-1999	28-Oct-1999	4.43	
		PTA220	1-Nov-1999	2-Dec-1999	4.43	
		PTA230	6-Dec-1999	13-Jan-2000	5.43	28.43
14	BA - Graphic Design	BGD305	27-Sep-1999	28-Oct-1999	4.43	
		COM240	27-Sep-1999	28-Oct-1999	4.43	
		ENG101	1-Nov-1999	2-Dec-1999	4.43	
		BGD315	1-Nov-1999	2-Dec-1999	4.43	
		HUM107	6-Dec-1999	13-Jan-2000	5.43	
		BGD320	6-Dec-1999	13-Jan-2000	5.43	
		PSY101	18-Jan-2000	17-Feb-2000	4.29	
		BGD330	18-Jan-2000	17-Feb-2000	4.29	
		BGD390	22-Feb-2000	23-Mar-2000	4.29	
		CRE111	22-Feb-2000	23-Mar-2000	4.29	
		BGD400	27-Mar-2000	27-Apr-2000	4.43	
		MCO120	27-Mar-2000	27-Apr-2000	4.43	28.43
16	AA- PC/Networks	PTA105	27-Aug-2001	27-Sep-2001	4.43	

Student #	Program	Course	First Day of Class	Last Day of Class	Weeks of Instructional Time in Term	Weeks of Instructional Time in BBAY
		PTA110	1-Oct-2001	1-Nov-2001	4.43	
		PTA210	5-Nov-2001	6-Dec-2001	4.43	
		PTA215	10-Dec-2001	17-Jan-2002	5.43	
		PTA220	22-Jan-2002	21-Feb-2002	4.29	
		PTA230	25-Feb-2002	28-Mar-2002	4.43	28.43
23	AA- Visual Communications	COR216	23-Aug-1999	23-Sep-1999	4.43	
		COR204	27-Sep-1999	28-Oct-1999	4.43	
		COR228	1-Nov-1999	2-Dec-1999	4.43	
		COR232	6-Dec-1999	13-Jan-2000	5.43	
		GDT265	17-Jan-2000	17-Feb-2000	4.43	
		GDT285	21-Feb-2000	23-Mar-2000	4.43	28.43
24	AA- PC/Networks	PTA300	18-Jun-2001	19-Jul-2001	4.43	
		PTA305	23-Jul-2001	23-Aug-2001	4.43	
		PTA310	27-Aug-2001	27-Sep-2001	4.43	
		PTA320	1-Oct-2001	1-Nov-2001	4.43	
		PTA330	5-Nov-2001	6-Dec-2001	4.43	
		PTA340	10-Dec-2001	17-Jan-2002	5.43	28.43
25	AA- Visual Communications	COR201	27-Aug-2001	27-Sep-2001	4.43	
		COR228	1-Oct-2001	1-Nov-2001	4.43	
		COR216	5-Nov-2001	6-Dec-2001	4.43	
		COR232	10-Dec-2001	17-Jan-2002	5.43	
		MMT266	22-Jan-2002	21-Feb-2002	4.29	
		MMT286	25-Feb-2002	28-Mar-2002	4.43	28.43
25	BA - Visual Communications	BDG305	22-Jul-2002	22-Aug-2002	4.43	
		COM240	22-Jul-2002	22-Aug-2002	4.43	
		BDG315	26-Aug-2002	26-Sep-2002	4.43	
		ENG101	26-Aug-2002	26-Sep-2002	4.43	
		BDG435	30-Sep-2002	31-Oct-2002	4.43	
		HUM107	30-Sep-2002	31-Oct-2002	4.43	
		BDG425	5-Nov-2002	5-Dec-2002	4.29	
		PSY301	5-Nov-2002	5-Dec-2002	4.29	
		BDG400	9-Dec-2002	16-Jan-2003	5.43	
		CRE111	9-Dec-2002	16-Jan-2003	5.43	
		BDG410	21-Jan-2003	20-Feb-2003	4.29	
		MCO120	21-Jan-2003	20-Feb-2003	4.29	28.43
27	AA- PC/Networks	PTA300	18-Jun-2001	19-Jul-2001	4.43	
		PTA305	23-Jul-2001	23-Aug-2001	4.43	
		PTA310	27-Aug-2001	27-Sep-2001	4.43	
		PTA320	1-Oct-2001	1-Nov-2001	4.43	
		PTA330	5-Nov-2001	6-Dec-2001	4.43	
		PTA340	10-Dec-2001	17-Jan-2002	5.43	28.43
28	AA- Visual Communications	COR134	23-Jul-2001	23-Aug-2001	4.43	
		HUM107A1	27-Aug-2001	27-Sep-2001	4.43	
		COR144	1-Oct-2001	1-Nov-2001	4.43	
		HUM107A2	5-Nov-2001	6-Dec-2001	4.43	

Student #	Program	Course	First Day of Class	Last Day of Class	Weeks of Instructional Time in Term	Weeks of Instructional Time in BBAY
		ENG101A1	5-Nov-2001	6-Dec-2001	4.43	
		COR156	6-Nov-2001	6-Dec-2001	4.29	
		COR168	10-Dec-2001	17-Jan-2002	5.43	
		ENG101A2	10-Dec-2001	17-Jan-2002	5.43	
		COR192	10-Dec-2001	17-Jan-2002	5.43	
		MKT271A1	22-Jan-2002	21-Feb-2002	4.29	
		COR180	22-Jan-2002	21-Feb-2002	4.29	28.43
30	AA - Animation	ANM131	23-Jul-2001	23-Aug-2001	4.43	
		ANM141	27-Aug-2001	27-Sep-2001	4.43	
		ANM201	1-Oct-2001	1-Nov-2001	4.43	
		ANM212	5-Nov-2001	6-Dec-2001	4.43	
		ANM151	10-Dec-2001	17-Jan-2002	5.43	
		ANM171	22-Jan-2002	21-Feb-2002	4.29	28.43
31	AA- Visual Communications	ENG101A1	1-Oct-2001	1-Nov-2001	4.43	
		COR168	1-Oct-2001	1-Nov-2001	4.43	
		ENG101A2	5-Nov-2001	6-Dec-2001	4.43	
		COR192	5-Nov-2001	6-Dec-2001	4.43	
		ENG101A2	10-Dec-2001	17-Jan-2002	5.43	
		COR180	10-Dec-2001	17-Jan-2002	5.43	
		MKT271A1	22-Jan-2002	21-Feb-2002	4.29	
		COR180	22-Jan-2002	21-Feb-2002	4.29	
		COR228	25-Feb-2002	28-Mar-2002	4.43	
		MKT271A1	25-Feb-2002	28-Mar-2002	4.43	
		COR228	1-Apr-2002	2-May-2002	4.43	
		COR216	1-Apr-2002	2-May-2002	4.43	28.43
32	AA - Animation	ANM101	1-Oct-2001	1-Nov-2001	4.43	
		ANM121	5-Nov-2001	6-Dec-2001	4.43	
		ANM161	10-Dec-2001	17-Jan-2002	5.43	
		ANM111	22-Jan-2002	21-Feb-2002	4.29	
		ANM131	25-Feb-2002	28-Mar-2002	4.43	
		ANM141	1-Apr-2002	2-May-2002	4.43	28.43
34	AA - Animation	ANM101	22-Jul-2002	22-Aug-2002	4.43	
		ANM161	26-Aug-2002	26-Sep-2002	4.43	
		ANM181	30-Sep-2002	31-Oct-2002	4.43	
		ANM125	4-Nov-2002	5-Dec-2002	4.43	
		ANM235	9-Dec-2002	16-Jan-2003	5.43	
		ANM131	21-Jan-2003	20-Feb-2003	4.29	28.43
38	AA - Animation	ANM101	23-Jul-2001	23-Aug-2001	4.43	
		ANM191	27-Aug-2001	27-Sep-2001	4.43	
		ANM121	1-Oct-2001	1-Nov-2001	4.43	
		ANM161	5-Nov-2001	6-Dec-2001	4.43	
		ANM131	10-Dec-2001	17-Jan-2002	5.43	
		ANM141	22-Jan-2002	21-Feb-2002	4.29	28.43
39	AA- Visual Communications	COR134	22-Jul-2002	22-Aug-2002	4.43	
		COM240	22-Jul-2002	22-Jul-2002	0.00	
		CRE111	22-Jul-2002	22-Jul-2002	0.00	
		ENG101	22-Jul-2002	22-Jul-2002	0.00	

Student #	Program	Course	First Day of Class	Last Day of Class	Weeks of Instructional Time in Term	Weeks of Instructional Time in BBAY
		HUM107	22-Jul-2002	22-Jul-2002	0.00	
		COR144	26-Aug-2002	26-Sep-2002	4.43	
		COR258	30-Sep-2002	31-Oct-2002	4.43	
		COR168	4-Nov-2002	5-Dec-2002	4.43	
		COR156	9-Dec-2002	16-Jan-2003	5.43	
		MKT271A1	9-Dec-2002	16-Jan-2003	5.43	
		MKT271A2	21-Jan-2003	20-Feb-2003	4.29	28.43
40	AA- Visual Communications	COR134	1-Oct-2001	1-Nov-2001	4.43	
		HUM107A1	1-Oct-2001	1-Nov-2001	4.43	
		ENG101A	1-Oct-2001	1-Oct-2001	0.00	
		COR144	5-Nov-2001	6-Dec-2001	4.43	
		HUM107A2	5-Nov-2001	6-Dec-2001	4.43	
		COR156	10-Dec-2001	17-Jan-2002	5.43	
		COR168	22-Jan-2002	21-Feb-2002	4.29	
		COR180	25-Feb-2002	28-Mar-2002	4.43	
		MKT271A1	25-Feb-2002	28-Mar-2002	4.43	
		COR192	1-Apr-2002	2-May-2002	4.43	
		MKT271A2	1-Apr-2002	2-May-2002	4.43	28.43
41	AA - Animation	ANM101	22-Jul-2002	22-Aug-2002	4.43	
		ANM161	26-Aug-2002	26-Sep-2002	4.43	
		ANM181	30-Sep-2002	31-Oct-2002	4.43	
		ANM125	4-Nov-2002	5-Dec-2002	4.43	
		ANM235	9-Dec-2002	16-Jan-2003	5.43	
		ANM131	21-Jan-2003	20-Feb-2003	4.29	28.43
42	AA - Animation	ANM101	22-Jul-2002	22-Aug-2002	4.43	
		ANM161	26-Aug-2002	26-Sep-2002	4.43	
		ANM181	30-Sep-2002	31-Oct-2002	4.43	
		ANM125	4-Nov-2002	5-Dec-2002	4.43	
		ANM235	9-Dec-2002	16-Jan-2003	5.43	
		ANM131	21-Jan-2003	20-Feb-2003	4.29	28.43
43	AA- PC/Networks	PTA099	1-Oct-2001	1-Nov-2001	4.43	
		PTA105	5-Nov-2001	6-Dec-2001	4.43	
		PTA110	10-Dec-2001	17-Jan-2002	5.43	
		PTA210	22-Jan-2002	21-Feb-2002	4.29	
		PTA215	25-Feb-2002	28-Mar-2002	4.43	
		PTA220	1-Apr-2002	2-May-2002	4.43	28.43
45	AA- Visual Communications	COR201	27-Aug-2001	27-Sep-2001	4.43	
		COR134	1-Oct-2001	1-Nov-2001	4.43	
		HUM107A1	1-Oct-2001	1-Nov-2001	4.43	
		COR144	5-Nov-2001	6-Dec-2001	4.43	
		HUM107A2	5-Nov-2001	6-Dec-2001	4.43	
		COR168	10-Dec-2001	17-Jan-2002	5.43	
		ENG101A1	10-Dec-2001	17-Jan-2002	5.43	
		COR156	22-Jan-2002	21-Feb-2002	4.29	
		ENG101A2	22-Jan-2002	21-Feb-2002	4.29	
		COR192	25-Feb-2002	28-Mar-2002	4.43	
		MKT271A1	25-Feb-2002	28-Mar-2002	4.43	28.43

APPENDIX C: SUMMARY OF REFUND ACCURACY FINDINGS

	Per College Calculation					Per DOE Calculation						
Student #	Unsub Loan	Sub Loan	PLUS	Pell	Total Returned	Unsub Loan	Sub Loan	PLUS	Pell	Total to be Returned	Difference	Comment
5 [redacted]					$0.00					$0.00	$0.00	No Title IV awarded for enrollment period in which student withdrew
8 [redacted]					$0.00	$1,293.01	$848.75			$2,141.76	$2,141.76	Student withdrew on the second to last day of the first payment period. The College made a late second disbursement for which the student was not eligible and must be returned to the lender
13 [redacted]	$845.07				$845.07	$1,940.00	$1,022.37			$2,962.37	$2,117.30	The College's Return to Title IV worksheet shows that no refund is due. However, NSLDS and the student's file shows that a refund was made to the student's unsub loan in the amount of $845.07. NSLDS shows a refund date of 5/3/01. Please resolve with lender
17 [redacted]					$0 00					$0.00	$0.00	
19A [redacted]					$0.00					$0.00	$0.00	

	Per College Calculation					Per DOE Calculation						
Student #	Unsub Loan	Sub Loan	PLUS	Pell	Total Returned	Unsub Loan	Sub Loan	PLUS	Pell	Total to be Returned	Difference	Comment
19B [redacted]				$1,183.00	$1,183.00				$1,188.75	$1,188.75	$5.75	
20 [redacted]	$1,940.00	$1,010.38			$2,950.38	$1,940.00	$1,273.61		$10.77	$3,224.38	$274.00	The College's Return to Title IV worksheet shows a refund due to the sub loan program of $534.52, but NSLDS shows a refund of $1074 was made to the account. NSLDS shows refund date of 9/4/02 in contrast with 10/2/02 payment clear date per ELM printout.
21 [redacted]				$1,555.35	$1,555.35			$1,924.38		$1,924.38	$369.03	

	Per College Calculation					Per DOE Calculation						
Student #	Unsub Loan	Sub Loan	PLUS	Pell	Total Returned	Unsub Loan	Sub Loan	PLUS	Pell	Total to be Returned	Difference	Comment
23 [redacted]					$0.00					$0.00	$0.00	The Return to Title IV Worksheet prepared by the College shows that no refund is due. However, the ledger (6/8/01) and NSLDS (2/2/01) show a refund to the student's unsub loan account in the amount of $1,246.34. Please explain the difference. The reviewer's Return to Title IV worksheet shows that a post-withdrawal disbursement of $1100 (Pell) is due to the student.
29 [redacted]					$0.00	$646.99	$1,214 07			$1,861.06	$1,861.06	
33 [redacted]					$0.00	$2,425.00	$823 38			$3,248.38	$3,248.38	There is no Return to Title IV Worksheet in the student's file. The ledger indicates that a refund to the sub loan program in the amount of $180.13 was made on 12/31/02, but there is no record of the refund in NSLDS
37 [redacted]	$1,940.00	$369.07			$2,309.07	$1,940.00	$379 96			$2,319.96	$10.89	

Page 55 - PROGRAM REVIEW REPORT – Collins College (PRCN 2003-2-09-21324)

	Per College Calculation					Per DOE Calculation						
Student #	Unsub Loan	Sub Loan	PLUS	Pell	Total Returned	Unsub Loan	Sub Loan	PLUS	Pell	Total to be Returned	Difference	Comment
46 [redacted] (b)(6)	$379.00			$521.00	$900.00	$975.00			$729.00	$1,704 00	$804.00	Difference includes amount of Pell Grant overpayment ($729) from Incorrect proration: $2083 (actual award) Minus award correctly pro-rated [Scheduled Award ($3125)]; Times [Weeks of Instructional Time (13)]; Divided by [Weeks in Academic Year (30)] = $1354 NSLDS indicates refund of unsub loan on 4/14/00 by College. Please explain why refund was made so early and provide original attendance records

Per College Calculation						Per DOE Calculation						
Student #	Unsub Loan	Sub Loan	PLUS	Pell	Total Returned	Unsub Loan	Sub Loan	PLUS	Pell	Total to be Returned	Difference	Comment
47 [redacted]	$1,674.46				$1,674.46	$0.00				$0.00	($1,674.46)	NSLDS does not reflect refund to Unsub Loan Please resolve with lender. On the College's R2T4 worksheet, the College reported $525 as the net amount of Pell grants disbursed. A notation in the margin (whited out by the College) indicates that there is a mistake in the ledger (which shows a $1050 disbursement). Please explain
48 [redacted]					$0 00					$0.00	$0.00	NSLDS indicates that a portion of the first disbursement of the unsub loan was refunded to the lender on 3/22/02 and the second disbursement was cancelled on 5/6, while the sub loan was disbursed in full. Please explain.

	Per College Calculation					Per DOE Calculation						
Student #	Unsub Loan	Sub Loan	PLUS	Pell	Total Returned	Unsub Loan	Sub Loan	PLUS	Pell	Total to be Returned	Difference	Comment
49 [redacted]				$1,250.00	$1,250.00				$2,500.00	$2,500.00	$1,250 00	Student did not start the first term for which the Pell grant was intended, therefore, the College must return the entire amount of Pell disbursed NSLDS record for sub loan shows that a refund was returned to the lender on 7/3/01. Why was this done when the student was presumably still enrolled?
50 [redacted]					$0.00					$0.00	$0.00	
51 [redacted]					$0 00					$0.00	$0.00	
52 [redacted]					$0.00					$0.00	$0.00	
53 [redacted]	$1,940.00	$1,105.98			$3,045.98	$1,940 00	$1,273.61		$1,220.92	$4,434.53	$1,388 55	DOE amount includes $12.42 in Pell due from the student
54 [redacted]					$0 00	$1,940.00	$1,273 61		$1,568.00	$4,781.61	$4,781 61	
55 [redacted]					$0.00	$2,830 08				$2,830.08	$2,830.08	

Page 58 - PROGRAM REVIEW REPORT – Collins College (PRCN 2003-2-09-21324)

Per College Calculation						Per DOE Calculation						
Student #	Unsub Loan	Sub Loan	PLUS	Pell	Total Returned	Unsub Loan	Sub Loan	PLUS	Pell	Total to be Returned	Difference	Comment
56 [redacted]					$0.00				$470.00	$470.00	$470.00	Student only completed two days of attendance. College must return all Pell under pro-rata refund policy
57 [redacted]					$0 00	$1,940 00	$226 49			$2,166.49	$2,166.49	Student Loan data not indicated under NSLDS Please investigate
58 [redacted]					$0 00					$0.00	$0.00	
59 [redacted]		$1,272.64	$918 61		$2,191.25					$0 00	($2,191.25)	
60 [redacted]					$0 00					$0 00	$0.00	
Totals:	$8,718.53	$3,758.07	$918.61	$4,509.35	$17,904.56	$19,810 08	$8,335.85	$1,924.38	$7,687.44	$37,757.75	**$19,853.19**	

APPENDIX C1: SUMMARY OF REFUND TIMING FINDINGS

Student #	Last Day of Attendance	Actual Withdrawal Determination	Notice Provided by Student	Withdrawal Determination Per 10 day Policy	Refund Due Per Regulations	Return Payment Posted to Bank Records	Late	Notes
5	6-Nov-2001	3-Dec-2001	N	27-Nov-2001	27-Dec-2001	N/A	N/A	No refund due
8	29-Jan-2001	10-Apr-2001	N	15-Feb-2001	17-Mar-2001	N/A	N/A	Ineligible disbursement to be returned
13	4-Jun-2001	9-Jul-2001	N	20-Jun-2001	20-Jul-2001	?	?	College needs to provide M&I Marshall & Isley bank statements for Account Number 08127022 for the period of January 1, 1999 through December 31, 2001.
17	14-Nov-2001	Unknown	N	5-Dec-2001	4-Jan-2002	N/A	N/A	The College did make an overaward payment to the Pell Grant program in the amount of $50 on February 5, 2002.
19A	30-Jan-2001	26-Apr-2001	N	19-Feb-2001	21-Mar-2001	N/A	N/A	No refund due
19B	7-Mar-2002	2-May-2002	N	27-Mar-2002	26-Apr-2002	31-May-2002	Yes	
20	24-Jul-2002	18-Sep-2002	N	14-Aug-2002	13-Sep-2002	2-Oct-2002	Yes	Could not substantiate EFT debit from bank statements provided. 10/2/02 derived from College notation on ELM print-out
21	31-Oct-2001	10-Dec-2001	N	20-Nov-2001	20-Dec-2001	16-Jan-2002	Yes	
23	5-Apr-2001	15-May-2001	N	26-Apr-2001	26-May-2001	N/A		
29	11-Nov-2002	27-Dec-2002	N	2-Dec-2002	1-Jan-2003	N/A		Unmade refund due
33	26-Sep-2002	?	N	16-Oct-2002	15-Nov-2002	31-Dec-2002	Yes	Could not substantiate EFT debit from bank statements provided. 12/31/02 derived from student ledger.
37	4-Nov-2002	26-Dec-2002	N	21-Nov-2002	21-Dec-2002	31-Dec-2002	Yes	Could not substantiate EFT debit from bank statements provided. 12/31/02 derived from student ledger.
46	10-Jul-2000	30-Aug-2000	N	27-Jul-2000	26-Aug-2000	13-Sep-2000	Yes	

Student #	Last Day of Attendance	Actual Withdrawal Determination	Notice Provided by Student	Withdrawal Determination Per 10 day Policy	Refund Due Per Regulations	Return Payment Posted to Bank Records	Late	Notes
47	21-Dec-2000	6-Feb-2001	N	23-Jan-2001	22-Feb-2001	5-Mar-2001	Yes	No record of loan refund in NSLDS
48	30-Jul-2002	22-Sep-2002	N	19-Aug-2002	18-Sep-2002			See comments in Appendix C
49	19-Jul-2001	29-Aug-2001	Y	8-Aug-2000	7-Sep-2000	N/A		
50	15-Aug-2002	?	N	5-Sep-2002	5-Oct-2002	N/A		
51	25-Apr-2001	14-Jun-2001	Y	22-May-2001	21-Jun-2001	N/A		
52	13-Nov-2002	27-Feb-2003	N	4-Dec-2002	3-Jan-2003	N/A		
53	15-Nov-2002	26-Dec-2002	N	25-Nov-2002	25-Dec-2002	31-Dec-2002	Yes	Could not substantiate EFT debit from bank statements provided. 12/31/02 derived from student ledger.
54	19-Apr-2001	5-Jun-2001	N	16-May-2001	15-Jun-2001			Unmade refund due
55	21-Aug-2001	9-Oct-2001	N	12-Sep-2001	12-Oct-2001			Unmade refund due
56	18-Jul-2000	16-Aug-2000	N	8-Aug-2000	7-Sep-2000			Unmade refund due
57	19-Apr-2001	21-May-2001	N	16-May-2001	15-Jun-2001			Unmade refund due
58	8-Jun-2000	19-Jul-2000	N	27-Jun-2000	27-Jul-2000	N/A		
59	20-Jun-2001	20-Aug-2001	Y	11-Jul-2001	10-Aug-2001	31-Oct-2001	Yes	
60	5-Sep-2002	10-Oct-2002	N	25-Sep-2002	25-Oct-2002	N/A		

APPENDIX D: TEMPLATE INSTRUCTIONS FOR COMPLETING 90-10 REVENUE ATTESTATION

Column	Instructions on Information to be Provided
A.	**Student Name:** Enter the Student's last name, first name, middle initial;
B.	**SSN:** Enter the Student's Social Security Number. Use the original SSN as identified by CPS if different then the actual number and make a reference to any difference;
C.	**Eligible Program:** Eligible Program for which the student was enrolled during the year;
D.	**Enrollment Start Date in Program:** Enter the enrollment start date for student in eligible program;
E.	**Balance of Unpaid Institutional Charges, Jan. 1, 200X:** Enter the balance of outstanding institutional charges[1] for the student on the first day of the applicable fiscal year. If the amount is less than zero, enter zero;
F.	**Institutional Charges Assessed During the Year:** Enter the amount of institutional charges assessed to the student during the fiscal year. If the amount is less than zero, enter zero;
G.	**Total Available Institutional Charges:** Enter the sum of Columns E and F (Total Amount of Available Charges);
H.	**Description of Qualifying Non-Title IV, HEA Student Assistance Disbursed to Satisfy Institutional Charges:** Enter a **description** of any student financial assistance that was disbursed to the student to satisfy their institutional charges at the College[2], provided by the following qualified sources: **1.** Non-federal public agencies; **2.** Private sources independent of the College[3]; **3.** A contractual arrangement with a public agency for the purpose of providing job training to low-income individuals who are in need of that training; and, **4.** state prepaid tuition plans

[1] In general, institutional charges are those educational costs incurred by a student that are necessary to complete their academic program. See Finding 3 for a detailed discussion on institutional charges. In the 90-10 formula, do not consider charges that the College would not include when performing its Return to Title IV calculations in Step 5. If the College considers bookstore revenue to be derived from institutional charges, only include such charges for required materials i.e., textbooks, supplies and purchased equipment required under the eligible program. Do not include any charges from food, clothing or incidental supplies such as pens, paper, and printer cartridges). As discussed in Finding 3, do not include registration, transcript, parking, late payment or library fees.

[2] For each instance of these four categories of qualifying non-Title IV student assistance, the College must supplement its attestation with the authorizing documents relating to the awards for each student. Do not include contracts under Federal Work Study or the portion of state grants that are provided by the Leveraging Educational Assistance Program (formerly called State Student Incentive Grant).

I. **Total Amount of Qualifying Non-Title IV, HEA Student Assistance Disbursed to Satisfy Institutional Charges:** Enter the **amount** of the assistance described in Column H used by the College to satisfy that student's institutional charges (not disbursed directly to the student);

J. **Amount of Qualifying Non-Title IV, HEA Student Assistance Used to Satisfy Institutional Charges:** Compare the amounts in Columns H and I and enter the **lesser** amount;

K. **Remaining Unpaid Institutional Charges Subject to Title IV, HEA Presumption:** Subtract the amount in Column J from the amount in Column G and enter the difference. If the amount is less than zero, enter zero;

L. **Title IV, HEA funds Disbursed to Students in fiscal year:** Enter the amount of Title IV, HEA funds disbursed to the student either directly or to the College to satisfy that students institutional charges. Do not include FWS funds, unless those funds were used to satisfy the student's institutional charges as credits to their institutional accounts. If the College uses the Individual FSEOG Recipient Basis in making its award to the student, include only the portion representing the federal share of the disbursement[4];

M. **Refunds made under the General Student Assistance Provisions:** Enter the amount of Title IV, HEA funds refunded under the Return to Title IV provisions described in §668.22. Each amount must be supported by a Return to Title IV calculation worksheet. Do not include cancellations of entire Title IV disbursements that the College returned to lenders under the FFEL program or other Title IV, HEA program sources. The amounts of the cancellations should be netted against the amount in Column L if the returns were made during the same fiscal year.

N. **Title IV, HEA program Funds Available to Satisfy Remaining Institutional Charges:** Subtract the amount in Column M from the amount in Column L and enter the difference. If the amount is less than zero, enter zero;

O. **Title IV, HEA Program Funds Used to Satisfy Institutional Charges:** Compare the amounts in Columns N and I and enter the **lesser** amount;

P. **Remaining Unpaid Institutional Charges Available for Other Sources:** Subtract the amount in Column O from the amount in Column K and enter the difference. If the amount is less than zero, enter zero;

[4] See Finding 16 for a further discussion on the Individual FSEOG Recipient and other award making methodologies under the FSEOG program.

Q. **Other Revenue Sources Used to Satisfy Institutional Charges:** Compare any payments from remaining sources that were used to satisfy the student's institutional charges with the amount in Column P and enter the **lesser** amount;

R. **Revenue from Other Eligible Activities:** Enter the amount of any cash basis revenue derived by the College that is necessary for the education and training of its students. In order to be eligible, the activity must be: 1. Conducted on the College's campus; 2. Performed under the supervision of a member of the College's faculty; and, 3. Required to be performed by all students in a specific academic program at the College.

To determine the College's 90-10 revenue ratio:

Total the amounts in Column O and **divide the result by** the sum of the totals in Columns O, J, Q and R

APPENDIX E: SUMMARY OF STUDENT ENROLLMENT REPORTING ERRORS

Student	Effective Date in NSLDS/ Status Code	Last Day of Attendance per College/Enrollment Status per College	Date Received by NSLDS	Cert. Method	Error or Unresolved Discrepancy (Finding 5)	Reported Late (Finding 6)
1	12/07/2001 G	12/07/2001 Graduate	09/27/2002	Batch		X
2	10/25/2000 G	10/25/2000 Graduate	09/11/2002	Batch		X
3	02/14/2002 W	02/14/2002 Dismissed	09/27/2002	Batch	X1	X
4	11/02/2001 G	11/01/2001 Graduate	09/27/2002	Batch	X2	X
5	11/06/2001 W	11/06/2001 Dismissed	09/27/2002	Batch		X
6	05/04/2001 G	05/03/2001 Graduate	12/27/2001	Batch		X
7	12/07/2001 G	12/06/2001 Graduate	09/27/2002	Batch		X
8	01/29/2001 W	01/29/2001 Dismissed	09/27/2002	Batch	X3	X
9	02/22/2001 G	02/22/2001 Graduate	09/11/2002	Batch		X
10	05/08/2000	01/17/2003	01/13/2003	Batch		X

1The attendance records show that the student was absent for more than 10 consecutive days. Pursuant to College policy, the student should have been dismissed as of 01/14/2002. Please provide notice of termination and successful appeal to allow the student to continue until 02/14/2002.

2 The transcript shows that the student was on a Leave of Absence (LOA) during term 0105. There is no record of an LOA in NSLDS or in the student file. Please clarify and provide LOA documentation.

3 The Student Degree Evaluation Report (SDER) shows that the student was on an LOA during Term 0010, beginning 11/07/2000. The student requested an LOA beginning 11/07/2000, but when the College granted the request, the start date was changed to 11/14/2000. The student received Title IV in the enrollment period and up until 02/12/2001. Please submit a Return of Title IV worksheet.

Student	Effective Date in NSLDS/ Status Code	Last Day of Attendance per College/Enrollment Status per College	Date Received by NSLDS	Cert. Method	Error or Unresolved Discrepancy (Finding 5)	Reported Late (Finding 6)
	F	Graduate				
11	05/07/2002 G	05/01/2002 Graduate	11/08/2002	Batch	X4	X
12	08/17/2000 G	08/17/2000 Graduate	12/26/01	Batch		X
13	06/04/2001 W	06/04/2001	12/27/2001	Batch		X
14	01/18/2001 G	01/18/2001 Graduate	12/27/2001	Batch	X5	X
15	06/15/2001 G	06/14/2001 Graduate	12/27/2001	Batch		X
16	11/13/2002 G	10/31/2002 Graduate	01/14/2003	Batch	X6	X
17	11/14/2001 W	11/14/2001 W	02/19/2002	Batch		X
18	08/24/2001 G	08/24/2001 Graduate	12/28/2001	Batch		X
19	05/02/2002 W	01/30/2001 Dismissal	11/08/2002	Batch	X7	

4 NSLDS shows continuous full time enrollment for this student. The SDER shows that the student was on an LOA during term 0104 (April 2001) that was not in the student file. Also, an institutional refund calculation was completed for the student on July 07/27/2001 because the student was terminated on 06/14/2001 due to an excess of 10 days missed attendance. The student ledger shows that the student received Title IV in the enrollment period, but no refund activity. Please provide a Return to Title IV worksheet (R2T4) and any re-enrollment contract.

5 NSLDS and the student ledger shows that the student enrolled on 03/30/1998. Attendance records start with Term 9909 (starting 09/27/1999). Please provide earlier records.

6 The College changed the Anticipated Completion Date (ACD) for the student in NSLDS from 11/01/2002 to 11/13/2002 on 01/14/2003. The attendance records to not show enrollment beyond 10/31/2002. A stipend was issued on 11/22/2002 to pay student's credit balance in full. Please explain why the ACD was changed.

Student	Effective Date in NSLDS/ Status Code	Last Day of Attendance per College/Enrollment Status per College	Date Received by NSLDS	Cert. Method	Error or Unresolved Discrepancy (Finding 5)	Reported Late (Finding 6)
20	09/18/2002 W	06/24/2002 Dismissal	11/08/2002	Batch	X8	
21	12/10/2001 W	10/31/2001 Dismissed	11/08/2002	Batch	X9	X
22	01/22/2002 F	02/24/2003 Full Time	01/14/2003	Batch	X10	X
23	08/29/2002 G	08/22/2002 Graduate	11/08/2002	Batch	X11	X
24	06/08/2002 G	06/06/2002 Graduate	11/08/2002	Batch		X
25	11/05/2002 F	02/20/2003 Full Time	11/08/2002	Batch		
26	09/25/2000 F	02/20/2003 Full Time	11/08/2002	Batch	X12	X
27	01/18/2002 G	01/17/2002 Graduated	03/04/2002	Batch		
28	11/05/2001	02/20/2003 Full	05/24/2002	Batch		X

7 According to the NSLDS Enrollment Detail report, in the Roster received on 12/27/2001, the student was reported as full time as of 7/17/2000, then withdrawn as of 01/30/2001, then Leave of Absence as of 2/06/01. On the 09/11/2002 batch the student was reported as full time. Finally on the 11/08/2002 batch the student was reported as withdrawn as of 05/02/2002.

8 The student was absent for 15 consecutive scheduled classes following her first three days of enrollment in the program. Pursuant to College policy, why was she allowed to return on 07/22 and 07/24?

9 The last day of attendance (LDA) according to the Detail Attendance Report is 10/31/2001. The Effective Date for the withdrawal was changed in NSLDS to 12/10/2001 on 11/07/02. Institutions must use the LDA as the Effective Date when a student withdraws, not the drop date.

10 The Anticipated Completion Date (ACD) has changed three times, all with the same Effective Date.

11 The last day of attendance according to the Detail Attendance Report is 08/22/2002. On 11/07/2002, the College reported that the Anticipated Completion Date had changed to 08/29/2002.

12 The transcript for this student shows a LOA status in Term 0207 which was not reported in NSLDS. Please provide the LOA documentation.

Student	Effective Date in NSLDS/ Status Code	Last Day of Attendance per College/Enrollment Status per College	Date Received by NSLDS	Cert. Method	Error or Unresolved Discrepancy (Finding 5)	Reported Late (Finding 6)
	F	Time				
29	12/30/2002 W		01/14/2003	Batch	X13	
30	07/23/2001 F	01/16/2003 Graduate	01/13/2003	Batch	X14	X
31	10/01/2001 F	02/20/2003 Full Time	01/14/2003	Batch		X
32	09/28/2001 F	02/19/2003 Full Time	01/14/2003	Batch	X15	X
33	12/30/2002 W	09/26/2002 Dismissed	01/14/2003	Batch	X16	X
34	07/22/2002 F	02/20/2003 Full Time	11/08/2002	Batch	X	X
35	07/12/2002 F	02/20/2003 Full Time	11/08/2002	Batch	X	X
36	01/18/2000 F	02/20/2003 Less than Half Time	09/11/2002	Batch	X17	X

13 This student enrolled in an AA program with an ACD of 08/23/02. The College changed the ACD to 10/10/2003 on 11/07/2002 without a change in effective date. Attendance records are missing from 07/22/2002 on. Please provide.

14 The school reported an ACD change on 01/13/2003 without changing the effective date of 7/23/2001.

15 According to the attendance records, the student enrolled in an AA program on 09/28/2001 and attended until 02/19/2003. The SDER shows that the student canceled enrollment in a BA program. Please provide the Team with the SDER that pertains to his enrollment in the AA program.

16 The student obtained an AA on 07/18/2002. The student subsequently enrolled in a BA program and went on an LOA on 09/26/2002. NSLDS was updated to indicate that the student went on an LOA on 09/27/02 and apparently didn't return because a refund was made on 12/31/02. Please provide attendance records for enrollment in the BA program, documentation on the LOA and a R2T4 worksheet.

17 The ACD for this student has changed four times. The detailed attendance record shows that the student has never enrolled full time.

Student	Effective Date in NSLDS/ Status Code	Last Day of Attendance per College/Enrollment Status per College	Date Received by NSLDS	Cert. Method	Error or Unresolved Discrepancy (Finding 5)	Reported Late (Finding 6)
37	12/30/2002 W	11/04/2002 Dismissal	01/14/2003	Batch	X18	X
38	12/11/2002 G	12/05/2002 Graduate	01/14/2003	Batch		
39	07/22/2002 F	02/20/2003 Full Time	11/08/2002	Batch		X
40	09/28/2001 F	02/18/2003 Pending Graduate	12/27/2001	Batch	X19	X
41	07/22/2002 F	02/20/2003 Full Time	01/14/2003	Batch		X
42	07/22/2002 F	02/20/2003 Full Time	11/08/2002	Batch		X
43	11/04/2002 F	01/16/2003 Full Time	01/14/2003	Batch		X
44	09/28/2002 G		11/07/2002	Batch	X20	
45	10/01/2001 F	02/20/2003 Full Time	12/26/2001	Batch		

18 This student's file shows a Termination Report indicating that she was dismissed for attendance purposes on 11/04/2002. A R2T4 worksheet was completed for the student on 12/26/2002, showing a start date of 09/30/2002. The Detailed Attendance report shows that the student attended one day only, 11/04/2002. Please provide additional attendance records.

19 The student's transcript shows her status as pending graduate. However, there are several courses in which she did not complete (in 'future' status). Please clarify.

20 NSLDS shows that the College reported the student as being on an LOA on 09/14/2001 and 11/16/2001, effective 08/27/2001. When the student returned, on 12/10/2001, the effective date was not updated to indicate when the LOA was no longer valid. Attendance records show that the student was absent from 12/19/2001 through 01/22/2002 without a leave of absence listed in NSLDS or in the student file. Please clarify.

APPENDIX F: PELL DISBURSEMENT REPORTING DETAIL

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K
Student Number	Award Year	COD Scheduled Award Amount	COD Accepted Disb #	COD Accepted Amount	Disb Date As Reported To COD	Date Disb Record Processed by COD	Disb Amount Per Student's Ledger	Disb Date Per Student's Ledger	Disb Date Difference In Days	Report Date Difference In Days 51 exceptions
3	2000-01	$3,300 00	1	$1,100 00	9/25/2000	10/10/2000	$1,100 00	09/27/2000	(2)	13
			2	$1,100 00	12/11/2000	12/27/2000	$1,100 00	12/11/2000	0	16
			3	$1,100 00	2/26/2001	3/8/2001	$1,100 00	2/26/2001	0	10
4	2001-02	$1,700 00	1	$566 00	8/31/2001	10/23/2001	$567.00	7/18/2001	44	97
			2	$567 00	11/7/2001	11/7/2001	$566 00	8/31/2001	68	68
5	2000-01	$3,300 00	1	$1,100.00	9/25/2000	10/10/2000	$1,100 00	11/10/2000	(46)	(31)
			2	$1,100 00	12/11/2000	12/27/2000	$1,100.00	11/10/2000	31	47
			3	$1,100 00	2/26/2001	3/8/2001	$1,100 00	1/24/2001	33	43
6	2000-01	$3,050 00	1	$1,017.00	7/1/2000	9/16/2000	$1,017 00	07/05/2001	(4)	(292)
			2	$1,017 00	9/25/2000	10/10/2000	$1,017.00	09/18/2001	9	(341)
			3	$1,016 00	12/11/2000	12/27/2000	$1,016.00	12/11/2000	0	16
7	2000-01	$1,850 00	1	$617 00	7/24/2000	9/16/2000	$617 00	07/24/2000	0	54
			2	$617.00	9/27/2000	10/10/2000	$617 00	09/27/2000	0	13
			3	$616 00	12/11/2000	12/27/2000	$616 00	12/11/2000	0	16
7	2001-02	$2,500 00	1	$833 00	10/12/2001	12/4/2001	$834 00	7/27/2001	77	130
			2	$1,667 00	12/6/2001	12/6/2001	$833 00	7/27/2001	132	132
							$833 00	10/12/2001		
10	2000-01	$3,300 00	1	$1,100 00	7/17/2000	9/16/2000	$1,100 00	07/24/2000	(7)	54
			2	$1,100 00	9/27/2000	10/10/2000	$1,100 00	09/27/2000	0	13
			3	$1,100 00	12/11/2000	12/27/2000	$1,100 00	12/11/2000	0	16
10	2001-02	$3,750 00	1	$2,500 00	12/6/2001	12/6/2001	$1,250 00	07/18/2001	141	141

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K
Student Number	Award Year	COD Scheduled Award Amount	COD Accepted Disb #	COD Accepted Amount	Disb Date As Reported To COD	Date Disb Record Processed by COD	Disb Amount Per Student's Ledger	Disb Date Per Student's Ledger	Disb Date Difference In Days	Report Date Difference In Days 51 exceptions
			2	$1,250.00	1/24/2002	1/29/2002	$1,250 00	7/20/2001	188	193
							$1,250 00	1/24/2002		
11	2000-01	$2,850 00	1	$950 00	7/17/2000	9/16/2000	$950 00	07/26/2000	(9)	52
			2	$950 00	9/25/2000	10/10/2000	$950 00	09/27/2000	(2)	13
			3	$950.00	1/9/2001	1/17/2001	$950 00	12/12/2000	28	36
11	2001-02	$3,750 00	1	$1,250 00	8/31/2001	12/4/2001	$1,250.00	07/27/2001	35	130
			2	$1,250.00	12/6/2001	12/6/2001	$1,250 00	08/31/2001	97	97
			3	$1,250.00	12/26/2001	12/31/2001	$1,250 00	12/26/2001	0	5
12	2000-01	$3,150 00	1	$1,050 00	7/1/2000	9/16/2000	$1,050.00	07/05/2000	(4)	73
13	2000-01	$2,550 00	1	$850 00	4/2/2001	5/10/2001	$850.00	04/18/2001	(16)	22
14	2000-01	$3,250 00	1	$1,083.00	7/1/2000	9/16/2000	$1,083 00	07/05/2000	(4)	73
			2	$1,084.00	8/21/2000	9/16/2000	$1,084 00	08/24/2000	(3)	23
16	2001-02	$3,000 00	1	$1,000.00	8/31/2001	12/6/2001	$1,000.00	08/31/2001	0	97
			2	$1,000 00	11/14/2001	12/6/2001	$1,000.00	11/14/2001	0	22
			3	$1,000 00	1/24/2002	1/29/2002	$1,000 00	1/24/2002	0	5
16	2002-03	$4,000 00	1	$2,667 00	5/28/2003	5/28/2003	$1,334 00	8/27/2002	274	274
							$1,333 00	8/27/2002	0	
17	2000-01	$3,300 00	1	$1,100 00	4/2/2001	5/10/2001	$1,100 00	04/18/2001	(16)	22
			2	$1,100.00	6/25/2001	6/26/2001	$1,100 00	06/26/2001	(1)	0
17	2002-03	$4,000 00	1	$1,250 00	12/7/2001	12/11/2001	$1,250 00	12/07/2001	0	4
			2	($1,200 00)	12/28/2001	12/31/2001	($1,200 00)	12/28/2001	0	3
			4	($50 00)	9/24/2002	9/24/2002	($50 00)	02/01/2002	235	235
19	2000-01	$3,300 00	1	$1,100 00	7/17/2000	9/16/2000	$1,100 00	07/24/2000	(7)	54

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K
Student Number	Award Year	COD Scheduled Award Amount	COD Accepted Disb #	COD Accepted Amount	Disb Date As Reported To COD	Date Disb Record Processed by COD	Disb Amount Per Student's Ledger	Disb Date Per Student's Ledger	Disb Date Difference In Days	Report Date Difference In Days 51 exceptions
			2	$1,100 00	9/25/2000	10/10/2000	$1,100.00	09/27/2000	(2)	13
			3	$1,100 00	12/11/2000	12/27/2000	$1,100.00	12/11/2000	0	16
19	2001-02	$3,750 00	1	$1,250 00	3/15/2002	4/18/2002	$1,250.00	03/15/2002	0	34
			2	($1,183 00)	5/23/2002	7/16/2002	($1,183 00)	05/23/2002	0	54
20	2001-02	$2,200 00	1	$733.00	9/9/2002	9/10/2002	$733 00	09/09/2002	0	1
21	2000-01	$950 00	1	$317 00	1/22/2001	3/8/2001	$317 00	02/23/2001	(32)	13
			2	$317 00	4/2/2001	4/12/2001	$317 00	0404/2001	(2)	8
23	2000-01	$3,300 00	1	$2,200 00	1/30/2001	2/6/2001	$1,100 00	1/11/2001	19	26
							$1,100 00	1/11/2001		
23	2001-02	$1,900 00	1	$634 00	10/1/2001	11/30/2001	$634 00	11/30/2001	(60)	0
			2	$634 00	12/26/2001	12/31/2001	$634 00	12/26/2001	0	5
			3	$632 00	3/8/2002	3/25/2002	$632 00	3/8/2002	0	17
25	2000-01	$3,300 00	1	$1,100 00	1/22/2001	2/21/2001	$1,100 00	01/24/2001	(2)	28
			2	$1,100 00	4/2/2001	4/12/2001	$1,100.00	04/04/2001	(2)	8
			3	$1,100 00	6/25/2001	6/26/2001	$1,100 00	06/26/2001	(1)	0
25	2001-02	$3,400 00	1	$1,100 00	8/31/2001	12/31/2001	$1,100 00	8/31/2001	0	122
			2	($1,100 00)	11/30/2001	12/31/2001	($1,100 00)	11/30/2001	0	31
			3	$1,200 00	1/17/2002	1/29/2002	$1,200 00	1/17/2002	0	12
			4	$1,200 00	1/17/2002	1/29/2002	$1,200 00	1/17/2002	0	12
			5	$1,000.00	1/24/2002	1/29/2002	$1,200.00	1/24/2002	0	5
			9	($200 00)	9/4/2002	9/5/2002	($200 00)	9/4/2002	0	1
			10	$200 00	9/24/2002	9/24/2002	$0.00			
25	2002-03	$3,750 00	1	$1,250 00	8/30/2002	9/25/2002	$1,250 00	8/30/2002	0	26

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K
Student Number	Award Year	COD Scheduled Award Amount	COD Accepted Disb #	COD Accepted Amount	Disb Date As Reported To COD	Date Disb Record Processed by COD	Disb Amount Per Student's Ledger	Disb Date Per Student's Ledger	Disb Date Difference In Days	Report Date Difference In Days 51 exceptions
			2	$1,250 00	12/14/2002	12/16/2002	$1,250.00	10/15/2002	60	62
			3	$1,250 00	2/20/2003	2/20/2003	$1,250.00	12/14/2002	68	68
26	2000-01	$1,550 00	1	$517 00	9/25/2000	10/10/2000	$517 00	9/27/2000	(2)	13
			2	$517.00	12/4/2000	12/27/2000	$517 00	12/11/2000	(7)	16
			3	$516 00	2/26/200	3/8/2001	$516 00	2/26/2001	0	10
26	2001-02	$3,750 00	1	$1,250 00	8/31/2001	9/18/2001	$1,250 00	7/18/2001	44	62
			2	$1,250 00	11/7/2001	11/7/2001	$1,250 00	8/31/2001	68	68
			3	$1,250 00	11/14/2001	11/27/2001	$1,250 00	11/14/2001	0	13
26	2002-03	$4,000 00	3	$1,333 00	12/18/2002	12/18/2002	$1,334 00	10/29/2002	50	50
			4	$1,334 00	2/5/2003	2/13/2003	$1,333 00	10/29/2002	99	107
			5	$1,333 00	2/5/2003	2/13/2003	$1,333 00	12/18/2002	49	57
27	2001-02	$1,800 00	1	$600 00	8/31/2001	12/14/2001	$600 00	7/18/2001	44	149
			2	$600 00	11/14/2001	12/14/2001	$600.00	8/31/2001	75	105
			3	$600 00	12/19/2001	12/20/2001	$600.00	11/14/2001	35	36
28	2001-02	$2,800 00	1	$934 00	11/5/2001	4/18/2002	$934 00	4/23/2002	(169)	(5)
			2	$934 00	1/21/2002	4/18/2002	$934 00	4/23/2002	(92)	(5)
			3	$932 00	4/1/2002	4/18/2002	$932.00	4/23/2002	(22)	(5)
28	2002-03	$2,650 00	1	$1,017 00	12/18/2002	12/26/2002	$1,017 00	12/18/2002	0	8
			2	$1,017 00	12/18/2002	12/26/2002	$1,017 00	12/18/2002	0	8
			3	$616 00	12/18/2002	12/26/2002	$616 00	12/18/2002	0	8
			4	($400 00)	2/22/2003	2/24/2003	($400 00)	2/22/2003	0	2
			5	$400 00	6/17/2003	6/18/2003	$400 00	6/17/2003	0	1
31	2001-02	$3,750 00	1	$1,250 00	11/5/2001	11/7/2001	$1,250 00	11/5/2001	0	2

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K
Student Number	Award Year	COD Scheduled Award Amount	COD Accepted Disb #	COD Accepted Amount	Disb Date As Reported To COD	Date Disb Record Processed by COD	Disb Amount Per Student's Ledger	Disb Date Per Student's Ledger	Disb Date Difference In Days	Report Date Difference In Days 51 exceptions
			2	$1,250 00	12/14/2001	12/18/2001	$1,250 00	12/14/2001	0	4
			3	$1,250 00	3/8/2002	3/25/2002	$1,250.00	3/8/2002	0	17
31	2002-03	$3,650 00	1	$1,216 00	10/29/2002	12/12/2002	$1,216 00	8/16/2002	74	118
			2	$2,434 00	2/18/2003	2/18/2003	$2,434 00	8/16/2002	186	186
32	2002-03	$2,650 00	1	$883 00	10/15/2002	12/12/2002	$884 00	8/27/2002	49	107
			2	$1,767 00	2/19/2003	2/19/2003	$883 00	8/27/2002	176	176
							$883.00	10/15/2002		
			3	($1,900 00)	5/20/2003	5/23/2003				
			4	$1,900 00	6/17/2003	6/18/2003				
			5	($1,900 00)	8/5/2003	8/6/2003				
33	2002-03	$1,150 00	1	$384.00	6/17/2003	6/18/2003	$384 00	8/16/2002	305	306
34	2002-03	$1,750 00	1	$250 00	9/13/2002	9/25/2002	$250 00	9/13/2002	0	12
			2	$250 00	12/14/2002	12/16/2002	$250 00	10/15/2002	60	62
			3	$250 00	2/14/2003	2/18/2003	$250 00	12/14/2002	62	66
36	2002-03	$1,050 00	1	$350 00	7/1/2002	11/25/2002	$350 00	11/22/2002	(144)	3
			2	$350 00	8/26/2002	11/25/2002	$350 00	11/22/2002	(88)	3
			5	$350 00	2/22/2003	2/24/2003	$350.00	11/22/2002	92	94
37	2002-03	$1,250 00	1	$417 00	10/31/2002	2/5/2003	$417 00	10/31/2002	0	97
38	2001-02	$3,300 00	1	$1,100 00	10/12/2001	10/23/2001	$1,100.00	7/27/2001	77	88
			2	$1,100 00	11/7/2001	11/7/2001	$1,100 00	10/12/2001	26	26
			3	$1,100 00	12/26/2001	12/31/2001	$1,100 00	12/26/2001	0	5
41	2002-03	$4 000 00	1	$1,334 00	10/31/2002	12/12/2002	$1,334 00	10/31/2002	0	42
			2	$1,333 00	10/31/2002	12/12/2002	$1,333.00	10/31/2002	0	42

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K
Student Number	Award Year	COD Scheduled Award Amount	COD Accepted Disb #	COD Accepted Amount	Disb Date As Reported To COD	Date Disb Record Processed by COD	Disb Amount Per Student's Ledger	Disb Date Per Student's Ledger	Disb Date Difference In Days	Report Date Difference In Days 51 exceptions
			3	$1,333 00	12/14/2002	12/16/2002	$1,333 00	12/14/2002	0	2
42	2002-03	$4,000 00	1	$1,334 00	10/15/2002	11/25/2002	$1,334 00	8/27/2002	49	90
			2	$1,332 00	12/14/2002	12/16/2002	$1,332 00	10/15/2002	60	62
			3	$1,334 00	2/19/2003	2/19/2003	$1,334 00	12/14/2002	67	67
43	2001-02	$3,750 00	1	$1,250 00	10/26/2001	10/29/2001	$1,250 00	10/26/2001	0	3
			2	$1,250 00	1/24/2002	1/29/2002	$1,250 00	1/24/2002	0	5
			3	$1,250 00	4/1/2002	4/18/2002	$1,250 00	4/23/2002	(22)	(5)
43	2002-03	$4,000 00	2	$1,333 00	12/14/2002	12/16/2002	$1,334 00	08/16/2002	120	122
			3	$2,667 00	2/11/2003	2/13/2003	$1,333 00	10/15/2002	119	121
							$1,333 00	12/14/2002		

APPENDIX G: LOAN DISBURSEMENT DETAIL

Student Number	NSLDS Loan Number	Date Disbursed per NSLDS	Date Disbursed Per student ledger	Disbursement Amount per Student Ledger	Days Retained Before Disbursement
1	3	5/28/2001	7/3/2001	$1,697.50	36
1	4	5/28/2001	7/3/2001	$1,940.00	36
4	3	6/22/2000	7/20/2000	$1,273.61	28
4	3	8/21/2000	9/12/2000	$1,272.64	22
7	1	10/11/2001	10/16/2001	$646.99	5
7	2	10/11/2001	10/16/2001	$566.48	5
9	1	12/8/2000	1/30/2001	$566.48	53
9	2	12/8/2000	1/30/2001	$565.51	53
10	7	7/30/2001	8/8/2001	$459.78	9
10	8	7/30/2001	8/8/2001	$566.48	9
10	9	2/6/2001	2/12/2001	$1,697.50	6
10	10	2/6/2001	2/12/2001	$1,940.00	6
11	2	8/17/2000	8/29/2000	$1,273.61	12
11	3	8/17/2000	8/29/2000	$1,940.00	12
14	3	7/28/1999	8/9/1999	$566.48	12
14	4	3/29/1999	4/6/1999	$1,680.00	8
22	2	12/27/2002	1/8/2003	$1,697.50	12
22	4	1/18/2002	1/25/2002	$3,786.88	7
23	2	12/27/2000	1/9/2001	$2,425.00	13
23	3	12/27/2000	1/9/2001	$2,101.99	13
23	7	2/19/1999	3/1/1999	$1,260.48	10
25	1	2/4/2003	2/10/2003	$2,425.00	6
25	2	2/4/2003	2/10/2003	$2,667.50	6

Student Number	NSLDS Loan Number	Date Disbursed per NSLDS	Date Disbursed Per student ledger	Disbursement Amount per Student Ledger	Days Retained Before Disbursement
25	3	8/1/2002	8/19/2002	$1,778.98	18
25	3	10/11/2002	10/18/2002	$1,778.01	7
25	4	8/1/2002	8/19/2002	$2,101.99	18
25	4	10/11/2002	10/18/2002	$2,101.02	7
26	7	10/12/2001	10/26/2001	$1,697.50	14
26	9	10/18/2000	11/14/2000	$2,259.13	27
28	3	3/15/2002	3/28/2002	$3,880.00	13
28	4	3/15/2002	3/28/2002	$2,546.25	13
30	1	10/11/2002	10/25/2002	$1,850.88	14
30	1	11/4/2002	11/20/2002	$1,850.88	16
30	3	3/1/2002	3/26/2002	$1,697.50	25
30	3	7/19/2002	8/6/2002	$4,762.56	18
30	4	2/25/2002	3/6/2002	$1,697.50	9
30	4	6/10/2002	6/17/2002	$1,697.50	7
30	5	9/10/2001	9/24/2001	$2,160.00	14
30	5	11/5/2001	11/28/2001	$2,160.00	23
30	6	8/24/2001	9/13/2001	$3,431.04	20
30	6	11/5/2001	11/28/2001	$3,431.04	23
31	4	10/30/2001	11/27/2001	$3,092.36	28
31	4	1/21/2002	1/25/2002	$3,091.39	4
31	5	10/31/2001	11/27/2001	$1,273.61	27
31	5	1/21/2002	1/25/2002	$1,272.64	4
32	5	1/21/2002	1/25/2002	$623.71	4
32	6	11/1/2001	11/6/2001	$1,273.61	5
32	6	1/21/2002	1/25/2002	$1,272.64	4

Student Number	NSLDS Loan Number	Date Disbursed per NSLDS	Date Disbursed Per student ledger	Disbursement Amount per Student Ledger	Days Retained Before Disbursement
32	7	9/25/2001	Unknown	$0.00	Not Disbursed
32	7	1/31/2002	Unknown	$0.00	Not Disbursed
32	8	1/21/2002	2/4/2002	$3,163.17	14
33	2	7/29/2002	8/12/2002	$2,667.50	14
33	3	12/28/2001	1/3/2002	$1,697.50	6
33	5	2/6/2001	3/1/2001	$424.86	23
34	2	7/22/2002	7/29/2002	$1,299.80	7
40	5	11/1/2002	11/6/2002	$1,273.61	5
44	1	2/18/2003	Unknown	$0.00	Not Disbursed
44	5	5/11/2001	6/15/2001	$2,738.31	35
44	5	7/12/2001	8/3/2001	$2,738.31	22
45	4	6/21/2002	7/31/2002	$1,697.50	40
45	6	1/18/2002	1/25/2002	$3,686.97	7
45	5	1/18/2002	1/25/2002	$1,272.64	7

APPENDIX H: STUDENT ATTENDANCE POLICY DETAIL

Student #	Program	Course	Grade Received	HRS Attended	HRS Scheduled	Credit HRS Earned	Percent Attendance
1	AAVSC	COR156	B	64.0	95.0	5.00	67%
3	AAVSC	COR228	B	64.0	95.0	5.00	67%
3	AAVSC	GDT304	WN	65.0	95.0	4.00	68%
3	AAVSC	COR232	A	69.0	90.0	5.00	77%
4	AAVSC	COR192	C	54.0	95.0	5.00	57%
4	AAVSC	COR216	C	59.0	100.0	5.00	59%
4	AAVSC	COR232	B	73.0	95.0	5.00	77%
4	AAVSC	COR156	B	74.0	95.0	5.00	78%
5	AAPCNET	PTA320	D	70.0	95.0	5.00	74%
5	AAPCNET	PTA300	D	74.0	95.0	5.00	78%
10	BAVSC	COM240A1	C	26.0	36.0	2.66	72%
10	BAVSC	PSY101	C	28.0	38.0	2.66	74%
10	BAVSC	BDG320	B	42.0	57.0	3.33	74%
10	BAVSC	BDG315	C	45.0	60.0	3.33	75%
10	BAVSC	POS120	C	26.0	34.0	2.66	76%
10	BAVSC	COR216	B	73.0	95.0	5.00	77%
10	BAVSC	BDG305	B	42.0	54.0	3.33	78%
10	BAVSC	CRE111	B	30.0	38.0	2.66	79%
10	BAVSC	MKT271	C	30.0	38.0	2.66	79%
11	AAVSC	COR156	C	63.0	95.0	5.00	66%
11	AAVSC	COR228	A	69.0	90.0	5.00	77%
11	AAVSC	GDT265	B	73.0	95.0	5.00	77%
11	AAVSC	COR232	B	74.0	95.0	5.00	78%
11	AAVSC	GDT265	B	71.0	90.0	5.00	79%
14	BAGRD	GBS206	B	24.0	38.0	3.00	63%
14	BAGRD	MCO120	A	28.0	38.0	3.00	74%
14	BAGRD	BGD400	A	42.0	57.0	3.33	74%
14	BAGRD	BGD315	A	45.0	60.0	3.00	75%
14	BAGRD	HUM107	B	30.0	38.0	3.00	79%
14	BAGRD	CRE111	A	30.0	38.0	3.00	79%
14	BAGRD	POS120	A	30.0	38.0	3.00	79%
14	BAGRD	MKT271	B	30.0	38.0	3.00	79%
14	BAGRD	BGD390	A	45.0	57.0	3.33	79%
14	BAGRD	BGD320	A	45.0	57.0	4.00	79%

Student #	Program	Course	Grade Received	HRS Attended	HRS Scheduled	Credit HRS Earned	Percent Attendance
15	AAVSC	COR232	B	46.0	95.0	5.00	48%
15	AAVSC	COR228	D	73.0	95.0	5.00	77%
19	AAANN	ANM121	A	70.0	95.0	5.00	74%
19	AAANN	ANM161	C	72.0	95.0	5.00	76%
21	AAVSC	COR156	D	63.0	95.0	5.00	66%
21	AAVSC	COR180	C	65.0	95.0	5.00	68%
21	AAVSC	COR168	D	72.0	95.0	5.00	76%
22	AAANN	ANM201	A	64.0	85.0	5.00	75%
22	AAANN	ANM181	C	74.0	95.0	5.00	78%
22	AAANN	ANM141	D	75.0	95.0	5.00	79%
23	BAGRDS	GBS420	D	30.0	57.0	3.33	53%
23	BAGRDS	BDG430	C	42.0	57.0	3.33	74%
23	BAGRDS	MCO120	C	26.0	34.0	2.66	76%
23	BAGRDS	BDG320	A	42.0	54.0	3.33	78%
23	BAGRDS	BDG330	C	42.0	54.0	3.33	78%
23	BAGRDS	PSY101	B	30 0	38.0	2.66	79%
23	BAGRDS	GBS206	B	30.0	38.0	2.66	79%
23	BAGRDS	GBS420	D	45.0	57.0	4.00	79%
24	AAPCN	PTA310	C	62.0	90.0	5.00	69%
24	AAPCN	PTA210	C	68.0	95.0	5.00	72%
24	AAPCN	PTA320	C	70.0	95.0	5.00	74%
24	AAPCN	PTA340	C	71.0	95.0	5.00	75%
24	AAPCN	PTA230	B	72.0	95.0	5.00	76%
28	AAVSC	COR232	A	51.5	70.0	4.00	74%
29	AAVSC	COR228	A	70.0	90.0	5.00	78%
29	AAVSC	GDT304	A	75.0	95.0	4.00	79%
29	AAVSC	GDT285	A	75.0	95.0	5.00	79%
29	AAVSC	COR232	A	79.0	100.0	5.00	79%
30	AAANIM	ANM222	C	73.0	95.0	4.00	77%
30	AAANIM	ANM151	B	75.0	95.0	5.00	79%
31	AAVSC	COR232	FR	43.0	76.0	4.00	57%
31	AAVSC	MKT271A1	D	12.0	19.0	1.50	63%
31	AAVSC	COR180	C	52.0	76.0	4.00	68%
31	AAVSC	GDT260	B	50.0	70.0	4.00	71%
31	AAVSC	ENG101A2	B	15.0	20.0	1.50	75%
31	AAVSC	COR156	B	56.0	72.0	4.00	78%
31	AAVSC	HUM107A1	A	15.0	19.0	1.50	79%

Student #	Program	Course	Grade Received	HRS Attended	HRS Scheduled	Credit HRS Earned	Percent Attendance
31	AAVSC	COR134	A	60.0	76.0	4.00	79%
31	AAVSC	COR144	C	60.0	76.0	4.00	79%
32	AAANIM	ANM161	A	65.0	90.0	5.00	72%
32	AAANIM	ANM231	B	70.0	95.0	4.00	74%
32	AAANIM	ANM222	B	64.0	85.0	4.00	75%
32	AAANIM	ANM111	B	68 0	90.0	5.00	76%
32	AAANIM	ANM191	B	75.0	95.0	5.00	79%
32	AAANIM	ANM131	A	79.0	100.0	5.00	79%
33	AAVSC	COR228	C	53.0	95.0	5.00	56%
33	AAVSC	MMT306	C	60.0	95.0	4.00	63%
33	BAVSC	BDG305	B	45.0	57.0	3.33	79%
36	BAVSC	GBS206	C	22.0	34.0	2.66	65%
36	BAVSC	CRE111	B	28.0	38.0	2.66	74%
36	BAVSC	GBS420	C	42.0	57.0	4.00	74%
36	BAVSC	BDG315	B	45.0	60.0	3.33	75%
36	BAVSC	BDG390	A	39.0	51.0	3.33	76%
36	BAVSC	MKT271	C	30.0	38.0	2.66	79%
36	BAVSC	PSY101	C	30.0	38.0	2.66	79%
36	BAVSC	MAT105	Not posted yet	30.0	38.0	2.66	79%
36	BAVSC	BDG410	C	45.0	57.0	3.33	79%
36	BAVSC	BDG320	C	45.0	57.0	3.33	79%
36	BAVSC	BDG330	C	45.0	57.0	3.33	79%
36	BAVSC	BDG415	F	45.0	57.0	3.33	79%
38	AAANIM	ANM212	C	70.0	95.0	5.00	74%
40	AAVSC	GDT304	A	52.0	68.0	4.00	76%
43	AAPCNET	PTA310	C	50.0	95.0	5.00	53%
43	AAPCNET	PTA305	D	52.0	95.0	5.00	55%
43	AAPCNET	PTA230	C	59.0	95.0	5.00	62%
43	AAPCNET	PTA320	C	70.0	95.0	5.00	74%
43	AAPCNET	PTA220	C	75.0	95.0	5.00	79%
43	AAPCNET	PTA300	B	75.0	95.0	5.00	79%
43	AAPCNET	PTA330	B	75.0	95.0	5.00	79%
44	AAVSC	GDT304	B	60.0	95.0	5.00	63%
44	AAVSC	COR201	B	65.0	100.0	5.00	65%
44	AAVSC	COR228	D	65.0	95.0	5.00	68%
44	AAVSC	GDT285	B	70.0	95.0	5.00	74%
44	AAVSC	COR168	C	74.0	95.0	5.00	78%

Page 81 - PROGRAM REVIEW REPORT – Collins College (PRCN 2003-2-09-21324)

Student #	Program	Course	Grade Received	HRS Attended	HRS Scheduled	Credit HRS Earned	Percent Attendance
44	AAVSC	COR324	C	74.0	95.0	5.00	78%
44	AAVSC	COR180	B	75.0	95.0	5.00	79%
44	AAVSC	GDT260	B	75.0	95.0	5.00	79%
45	AAVSC	GDT285	A	47.0	76.0	4.00	62%
45	AAVSC	CRE111A2	C	13.0	19.0	1.50	68%
45	AAVSC	GDT304	C	52.0	70.0	4.00	74%
45	AAVSC	COM240A2	C	15.0	19.0	1.50	79%
45	AAVSC	COR232	B	60.0	76.0	4.00	79%

APPENDIX I: TIMING OF FSEOG DISBURSEMENTS

Student Number	Award Year	Disbursement Amount	Disbursement Date	In Compliance
3	2000-01	$217.00	11/16/2000	N
		$217.00	12/11/2000	
		$216.00	5/30/2001	
5	2000-01	$334.00	5/30/2001	N
		$334.00	5/30/2001	
		$334.00	5/30/2001	
10	2000-01	$500.00	5/29/2001	Y
10	2001-02	$400.00	4/23/2002	N
		$267.00	6/17/2002	
		$333.00	6/17/2002	
19	2000-01	$250.00	11/13/2000	N
		$250.00	11/13/2000	
		$250.00	12/11/2000	
25	2000-01	$500.00	2/15/2001	Y
26	2001-02	$500.00	10/8/2001	N
		$500.00	6/17/2002	
		$500.00	6/18/2002	
31	2001-02	$400.00	4/23/2002	Y
41	2002-03	$500.00	10/29/2002	N
		$500.00	10/29/2002	
		$500.00	12/30/2002	
43	2001-02	$400.00	4/23/2002	N
		$267.00	6/17/2002	
		$333.00	6/17/2002	