



December 20, 2012

The Honorable Rick Scott
Governor of Florida
Office of the Governor
The Capital
400 S. Monroe St.
Tallahassee, FL 32399-0001

UPS Next Day Air
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RE: Audit Control Number (ACN): 04-2011-22568
FAC ACN: 04-2011-210170
OPE ID Number: 00147000

Dear Governor Scott:

The U.S. Department of Education (Department) has reviewed the single audit report of the **State of Florida Universities and Community Colleges**. This audit report, prepared by the Office of the Auditor General, State of Florida, in accordance with the Office of Management and Budget Circular A-133, covers the period July 1, 2010 through June 30, 2011. This letter advises the **State of Florida Universities and Community Colleges** of the Department's final audit determination concerning the portions of the audit report that relate to the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs).

The Department has reviewed the corrective action plans and/or management's responses provided with the audit report. Enclosed is the Department's final audit determination for this audit. Institutional responses and supporting documents are not attached; however they will be retained and are available for inspection by each school upon request. Copies of the final audit determination, the institution's response, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this final audit determination is issued.

Although the enclosures to this letter may not address each of the auditor's findings, the **State of Florida Universities and Community Colleges** must take the necessary actions to correct all of the deficiencies noted in the audit report. Sections .315(b) and .320 (c) of OMB Circular A-133 require institutions to prepare and submit as part of the reporting package a *Summary Schedule of*

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

Atlanta School Participation Division
61 Forsyth St., SW, Room 18T40
Atlanta, GA 30303-8918

Prior Audit Findings that reports the status of prior audit findings. In preparing that Schedule, institutions must comment on all actions taken to correct each finding noted in this audit report, including any action required in the enclosures to this letter.

The following institutions have no deficiencies, or it has been determined that the findings cited in the audit have been satisfactorily resolved based on information provided by these institutions:

1. Brevard Community College
2. Chipola College
3. Edison State College
4. Florida Atlantic University
5. Florida Gulf Coast University
6. Florida Keys Community College
7. Gulf Coast State College
8. Indian River State College
9. Lake Sumter Community College
10. New College of Florida
11. North Florida Community College
12. Pasco-Hernando Community College
13. Pensacola State College
14. St. Johns River State College
15. St. Petersburg College
16. Tallahassee Community College
17. Valencia College
18. University of Central Florida
19. University of Florida
20. University of North Florida
21. University of West Florida

Findings for the (18) remaining institutions are addressed in the enclosure. Required actions must be completed as specified under each final audit determination where applicable. Repayment Instructions for any liabilities owed are provided within this letter at the end of each institution's section.

The State of Florida Universities and Community Colleges are advised that repeat findings in future audits or failure to satisfactorily resolve the findings of this audit may lead to an adverse administrative action. An adverse action may include the imposition of a fine, or the limitation, suspension, or termination of the eligibility of the institution pursuant to 34 C.F.R. Part 668, Subpart G.

If any State of Florida institution elects to appeal to the Secretary of Education for a review of the monetary liabilities established by this final audit determination, the institution must file a written request for a hearing. The Department must receive the institution's request no later than 45 days from the date it receives this final audit determination letter. An original and four copies of the information must be attached to the institution's request. The request must be sent to:

Mary E. Gust, Director
Administrative Actions and Appeals Service Group
U.S. Department of Education
Federal Student Aid / PC
830 First Street, NE - UCP3, Room 84F2
Washington, DC 20002-8019

The institution's appeal request must:

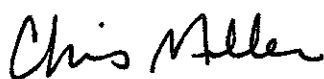
- (1) indicate the findings, issues and facts being disputed;
- (2) state the institution's position, together with pertinent facts and reasons supporting its position;
- (3) include all documentation it believes the Department should consider in support of the appeal. Any documents relative to the appeal that include PII must be redacted except the student's name and last four digits of his / her social security number (please see the attached document, "Protection of Personally Identifiable Information," for instructions on how to mail records containing PII); and
- (4) include a copy of the final audit determination letter.

If the appeal request is complete and timely, the Department will schedule an administrative hearing in accordance with § 487(b)(2) of the HEA, 20 U.S.C. § 1094(b)(2). The procedures followed with respect to the institution's appeal are those provided at 34 C.F.R. Part 668, Subpart H. Interest on the appealed liabilities shall continue to accrue at the applicable value of funds rate, as established by the United States Department of Treasury, or if the liabilities are for refunds, at the interest rate set forth in the loan promissory note(s).

Program records relating to the period covered by this audit must be retained until the later of: resolution of any loans, claims, or expenditures questioned in the audit, 34 C.F.R. § 668.24 (e)(3)(i), or the end of the retention period applicable to the record under 34 C.F.R. §§ 668.24 (e)(1) and (e)(2).

The **State of Florida Universities and Community Colleges'** continued cooperation throughout the audit review process is appreciated. If there are any questions about the review, please contact Lisa Lancaster at (404) 974-9296.

Sincerely,



Chris Miller
Compliance Manager

Enclosures

cc: Dr. James H. Richey, President, Brevard Community College
Ms. Indira Dzadovsky, Financial Aid Administrator, Brevard Community College
Mr. J. David Armstrong, Jr., President, Broward College
Mr. Robert Robbins, Financial Aid Administrator, Broward College
Dr. Gene Prough, President, Chipola College
Ms. Sybil Cloud, Financial Aid Administrator, Chipola College
Dr. James D. Henningsen, President, College of Central Florida
Ms. Judy Menadier, Financial Aid Administrator, College of Central Florida
Dr. Carol Eaton, President, Daytona State College
Ms. Aileen Morrissey, Financial Aid Administrator, Daytona State College
Mr. Dudley Goodlette, Interim District President, Edison State College
Mr. Barry Paine, Financial Aid Administrator, Edison State College
Dr. Larry Robinson, Interim President, Florida A & M University
Ms. Lisa Stewart, Financial Aid Director, Florida A & M University
Dr. Mary Jane Saunders, President, Florida Atlantic University
Ms. Tracy L. Boulukos, Financial Aid Administrator, Florida Atlantic University
Dr. Charles W. Hall, President, Florida Gateway College (formerly LCCC)
Ms. Debberin Tunsil, Financial Aid Administrator, Florida Gateway College
Dr. Wilson G. Bradshaw, President, Florida Gulf Coast University
Mr. Jorge Lopez, Financial Aid Administrator, Florida Gulf Coast University
Dr. Mark Rosenberg, President, Florida International University
Mr. Francisco Valines, Financial Aid Administrator, Florida International University
Dr. Jonathan Gueverra, President, Florida Keys Community College
Ms. Susan Urban, Financial Aid Administrator, Florida Keys Community College
Dr. Steven Wallace, President, Florida State College at Jacksonville
Ms. Michele Bowles, Financial Aid Administrator, Florida State College at Jacksonville
Dr. Eric Barron, President, Florida State University
Mr. Darryl A. Marshall, Financial Aid Administrator, Florida State University
Dr. A. James Kerley, President, Gulf Coast State College
Mr. Chris Westlake, Financial Aid Administrator, Gulf Coast State College
Dr. Ken Atwater, President, Hillsborough Community College
Mr. E. Martinez Jaime, Financial Aid Administrator, Hillsborough Community College
Mr. Edwin R. Massey, President, Indian River Community College
Ms. Mary Lewis, Financial Aid Administrator, Indian River Community College
Dr. Charles R. Mojock, President, Lake Sumter Community College
Ms. Audrey V. Maxwell, Financial Aid Administrator, Lake Sumter Community College
Dr. Eduardo Pardon, President, Miami-Dade College
Ms. Mercedes Amaya, Director of Financial Aid, Miami Dade College
Dr. Donal O'Shea, President, New College of Florida
Ms. Tara Karas, Financial Aid Administrator, New College of Florida
Mr. John Grosskopf, President, North Florida Community College
Ms. Amelia Mulkey, Financial Aid Administrator, North Florida Community College
Dr. Ty Handy, President, Northwest Florida State College
Ms. Patricia Bennett, Financial Aid Administrator, Northwest Florida State College
Dr. Dennis P. Gallon, President, Palm Beach State College

Ms. Susan Kadir, Financial Aid Administrator, Palm Beach State College
Dr. Katherine W. Johnson, President, Pasco – Hernando Community College
Ms. Rebecca Shanafelt, Financial Aid Administrator, Pasco – Hernando Community College
Dr. Charles E. Meadows, President, Pensacola State College
Ms. Karen S. Kessler, Financial Aid Administrator, Pensacola State College
Dr. Eileen Holden, President, Polk State College
Ms. Marcia M. Conliffe, Financial Aid Administrator, Polk State College
Dr. Jackson N. Sasser, President, Santa Fe College
Ms. Maureen McFarlane, Financial Aid Administrator, Santa Fe College
Dr. E. Ann McGee, President, Seminole State College
Ms. Carmen Afghani, Financial Aid Administrator, Seminole State College
Dr. Norman L. Stephens, Jr., President, South Florida State College
Ms. Susie Johnson, Financial Aid Administrator, South Florida State College
Dr. Joe H. Pickens, President, St. Johns River State College
Mr. John Bodiford, Financial Aid Administrator, St. Johns River State College
Dr. William D. Law Jr., President, St. Petersburg College
Mr. Michael Bennett, Financial Aid Administrator, St. Petersburg College
Dr. Lars Hafner, President, State College of Florida, Manatee-Sarasota
Mr. Jack Toney, Financial Aid Administrator, State College of Florida, Manatee-Sarasota
Dr. James T. Murdaugh, President, Tallahassee Community College
Mr. William K. Spiers, Jr., Financial Aid Administrator, Tallahassee Community College
Dr. John C. Hitt, President, University of Central Florida
Ms. Mary McKinney, Financial Aid Administrator, University of Central Florida
Dr. J. Bernard Machen, President, University of Florida
Mr. Richard Wilder, Financial Aid Administrator, University of Florida
Mr. John A. Delaney, President, University of North Florida
Ms. Anissa Agne, Financial Aid Administrator, University of North Florida
Dr. Judy L. Genshaft, President, University of South Florida
Ms. Billie Jo Hamilton, Financial Aid Administrator, University of South Florida
Dr. Judith A. Bense, President, University of West Florida
Ms. Janice Bass, Financial Aid Administrator, University of West Florida
Dr. Sanford Shugart, President, Valencia Community College
Mr. Christen Christensen, Financial Aid Administrator, Valencia Community College
Mr. Frank T. Brogan, Chancellor of the State University System of Florida
Mr. Randall W. Hanna, Chancellor for the Florida College System
Mr. David W. Martin, CPA, State of Florida Auditor General
Southern Association of Colleges and Schools (SACS), Commission on Colleges

INSTITUTION: **BROWARD COLLEGE**

OPE ID: **00150000**

FINDING: **FA 11-105, Unofficial Withdrawals Not Identified, Page 201**

The institution relied on its faculty to timely and accurately identify students who unofficially withdrew. However, the procedures were not adequate and as a result the institution did not identify, calculate, and return unearned Title IV funds to the applicable Federal program for students who unofficially withdrew prior to the 60% point of the payment period.

Testing revealed that the institution did not maintain documentation to support that students attended past 60% of the payment period for three of 25 students who withdrew from school in Fall 2010. Subsequent to the issuance of the audit, the institution returned \$1286 in Federal Pell Grant, and \$527 in Unsubsidized (Unsub) loan funds.

This is a repeat finding.

FINAL AUDIT DETERMINATION:

34 C.F.R. § 668.22 of the General Provisions specifies the treatment of Title IV funds when a recipient withdraws from an institution. If a Title IV recipient withdraws after beginning attendance, the percentage of Title IV funds earned by the student while enrolled must be determined. The institution must have a system to determine a student's withdrawal date because that date is used to determine the percentage of time completed, therefore, the amount of aid a student earned.

The withdrawal date for a student who ceases attendance at an institution that is not required to take attendance is—

- The date, as determined by the institution, that the student began the withdrawal process or provided official notification to the institution, in writing or orally, of his or her intent to withdraw;
- If the student ceases attendance without providing official notification to the institution of his or her withdrawal, the mid-point of the payment period; or
- If the institution determines that a student did not begin the withdrawal process or otherwise provide official notification of his or her intent to withdraw because of illness, accident, grievous personal loss, or other such circumstances beyond the student's control, the date that the institution determines is related to that circumstance.

An institution must have a procedure for determining whether a Title IV recipient who began attendance actually completed the period or should be treated as a withdrawal. If a student earns a passing grade in one or more of his or her classes offered over an entire payment period, an institution may presume that the student completed the course and thus completed the period. However, if a student who began attendance (and has not officially withdrawn) fails to earn a

passing grade in at least one course offered over the entire period, the institution must assume, for Title IV purposes, that the student unofficially withdrew, unless the institution can document that the student completed the period. For example, a student who did not officially withdraw and did not receive either a passing grade in at least one course must be considered to have unofficially withdrawn. When a student unofficially withdraws from an institution that is not required to take attendance, the institution may use either the student's last date of attendance (LDA) at an academically related activity *or* the midpoint of the payment period as the student's withdrawal date.

An institution must make a determination of a student's unofficial withdrawal as soon as possible, but no later than 30 days after the end of the earlier of –

- The payment period or period of enrollment, as applicable;
- The academic year; or
- The student's program.

Broward College officials agree with this finding and report that they are no longer relying on faculty to report withdrawn students via an online system. The institution is relying on each campus President to raise awareness, and submit improved documentation related to attendance.

Due to the error rate noted by this finding, Broward College was required to review the records of Title IV recipients for the 2010-2011 award year in order to ensure that all Return to Title IV (R2T4) calculations were performed, and that applicable funds were returned to the Department.

In response to this finding, the institution ran a quality control program and identified 5080 students as requiring an R2T4 review. Of the 5080 students, 5077 had already been reviewed. However, there was no calculation necessary for the remaining three students because it was determined that one of the students earned grades, and two were in attendance on the last day of their course(s).

There are no funds remaining to be returned to the Department.

This finding is closed.

INSTITUTION: **COLLEGE OF CENTRAL FLORIDA**

OPE ID: **00147100**

FINDING: **FA 11-083, Title IV Aid Exceeded Cost of Attendance, Page 169**

The institution used incorrect cost of attendance (COA) budgets for some independent students. The institution's system to automate financial aid did not distinguish between independent students living off-campus versus those living with their parents. As a result of the incorrect use of COA budgets, 75 students received \$125,733 in Title IV overawards.

FINAL AUDIT DETERMINATION:

Section 472 of the Higher Education Act (HEA), as amended, gives specific statutory parameters for determining a student's COA. A student's COA includes tuition and fees; room and board expenses; allowances for books and supplies; transportation; loan fees (if applicable); dependent-care costs (if applicable); costs related to a disability (if applicable); and other miscellaneous expenses. In addition, reasonable costs for a study-abroad program and costs associated with a student's employment as part of a cooperative education program may be included. There are also special rules for less-than-half-time students and correspondence-study students. The COA is compared to a student's expected family contribution (EFC) and estimated financial assistance (EFA) to determine the student's need for aid.

The College of Central Florida confirmed that funds totaling **\$123,823** were returned to the Department for 75 students on December 15, 2011 (the remaining funds were non-Title IV funds). **Additionally however, the institution is liable for returning \$7066 to the Department for the cost of funds on ineligible Title IV loan disbursements of \$120,498 as follows:**

Program	Cost of Funds
Unsubsidized FDL	\$ 6486
Subsidized FDL	\$ 580
TOTAL	\$ 7066

The *Cost of Funds* (COF) is the expense the Department incurred as a result of the institution retaining ineligible funds. The rate of interest is based on when the funds should have been returned to the Department. A copy of the COF calculation is attached as **Appendix A**.

Please refer to the Payment Instructions provided at the end of the College of Central Florida's section of this letter for steps the institution must follow to pay this liability.

The institution's corrective action plan provided an assurance that officials will correct this error to prevent a recurrence of this finding.

INSTITUTION: **COLLEGE OF CENTRAL FLORIDA**

OPE ID: **00147100**

FINDING: **FA 11-089, Missing Loan Notices and Authorizations, Page 180**

The institution did not always document the required notification to Federal Direct Loan (FDL) borrowers within 30 days of crediting a student's account with FDL funds. During the Fall 2010 and Spring 2011 terms, 7,410 students received FDL funds, however, the school did not provide documentation that these students received the required notification in writing of: (1) the date and amount of the disbursement; (2) the recipient's right to cancel all or a portion of the loan or the disbursement; and (3) the procedure and time by which the recipient must notify the institution that he or she wishes to cancel the loan or disbursement.

FINAL AUDIT DETERMINATION:

34 C.F.R. § 668.165 states that before an institution disburses Title IV funds for any award year, it must notify a student of the amount of funds that he or she can expect to receive under each program, and how and when those funds will be disbursed. If those funds include FDL funds, the notice must indicate which loans are subsidized; unsubsidized; and /or Parent Loans for Undergraduate Students (PLUS). If an institution credits a student's account with FDL funds, Federal Perkins Loan or TEACH Grant Program funds, it must notify the student or parent of—

- The anticipated date and amount of the disbursement;
- The student's right or parent's right to cancel all or a portion of that loan; and
- The procedures and time by which the student or parent must notify the institution that he or she wishes to cancel the loan, loan disbursement, TEACH Grant, or TEACH Grant disbursement.

An institution must provide this notice no earlier than 30 days before, and no later than 30 days after crediting the student's account at the institution.

In response to this finding, the College of Central Florida provided a copy of its Standard Operating Policy / Student Request Loan Cancellation procedures for students who request loans to be fully or partially cancelled. However, the response does not explain how FDL borrowers will be informed of this option and steps they must take to cancel all or a portion of their loans.

The College of Central Florida is reminded to provide borrowers with proper notifications in the future.

This finding is closed.

COLLEGE OF CENTRAL FLORIDA

PAYMENT INSTRUCTIONS

Liability Owed to the Department

The College of Central Florida must return **\$7066** to the Department for the COF resulting from this finding. Payment must be made by forwarding a check made payable to the "U.S. Department of Education" to the following address within **45** days of the date of this letter:

U.S. Department of Education
P.O. Box 979026
St. Louis, MO 63197-9000

Remit checks only. Do not send correspondence to this address. **Payment must be made via check and sent to the above Post Office Box. Payment and/or adjustments made via GAPS/G5 will not be accepted as payment of this liability.**

The following identification data must be provided with the payment:

Amount: \$7,066.00
DUNS: 082406349
TIN: 591213999
ACN: 04-2011-22568
FAC ACN: 04-2011-210170

Terms of Payment

As a result of this final determination, the Department has created a receivable for this liability and payment must be received by the Department within 45 days of the date of this letter. If payment is not received within the 45-day period, interest will accrue in monthly increments from the date of this determination, on the amounts owed to the Department, at the current value of funds rate in effect as established by the Treasury Department, until the date of receipt of the payment. The College of Central Florida is also responsible for repaying any interest that accrues. If the institution has any questions regarding interest accruals or payment credits, contact the Department's Accounts Receivable Group at (202) 245-8080 and asks to speak to the College of Central Florida's account representative.

If full payment cannot be made within 45 days of the date of this letter, contact the Department's Accounts Receivable Group to apply for a payment plan. Interest charges and other conditions apply. Written request may be sent to:

U.S. Department of Education
OCFO Financial Management Operations
Accounts Receivable Group

550 12th Street, S.W., Room 6111
Washington, DC 20202-4461
Attn: Cindy Dixon, Acting Supervisor, Accounts Receivable Group

If within **45** days of the date of this letter, the College of Central Florida has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the Department, the Department intends to collect the amount due and payable by administrative offset against payments due the institution from the Federal Government. The College of Central Florida **may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt, the College of Central Florida must **timely appeal** this determination under the procedures described in the "Appeal Procedures" section of the cover letter. The Department will use those procedures to consider any objection to offset. **No separate appeal opportunity will be provided.** If a timely appeal is filed, the Department will defer offset until completion of the appeal, unless the Department determines that offset is necessary as provided at 34 C.F.R. § 30.28. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

INSTITUTION: **DAYTONA STATE COLLEGE**

OPE ID: **00147500**

FINDING: **FA 11-099, Incorrect Dates for Official Withdrawals, Page 192**

The institution's procedures for identifying withdrawn students and returning Title IV funds were incorrect due to computer programming errors and the incorrect identification of a student's nonattendance in a course, a corresponding lab, or one of two mini-sessions. Subsequent to the audit, the institution returned \$1624 to the Title IV programs for three of 25 students tested.

FINAL AUDIT DETERMINATION:

34 C.F.R. § 668.22 of the Student Assistance General Provisions specifies the treatment of Title IV funds when a recipient withdraws from an institution. If a Title IV recipient withdraws after beginning attendance, the percentage of Title IV funds earned by the student while enrolled must be determined. The institution must have a system to determine a student's withdrawal date because that date is used to determine the percentage of time completed, therefore, the amount of aid a student earned. Institutional charges and aid that was disbursed are also factors used to determine the amount of unearned Title IV aid that the school (or student) is responsible for returning.

An institution must return the amount of Title IV funds for which it is responsible as soon as possible but no later than 45 days after the date of determination that the student withdrew.

The withdrawal date for a student who ceases attendance at an institution that is not required to take attendance is—

- The date, as determined by the institution, that the student began the withdrawal process or provided official notification to the institution, in writing or orally, of his or her intent to withdraw;
- If the student ceases attendance without providing official notification to the institution of his or her withdrawal, the mid-point of the payment period; or,
- If the institution determines that a student did not begin the withdrawal process or otherwise provide official notification of his or her intent to withdraw because of illness, accident, grievous personal loss, or other such circumstances beyond the student's control, the date that the institution determines is related to that circumstance.

Since the finding was based on a sample of students, the institution was required to re-examine the files of all students who received Title IV aid and officially withdrew from the Fall 2010; Spring 2011; and/or Summer 2011 terms in order to correct R2T4 calculations and identify applicable funds that were not returned to the Title IV programs.

Daytona State College officials reviewed all Title IV recipients who officially withdrew and identified the following:

- There were 158 Title IV recipients who withdrew during the Fall 2010 semester. Of those, an R2T4 calculation was not done for **five** students, resulting in \$2312 still due to the Federal Pell Grant program.
- There were 251 Title IV recipients who withdrew during the Spring 2011 semester. R2T4 calculations were completed for all students.
- There were 48 Title IV recipients who withdrew during the Summer 2011 semester. Of those, an R2T4 calculation was not done for **two** students, resulting in \$410 still due to the Pell Grant program.

Outstanding funds totaling \$2722 were returned to the Department on August 13, 2012.

The corrective action plan states that the school's IT Department was able to determine that a change in a select few courses allowed students to enroll in a corresponding lab on a different day or time resulting in some classes not being 'linked'. Subsequently, when a student withdrew from class, the lab stayed on the schedule and the student was not identified as a withdrawal.

The IT Department has created a report to enhance withdrawal procedures in the future.

This finding is closed.

INSTITUTION: **DAYTONA STATE COLLEGE**

OPE ID: **00147500**

FINDING: **FA 11-106, Late Returns for Unofficial Withdrawals, Page 203**

The institution's procedures were not adequate to ensure the timely return of Title IV funds for all students who received all failing, incomplete, and withdrawal grades, and did not attend past the 60% point in the academic period.

Errors were found for three of five Title IV recipients who unofficially withdrew from school prior to the 60% completion point of the payment period. As a result, \$1883 was returned up to 51 days late for the three students.

This is a repeat finding.

FINAL AUDIT DETERMINATION:

As stated above, 34 C.F.R. § 668.22 specifies the treatment of Title IV funds when a recipient withdraws from an institution. If a Title IV recipient withdraws after beginning attendance, the percentage of Title IV funds earned by the student while enrolled must be determined.

The withdrawal date for a student who ceases attendance at an institution that is not required to take attendance is—

- The date, as determined by the institution, that the student began the withdrawal process or provided official notification to the institution, in writing or orally, of his or her intent to withdraw;
- If the student ceases attendance without providing official notification to the institution of his or her withdrawal, the mid-point of the payment period; or
- If the institution determines that a student did not begin the withdrawal process or otherwise provide official notification of his or her intent to withdraw because of illness, accident, grievous personal loss, or other such circumstances beyond the student's control, the date that the institution determines is related to that circumstance.

An institution must have a procedure for determining whether a Title IV recipient who began attendance actually completed the period or should be treated as a withdrawal. If a student earns a passing grade in one or more of his or her classes offered over an entire payment period, an institution may presume that the student completed the course and thus completed the period. However, if a student who began attendance (and has not officially withdrawn) fails to earn a passing grade in at least one course offered over the entire period, the institution must assume, for Title IV purposes, that the student unofficially withdrew, unless the institution can document that the student completed the period. For example, a student who did not officially withdraw and did not receive either a passing grade in at least one course must be considered to have unofficially withdrawn. When a student unofficially withdraws from an institution that is not

required to take attendance, the institution may use either the student's last date of attendance (LDA) at an academically related activity or the midpoint of the payment period as the student's withdrawal date.

An institution must make a determination of a student's unofficial withdrawal as soon as possible, but no later than 30 days after the end of the earlier of –

- The payment period or period of enrollment, as applicable;
- The academic year; or
- The student's program.

The corrective action plan states that the college is continuously reviewing and evaluating its processes and implementing changes as needed. An enhancement to improve grading procedures, including failing grades and non-attendance, was effective in Summer 2011, and, faculty workshops were held during the Fall 2011 and Spring 2012 terms. Workshops will continue to be offered. Additionally, the IT Department created a new report to replace the manual process for identifying students enrolled in courses with multiple start dates. This is intended to improve the overall financial aid awarding and refund process.

This finding is now closed.

INSTITUTION: **FLORIDA AGRICULTURAL & MECHANICAL UNIVERSITY**

OPE ID: 00148000

FINDING: **FA 11-082: Excess Loan Funds Maintained, Page 168**

Florida Agricultural & Mechanical University's (FAMU's) procedures were not adequate to follow through and complete the return of undistributed Federal Family Education Loan (FFEL) funds totaling \$5,237,543 or make other necessary adjustments, to ensure the timely return of applicable amounts to lenders (or to make corrections to students' accounts). The improper retention of funds includes undistributed FFEL funds received from August 2006 through June 2009. This finding was originally noted in the audit for the period ending June 30, 2009.

The current audit disclosed that as of November 22, 2011, FAMU still had 150 students with undisbursed FFEL balances totaling \$115,193 which had not been reconciled, adjusted, or returned to the applicable lenders.

FINAL AUDIT DETERMINATION:

Per 34 C.F.R. § 668.167 (b) of the Student Assistance General Provisions, an institution was required to return FFEL funds to a lender if it could not disburse those funds to a student or parent for a payment period within three (3) business days following the date the institution received the funds if the lender provided those funds to the institution by EFT and master check on or after July 1, 1999; or, 30 days after it received the funds if a lender provided those funds by a check payable to the borrower or co-payable to the borrower and the institution.

34 C.F.R. § 668.166 states that the Secretary considers excess cash to be any amount of Title IV funds, other than Federal Perkins Loan Program funds that an institution does not disburse to students or parents by the end of the third business day following the date the institution—

- Received those funds from the Secretary; or
- Deposited or transferred them to its Federal account.

34 C.F.R. § 668.21 states that if a student *does not begin attendance in a payment period or period of enrollment, the institution must return all Title IV funds that were credited to the student's account or disbursed directly to the student for that payment period.* The institution must return those funds for which it is responsible to the respective program as soon as possible, *but no later than 30 days* after the date it becomes aware that the student will not or has not begun attendance. (Note: If an institution cannot document a student's attendance, the Secretary considers the student to have dropped out before the first day of classes.)

The corrective action plan stated that the Office of Financial Aid reviewed all 150 students and adjusted 102 accounts as of November 22, 2011. With respect to the remaining 48 students (with a positive balance), FAMU's August 6, 2012 response states that its Controller's Office has

verified that funds were properly returned to ELM so that no student identified has a positive loan balance.

FAMU must correct its procedures so that this finding is not repeated in the future.

This finding is closed.

INSTITUTION: FLORIDA AGRICULTURAL & MECHANICAL UNIVERSITY

OPE ID: 00148000

FINDING: FA 11-098: Funds Not Returned for Official Withdrawals, Page 190

A review of the institution's procedures for determining and returning Title IV funds revealed that personnel entered inaccurate withdrawal dates and the number of days attended into the automated accounting and records system. Inadequate institutional oversight for processing returns, including lack of adequate training and human error, contributed to inaccurate Return of Title IV Funds (R2T4) calculations.

Errors were found for 15 Title IV recipients who officially withdrew from school during the Fall 2010 and Spring 2011 terms.

FINAL AUDIT DETERMINATION:

34 C.F.R. § 668.22 specifies the treatment of Title IV funds when a recipient withdraws from an institution. If a Title IV recipient withdraws after beginning attendance, the percentage of Title IV funds earned by the student while enrolled must be determined. The institution must have a system to determine a student's withdrawal date because that date is used to determine the percentage of time completed, therefore, the amount of aid a student earned. Institutional charges and aid that was disbursed are also factors used to determine the amount of unearned Title IV aid that the school (or student) is responsible for returning.

An institution must return the amount of Title IV funds for which it is responsible as soon as possible but no later than 45 days after the date of determination that the student withdrew.

The withdrawal date for a student who ceases attendance at an institution that is not required to take attendance is—

- The date, as determined by the institution, that the student began the withdrawal process or provided official notification to the institution, in writing or orally, of his or her intent to withdraw;
- If the student ceases attendance without providing official notification to the institution of his or her withdrawal, the mid-point of the payment period; or,
- If the institution determines that a student did not begin the withdrawal process or otherwise provide official notification of his or her intent to withdraw because of illness, accident, grievous personal loss, or other such circumstances beyond the student's control, the date that the institution determines is related to that circumstance.

Institutional officials agreed with this finding. The corrective action plan states that the process for determining withdrawal dates has been revised, and the records for 2011-2012 withdrawals will be corrected.

As a result of this finding, FAMU was required to re-examine the files of all students who received Title IV aid and officially withdrew from school during the 2010-2011 award year. For each official withdrawal, the school was required to correct the R2T4 calculation and identify funds (for each student) that were underpaid (or not made) to the applicable Title IV program.

The school reviewed 255 official withdrawals using the correct withdrawal dates for Fall 2010 and Spring 2011 and determined that it was required to return \$106,036 for 64 students. (These funds were returned timely for some students, and up to 17 months late for others.) The remaining students attended 60% of the semester or more, or did not receive financial aid. Therefore, no return of funds was required for those students.

The interest amount on the late return of funds is minimal; therefore FAMU is not required to return additional funds to the Department for this finding. However, FAMU remains responsible, in its role as a fiduciary for Title IV funds, to correct its procedures so that this finding does not recur or is not repeated in the future.

This finding is closed.

INSTITUTION: **FLORIDA AGRICULTURAL & MECHANICAL UNIVERSITY**

OPE ID: **00148000**

FINDING: **FA 11-104: Funds Not Paid for Unofficial Withdrawals, Page 199**

The institution's procedures were not adequate to ensure the identification and return of Title IV funds for students who received all failing, incomplete, and withdrawal grades, and did not attend past the 60% point in the academic period.

Errors were found for five Title IV recipients who unofficially withdrew from school during the Fall 2010 and Spring 2011 terms. Testing disclosed that for all five of the students tested, the institution had not identified or timely returned Title IV funds totaling \$9597. As a result, the auditors expanded their testing to include the 731 students who unofficially withdrew during the Fall 2010 and Spring 2011 terms and received Title IV funds. The results showed that:

- 383 students were identified by the institution as unofficial withdrawals. However, 77 of the 383 students identified as unofficial withdrawals did not have an R2T4 calculation processed (as of July 19, 2011), and it was not apparent why they had not been processed.
- 348 of 731 students (102 from the Fall 2010 semester and 246 from Spring 2011) had not been identified by the institution as unofficial withdrawals. It was not apparent why they had not been identified and whether returns of Title IV funds were due.

FINAL AUDIT DETERMINATION:

As noted in finding FA 11-098, 34 C.F.R. § 668.22 specifies the treatment of Title IV funds when a recipient withdraws from an institution. If a Title IV recipient withdraws after beginning attendance, the percentage of Title IV funds earned by the student while enrolled must be determined. The institution must have a system to determine a student's withdrawal date because that date is used to determine the percentage of time completed, therefore, the amount of aid a student earned.

The withdrawal date for a student who ceases attendance at an institution that is not required to take attendance is—

- The date, as determined by the institution, that the student began the withdrawal process or provided official notification to the institution, in writing or orally, of his or her intent to withdraw;
- If the student ceases attendance without providing official notification to the institution of his or her withdrawal, the mid-point of the payment period; or
- If the institution determines that a student did not begin the withdrawal process or otherwise provide official notification of his or her intent to withdraw because of illness,

accident, grievous personal loss, or other such circumstances beyond the student's control, the date that the institution determines is related to that circumstance.

An institution must have a procedure for determining whether a Title IV recipient who began attendance actually completed the period or should be treated as a withdrawal. If a student earns a passing grade in one or more of his or her classes offered over an entire payment period, an institution may presume that the student completed the course and thus completed the period. However, if a student who began attendance (and has not officially withdrawn) fails to earn a passing grade in at least one course offered over the entire period, the institution must assume, for Title IV purposes, that the student unofficially withdrew, unless the institution can document that the student completed the period. For example, a student who did not officially withdraw and did not receive either a passing grade in at least one course must be considered to have unofficially withdrawn. When a student unofficially withdraws from an institution that is not required to take attendance, the institution may use either the student's last date of attendance (LDA) at an academically related activity or the midpoint of the payment period as the student's withdrawal date.

An institution must make a determination of a student's unofficial withdrawal as soon as possible, but no later than 30 days after the end of the earlier of –

- The payment period or period of enrollment, as applicable;
- The academic year; or
- The student's program.

FAMU officials agreed with this finding. To distinguish between students who do not officially withdraw and those who earn all failing or incomplete grades, FAMU stated that it will create a new grade of "WF". Instructors will be required to assign a grade "WF" for any student who stops attending class. The school also reports that the financial aid director will review a sample of withdrawn students on a monthly basis and provide corrective actions if discrepancies are found.

FAMU officials were required to report the status of returns for students who had grades of 'W', 'F' or 'I' during the 2010-2011 award year. Results of this review are summarized as follows:

- With respect to the **five** unofficial withdrawals noted by the audit finding, it was determined that three students had a grade change (R2T4 not necessary), and the remaining **two** students required a return of funds. On May 12, 2012 FAMU returned \$210 in Federal Pell Grant funds, and \$582 in Unsubsidized (Unsub) Federal Direct Loan (FDL) funds to the Department, for a total of **\$792**.
- With respect to the **77** unofficial withdrawals who did not have an R2T4 calculation, the institution determined that it was required to return \$78,012 for **56** (of the 77) students. Between July and August 2012, FAMU returned Federal Pell Grant; Federal Supplemental Education Opportunity Grant (FSEOG); Subsidized (Sub) FDL; Unsub FDL; and, Parent Loan for Undergraduate Students (PLUS) funds to the Department, for

a total of **\$78,924**. (Officials acknowledged that due to minor calculation errors, FAMU slightly overpaid amounts due to the Department.)

- Of the **348** students who were not identified by the institution as unofficial withdrawals, FAMU determined that it was required to return \$236,320 for the Fall 2010, Spring 2011 and Summer 2011 terms for **144** (of the 348) students. The remaining students had grade changes or did not receive Title IV funds; therefore an R2T4 calculation was not necessary. Between July and August 2012, FAMU returned Federal Pell Grant; FSEOG; Federal Perkins Loan; Sub FDL; Unsub FDL; and, PLUS funds to the Department, for a total of **\$236,516**. (Officials acknowledged that due to minor calculation errors, FAMU slightly overpaid amounts due to the Department.)

The institution's failure to identify unofficial withdrawals during the 2010-2011 award year resulted in FAMU returning funds through August 2012. As a result, the institution must pay an additional **\$23,835** for the cost of funds on the ineligible Title IV expenditures as follows:

Program	COF	Payment Due
FDL	\$23,568	To Department
Pell/FSEOG	\$ 214	To Department
Perkins Loan	\$ 53	To Perkins Loan Fund
TOTAL	\$23,835	

The *Cost of Funds* (COF) is the expense the Department incurred as a result of the institution retaining ineligible funds. The rate of interest is based on when the funds should have been returned to the Department. A copy of the COF calculation is attached as **Appendix B** and **Appendix C**.

Please refer to the Payment Instructions provided at the end of FAMU's section of this letter for steps the institution must follow to pay this liability.

The institution's corrective action plan provided an assurance that officials will correct this error to prevent a recurrence of this finding.

FLORIDA AGRICULTURAL & MECHANICAL UNIVERSITY

PAYMENT INSTRUCTIONS

Liability Owed to the Federal Perkins Loan Fund

FAMU must deposit \$53 into institution's Perkins Loan account for the COF resulting from the late return of funds.

Liability Owed to the Department

FAMU must return \$23,782 to the Department for the COF resulting from the late return of funds. Payment must be made by forwarding a check made payable to the "U.S. Department of Education" to the following address within 45 days of the date of this letter:

U.S. Department of Education
P.O. Box 979026
St. Louis, MO 63197-9000

Remit checks only. Do not send correspondence to this address. **Payment must be made via check and sent to the above Post Office Box. Payment and/or adjustments made via GAPS/G5 will not be accepted as payment of this liability.**

The following identification data must be provided with the payment:

Amount: \$23,782.00
DUNS: 623751831
TIN: 590977035
ACN: 04-2011-22568
FAC ACN: 04-2011-210170

Terms of Payment

As a result of this final determination, the Department has created a receivable for this liability and payment must be received by the Department within **45 days of the date of this letter**. If payment is not received within the 45-day period, interest will accrue in monthly increments from the date of this determination, on the amounts owed to the Department, at the current value of funds rate in effect as established by the Treasury Department, until the date of receipt of the payment. FAMU is also responsible for repaying any interest that accrues. If the institution has any questions regarding interest accruals or payment credits, contact the Department's Accounts Receivable Group at (202) 245-8080 and asks to speak to FAMU's account representative.

If full payment cannot be made within 45 days of the date of this letter, contact the Department's Accounts Receivable Group to apply for a payment plan. Interest charges and other conditions apply. Written request may be sent to:

U.S. Department of Education
OCFO Financial Management Operations
Accounts Receivable Group
550 12th Street, S.W., Room 6111
Washington, DC 20202-4461
Attn: Cindy Dixon, Acting Supervisor, Accounts Receivable Group

If within **45** days of the date of this letter, **FAMU** has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the Department, the Department intends to collect the amount due and payable by administrative offset against payments due the institution from the Federal Government. **FAMU may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt **FAMU** must **timely appeal** this determination under the procedures described in the "Appeal Procedures" section of the cover letter. The Department will use those procedures to consider any objection to offset. **No separate appeal opportunity will be provided.** If a timely appeal is filed, the Department will defer offset until completion of the appeal, unless the Department determines that offset is necessary as provided at 34 C.F.R. § 30.28. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

INSTITUTION: **FLORIDA GATEWAY COLLEGE**

OPE ID: **00150100**

FINDING: **FA 11-081, Inadequate Computer System Controls, Page 166**

Access controls to protect the institution's Information Technology (IT) resources needed improvement. Specific details of the deficiencies were not disclosed in the audit report to avoid the possibility of compromising institutional information. However, appropriate institutional personnel have been notified of the deficiencies.

This finding was noted in the audit report for the previous year.

FINAL AUDIT DETERMINATION:

Per 34 C.F.R. § 668.14 (b), by entering into a program participation agreement, an institution agrees that it will, amongst other requirements, establish and maintain procedures and records as necessary to ensure proper and efficient administration of funds received from the Secretary for students under the Title IV programs, together with an assurance that it will provide, upon request and in a timely manner, information relating to the administrative capability and financial responsibility of the institution. To continue to participate in the Title IV programs, an institution must demonstrate that it is capable of adequately administering the programs by having a system that provides for adequate checks and balances, and internal controls (34 C.F.R. § 668.16 [b]).

Effective controls assist in the prevention and detection of errors or fraud. Proper controls provide employees access to IT resources based on their demonstrated need to view, change, or delete data, and restrict employees from performing functions outside of their area of responsibility. For example, financial aid office employees should not be able to change data elements that are entered by the registrar's office. An institution's system must allow only individuals with security classifications to have access to applicable IT systems. It should also be able to identify any individual who makes changes.

The Federal Trade Commission (FTC) has ruled that most educational institutions are subject to the provisions of the Financial Services Act's Security Provisions (also known as the Financial Services Modernization Act). The commission created a definition of financial institutions that includes most educational institutions on the basis of the financial relationships they have with students, donors, and others. Consequently, educational institutions must draft detailed policies for handling financial data covered by the law, such as parents' annual income, and must take steps to protect the data from falling into the wrong hands. Institutions must also develop, implement, and maintain a comprehensive information security program. The definition of "information security program" is the administrative, technical, or physical safeguards a school uses to access, collect, distribute, process, protect, store, use, transmit, dispose of, or otherwise handle customer information.

An educational institution must:

- Designate an employee or employees to coordinate its information security program.
- Identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that could result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of information.
- Assess risk in each relevant area of its operations, including: employee training and management; information systems, including network and software design, as well as information processing, storage, transmission, and disposal; and, detecting, preventing, and responding to attacks, intrusions, or other systems failures.
- Design and implement information safeguards to control the risks identified through risk assessment, and regularly test or otherwise monitor the effectiveness of the safeguards' key controls, systems, and procedures.
- Evaluate and adjust its information security program in light of the results of the required testing and monitoring, as well as for any material changes to its operations or business arrangements or any other circumstances that it has reason to know may have a material impact on the school's information security program.
- A service provider is any person or entity that receives, maintains, processes, or otherwise is permitted access to customer information through its provision of services directly to a school. A school must take reasonable steps to select and retain service providers that are capable of maintaining appropriate safeguards for the customer information at issue and require its service providers by contract to implement and maintain such safeguards.

The corrective action plan for the current year states that the institution will review access controls over IT resources and make necessary changes to ensure that employee access to IT resources is compatible with each employee's job duties. In addition, the school will install new software that will provide the necessary documentation needed to review access controls. Appropriate compensating controls, including reviews of override activity, will be signed and implemented to further reduce the risk of unauthorized or inappropriate changes to data.

However, the institution's revised procedures to ensure that changes to data in question were made in its software system, per the corrective action plan for the audit for the 2009-2010 year, have *not* prevented a repeat of this finding.

Florida Gateway College is advised that repeat findings in future audits or failure to satisfactorily resolve the findings of this audit may lead to an adverse administrative action. An adverse action may include the imposition of a fine, or the limitation, suspension, or termination of the eligibility of the institution pursuant to 34 C.F.R. Part 668, Subpart G.

The institution's administration must take immediate action to ensure that steps have been taken to prevent another repeat of this deficiency.

INSTITUTION: **FLORIDA INTERNATIONAL UNIVERSITY**

OPE ID: **00963500**

FINDING: **FA 11-081, Inadequate Computer System Controls, Page 166**

Access controls to protect the institution's Information Technology (IT) resources needed improvement. Specific details of the deficiencies were not disclosed in the audit report to avoid the possibility of compromising institutional information. However, appropriate institutional personnel have been notified of the deficiencies.

This finding was noted in the audit report for the previous year.

FINAL AUDIT DETERMINATION:

Per 34 C.F.R. § 668.14 (b), by entering into a program participation agreement, an institution agrees that it will, amongst other requirements, establish and maintain procedures and records as necessary to ensure proper and efficient administration of funds received from the Secretary for students under the Title IV programs, together with an assurance that it will provide, upon request and in a timely manner, information relating to the administrative capability and financial responsibility of the institution. To continue to participate in the Title IV programs, an institution must demonstrate that it is capable of adequately administering the programs by having a system that provides for adequate checks and balances, and internal controls (34 C.F.R. § 668.16 [b]).

Effective controls assist in the prevention and detection of errors or fraud. Proper controls provide employees access to IT resources based on their demonstrated need to view, change, or delete data, and restrict employees from performing functions outside of their area of responsibility. For example, financial aid office employees should not be able to change data elements that are entered by the registrar's office. An institution's system must allow only individuals with security classifications to have access to applicable IT systems. It should also be able to identify any individual who makes changes.

The Federal Trade Commission (FTC) has ruled that most educational institutions are subject to the provisions of the Financial Services Act's Security Provisions (also known as the Financial Services Modernization Act). The commission created a definition of financial institutions that includes most educational institutions on the basis of the financial relationships they have with students, donors, and others. Consequently, educational institutions must draft detailed policies for handling financial data covered by the law, such as parents' annual income, and must take steps to protect the data from falling into the wrong hands. Institutions must also develop, implement, and maintain a comprehensive information security program. The definition of "information security program" is the administrative, technical, or physical safeguards a school uses to access, collect, distribute, process, protect, store, use, transmit, dispose of, or otherwise handle customer information.

An educational institution must:

- Designate an employee or employees to coordinate its information security program.
- Identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that could result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of information.
- Assess risk in each relevant area of its operations, including: employee training and management; information systems, including network and software design, as well as information processing, storage, transmission, and disposal; and, detecting, preventing, and responding to attacks, intrusions, or other systems failures.
- Design and implement information safeguards to control the risks identified through risk assessment, and regularly test or otherwise monitor the effectiveness of the safeguards' key controls, systems, and procedures.
- Evaluate and adjust its information security program in light of the results of the required testing and monitoring, as well as for any material changes to its operations or business arrangements or any other circumstances that it has reason to know may have a material impact on the school's information security program.
- A service provider is any person or entity that receives, maintains, processes, or otherwise is permitted access to customer information through its provision of services directly to a school. A school must take reasonable steps to select and retain service providers that are capable of maintaining appropriate safeguards for the customer information at issue and require its service providers by contract to implement and maintain such safeguards.

The corrective action plan for the current audit states that management in the financial aid office has made adjustments to enhance the process. However, modifications referred to in the corrective action plan following the audit of the previous year (2009-2010) have *not* prevented a repeat of this finding.

Florida International University is advised that repeat findings in future audits or failure to satisfactorily resolve the findings of this audit may lead to an adverse administrative action. An adverse action may include the imposition of a fine, or the limitation, suspension, or termination of the eligibility of the institution pursuant to 34 C.F.R. Part 668, Subpart G.

The institution's administration must take immediate action to ensure that steps have been taken to prevent another repeat of this deficiency.

INSTITUTION: **FLORIDA STATE COLLEGE at JACKSONVILLE**

OPE ID: **00148400**

FINDING: **FA 11-084: Pell Grant Eligibility Requirement Not Met, Page 170**

The auditor stated that two of the 20 Federal Pell Grant recipients tested had a bachelor's degree, yet Florida State College at Jacksonville (FSCJ) disbursed \$10,699 in Pell Grant funds to those students during the 2010-2011 award year.

FINAL AUDIT DETERMINATION:

Per 34 C.F.R. § 668.32 (b) and 34 C.F.R. § 690.6 (c), a student who has earned a baccalaureate degree cannot receive funds from the Pell Grant program unless it is to obtain a professional certification or licensing credential that is required for employment as a teacher in an elementary or secondary school in that State.

The institution ran a report to identify all other Pell Grant recipients with a bachelor's degree and identified a total of three students. Funds were cancelled for one student so no further action was necessary. Funds for the above two students (plus \$538 in Pell Grant funds for one of the students not included in the Pell amount noted by the audit), were returned for a total of **\$11,237**.

FSCJ's corrective action plan reports that the institution has implemented steps to prevent this finding from recurring.

This finding is closed.

INSTITUTION: FLORIDA STATE COLLEGE at JACKSONVILLE

OPE ID: 00148400

FINDING: FA 11-085: Students Not Making Academic Progress, Page 171

The institution's policies and procedures were not adequate for students who appealed their determination of not meeting Satisfactory Academic Progress (SAP) for Title IV purposes. Because the SAP appeals process was not centralized, the financial aid administrator was not able to coordinate all elements of SAP for Title IV recipients. Student appeals were approved with inadequate documentation, and ineligible students continued to receive Title IV.

The school's SAP policy for Title IV recipients was that for a student to remain eligible for financial aid, he or she must: maintain a grade point average (GPA) of 2.0; achieve satisfactory grades in 67% of credit hours attempted; and, not exceed 150% of credit hours required for the program of study. Students could appeal their failure of SAP if the failure was attributable to a documented special circumstance, such as a death in the student's family or a personal injury or illness of the student.

Although the institution's 2010-2011 catalog published SAP standards and addressed the appeal process, there were limited internal administrative policies or procedures for the application of SAP standards to be used by staff for the appeal process. Also, there were no specific policies or procedures for requiring students to re-establish their SAP status and Title IV eligibility.

There were 11 of 30 students tested who failed SAP standards and were notified that their Title IV aid would be discontinued for the 2010-2011 award year. SAP appeals were subsequently approved for these students; however, the students did not always document special circumstances in support of their appeal. For example:

- **One student's appeal stated:** *"Spotty problems all year related to my health and family situation"*.

Student records did not include documentation supporting this statement. This student attended one prior college and had six consecutive years of SAP failures approved at FSCJ. Also, when the 2010-2011 award year appeal was approved in June 2010, this student was enrolled in a 72-hour program and had attempted 115 hours, which was greater than 150% of attempted hours (108) allowed for the academic program. Further, the student had earned only 64% of credit hours attempted, which is below the required 67%. The student subsequently received \$7732 in Title IV funds during the 2010-2011 award year and received over \$60,700 in Title IV aid from this institution through the Spring 2011 term.

- **Another student's appeal stated: "I have...to go through financial aid petitions seems like every year and all documents have been provided and approved".**

When asked by institution staff to specify particular semester(s) in which there were problems, the student stated "None –see attachment for reasoning". Institution records did not include documentation indicating the particular semesters. The student cited problems dating back to 1991 to 2004, prior to his 2005-2006 enrollment at FSCJ. He had six consecutive years of approved SAP failures. This student also attempted 196 hours, which is greater than 150% of attempted hours (90) allowed for the 60-hour Associates of Arts degree earned in the 2008-2009 award year. When the 2010-2011 award year appeal was approved in June 2010, this student had begun work toward a 120-hour degree but had earned only 58% of attempted hours. Twice in the past, this student failed to meet the criteria set as a condition of approved appeals; however, Title IV aid was not cancelled. The student received \$14,686 in Title IV aid during the 2010-2011 award year.

FINAL AUDIT DETERMINATION:

The Department adopted regulatory changes to SAP on October 29, 2010, which became effective on July 1, 2011. 34 C.F.R. §§ 668.16 (e), 668.32, and 668.34 require institutions to establish, publish, and apply reasonable standards for measuring whether an otherwise eligible student is maintaining satisfactory progress in his or her educational program. The Secretary considers an institution's standards to be reasonable if they are at least as strict as that for students who are not receiving Title IV funds, and are applied consistently to all educational programs and to all students within categories (e.g., full-time, part-time, undergraduate and graduate students). SAP standards must include the following elements:

All SAP policies for Title IV purposes must:

- Specify the qualitative standard (GPA) that a student must have at each evaluation or, if GPA is not an appropriate qualitative measure, a comparable measure against a norm. Students enrolled in a program of more than two academic years must have a GPA of at least a "C" or its equivalent or must have an academic standing consistent with the school's graduation requirements.
- Establish a schedule designating the minimum percentage of work (or credits) that a student must successfully complete at the end of each increment in order to graduate within the maximum timeframe. The timeframe for an undergraduate program must be no longer than 150% of the published length of the student's educational program. Each check of SAP must measure this quantitative component.
- Identify specific policies defining the effect of course incompletes, withdrawals, repetitions, noncredit remedial, and transfer credits. At a minimum, transfer credits that count toward the student's current program must count as both attempted and completed hours.

- An SAP policy cannot exclude courses in which a student remained beyond the Add/Drop period and earned a grade of “W” (or its equivalent), nor can it routinely exclude certain hours attempted, such as those taken during a summer session.
- The standards used to judge academic progress include all periods of the student’s enrollment. Periods in which the student did not receive Federal funds must be counted.

If an SAP check shows that a student does not have the required GPA or is not maintaining the required pace, he or she becomes ineligible for Title IV funds unless she is placed on financial aid warning or probation, as explained:

- **Financial aid warning:** Only schools that check SAP at the end of each payment period may place students on financial aid warning as a consequence of not making satisfactory progress. A school may do this without a student appeal. Warning status lasts for one payment period, during which the student may continue to receive Title IV funds. Students who are still failing to make satisfactory progress after the warning period lose their aid eligibility unless they successfully appeal and are placed on probation.
- **Financial aid probation:** A school assigns the status of financial aid probation to a student who is failing to make SAP and who successfully appeals. Eligibility for aid may be reinstated for one payment period only. While a student is on financial aid probation, the institution may require him or her to fulfill specific terms and conditions such as taking a reduced course load or enrolling in specific courses. At the end of one payment period on financial aid probation, the student must meet the institution's SAP standards or meet the requirements of the academic plan developed by the institution in order for the student to qualify for further Title IV funds.

An SAP policy must establish a process for students not meeting SAP standards to petition the school for reconsideration of his or her eligibility for Title IV funds, but only as follows:

- **Financial aid appeals:** The appeal policy must describe the process by which a student who is not meeting SAP standards appeals to school officials for reconsideration of eligibility for Title IV funds. A student may appeal the result of not making SAP on the basis of: injury or illness, the death of a relative, or other special circumstances. The student’s written appeal must explain why he or she failed to make satisfactory progress and what has changed in his or her situation that will allow him or her to make satisfactory progress at the next evaluation. An institution may decide to limit the number of times it will allow a student to appeal. All SAP appeals related to Title IV eligibility must be documented and maintained by an institution.

The corrective action plan provided revised SAP policies and procedures effective July 1, 2011. The financial aid office also now has oversight responsibility for determinations and Title IV appeals of SAP.

Including the students noted in the audit report, FSCJ was required to identify all students who submitted an SAP appeal (for continued eligibility for Title IV funds) subsequent to June 2010 through the 2011-2012 award year in order to re-review the basis of each student's appeal. Next, the institution was required to identify ineligible Title IV payments to 2010-2011 and 2011-2012 award year recipients (for those students whose reason for appealing SAP was not related to injury or illness; the death of a relative; other special circumstances; or, was not documented).

The file review conducted by the institution revealed ineligible disbursements of: Federal Pell Grant; Federal Supplemental Education Opportunity Grant (FSEOG); Academic Competitiveness Grant (ACG); National Science and Mathematics Access to Retain Talent (SMART) Grant; Subsidized (Sub) and Unsubsidized (Unsub) Federal Direct (FDL); and, Parent Loan for Undergraduate Students (PLUS) funds as follows:

Grants / 2010-2011	Pell	\$2,953,356
	FSEOG	\$12,681
	ACG	\$31,605
	SMART	\$4,000
Grants / 2011-2012	Pell	\$1,215,467
	FSEOG	\$15,681
Total Grants		\$4,232,790
*Loans / 2010-2011	Sub FDL	\$388,961
	Unsub FDL	\$138,120
	PLUS	\$113
*Loans / 2011-2012	Sub FDL	\$151,263
	Unsub FDL	\$71,125
	PLUS	\$630
Total Loans		\$750,212

*The Department has asserted a liability not for the entire ineligible loan amounts, but rather for the estimated actual or potential loss that the Department may incur with respect to the ineligible loans. The *Estimated Actual Loss* (EAL) to the Department that has resulted, or will result from the interest and special allowance on the ineligible loans, is based on FSCJ's most recent cohort default rate available (12.6%). Copies of the EAL calculations are attached as **Appendix D** and **Appendix E**.

In addition to the above, the institution must pay an additional **\$47,723** for the cost of funds on the ineligible Title IV grant expenditures. The *Cost of Funds* (COF) is the expense the Department incurred as a result of the institution retaining ineligible funds. The rate of interest is based on when the funds should have been returned to the Department. A copy of the COF calculation is attached as **Appendix F**.

The institution must refer to its September 17, 2012 submission (spreadsheet) to our office for student names and amounts which detail the liability identified by this finding. That data must also be used to make student-level Pell Grant adjustments resulting from this finding. The student-level adjustments must be made prior to the payment of the liability.

The total amount of funds to be returned to the Department for this finding is **\$5,030,725** as follows:

Liabilities Due to the Department	
Title IV Grant Funds	\$4,232,790
EAL on FDL Funds	\$ 750,212
Cost of Funds	\$ 47,723
Total	\$5,030,725

Please refer to the Payment Instructions provided at the end of FSCJ's section of this letter for detailed steps the institution must follow to pay this liability.

FLORIDA STATE COLLEGE at JACKSONVILLE

PAYMENT LANGUAGE

Liabilities Owed to the Department

FSCJ owes **\$5,030,725** to the Department. This liability must be paid using an electronic transfer of funds through the Treasury Financial Communications System, which is known as FEDWIRE. FSCJ must make this transfer within **45 days of the date of this letter**. This repayment through FEDWIRE is made via the Federal Reserve Bank in New York. If FSCJ's bank does not maintain an account at the Federal Reserve Bank, it must use the services of a correspondent bank when making the payments through FEDWIRE.

Any liability of \$100,000 or more identified through an audit must be repaid to the Department via FEDWIRE. The Department is unable to accept any other method of payment in satisfaction of these liabilities.

Instructions for completing the electronic fund transfer message format are included on the attached FEDWIRE form.

Federal Pell Grant Adjustments

FSCJ must perform student-level downward Pell Grant adjustments in the amount of **\$4,168,823** for all applicable students listed in FSCJ's September 17, 2012 file review submitted to our office in response to this finding. The disbursement record for each student must be adjusted in the Department's Common Origination and Disbursement (COD) System.

Because the liability established is for closed award years (2010-2011 and 2011-2012), FSCJ must contact COD School Relations at codsupport@acs-inc.com or by telephone at 1-800-848-0978 to request *extended processing relief* before any student-level adjustments can be processed. Extended processing will allow FSCJ to transmit student-level adjustments to COD for closed award years. The student-level adjustments must be made prior to the payment of the liability.

Terms of Payment

As a result of this final determination, the Department has created a receivable for this liability and payment must be received by the Department within **45 days of the date of this letter**. If payment is not received within the 45-day period, interest will accrue in monthly increments from the date of this determination, on the amounts owed to the Department, at the current value of funds rate in effect as established by the Treasury Department, until the date of receipt of the payment. FSCJ is also responsible for repaying any interest that accrues. If the institution has any questions regarding interest accruals or payment credits, contact the Department's Accounts Receivable Group at (202) 245-8080 and asks to speak to FSCJ's account representative.

If full payment cannot be made within **45** days of the date of this letter, contact the Department's Accounts Receivable Group to apply for a payment plan. Interest charges and other conditions apply. Written request may be sent to:

U.S. Department of Education
OCFO Financial Management Operations
Accounts Receivable Group
550 12th Street, S.W., Room 6111
Washington, DC 20202-4461
Attn: Cindy Dixon, Acting Supervisor, Accounts Receivable Group

If within **45** days of the date of this letter, FSCJ has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the Department, the Department intends to collect the amount due and payable by administrative offset against payments due the institution from the Federal Government. FSCJ **may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt FSCJ must **timely appeal** this determination under the procedures described in the "Appeal Procedures" section of the cover letter. The Department will use those procedures to consider any objection to offset. **No separate appeal opportunity will be provided.** If a timely appeal is filed, the Department will defer offset until completion of the appeal, unless the Department determines that offset is necessary as provided at 34 C.F.R. § 30.28. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

INSTITUTION: FLORIDA STATE UNIVERSITY

OPE ID: 00148900

FINDING: FA 11-087, CampusBased Matching and Reporting Errors, Page 176

The institution did not accurately complete its Fiscal Operations Report and Application to Participate (FISAP) *Edit Report* correcting Title IV expenditures for the 2009-2010 award year. In addition, Florida State University's accounting records did not show that the school matched Federal Work Study (FWS) funds with institutional funds as required by 34 C.F.R. § 675.19 of the FWS Provisions.

- The first error was that the institution underreported 2009-2010 Federal Pell Grant, ACG and SMART expenditure amounts by \$2,809,517 on the FISAP Edit Report submitted in November 2010.
- The second error was that Florida State University incorrectly reported the 2009-2010 award year's Job Location and Development¹ (JLD) matching funds amount on the FISAP Edit Report. Of the \$63,284 in JLD expenditures, the institution should have provided \$12,657 in matching funds. However, the match amount reported on the FISAP Edit Report was \$17,275.
- Upon further review, accounting records did not show that the institution met the 20% matching requirement.

The FISAP Edit Report, due by December 15, 2010, should have included any adjusted program amounts for year-end activity that occurred after the initial FISAP was submitted.

FINAL AUDIT DETERMINATION:

The institution was required to provide corrected data to be reported on the FISAP showing 2009-2010 expenditures. In response, the school provided data to update Pell, ACG and SMART funding. The response confirmed that the matching-funds requirement was met. Lastly, Florida State University states that its General Ledger shows the school overmatched JLD funds at a rate of 27% versus the required match of 20%.

If it has not already done so, the institution must submit the above FISAP corrections to CampusBased Programs via (<https://cbfisap.ed.gov/ecb/CBSWebApp>).

The corrective action plan to prevent a recurrence of this finding, including the regular reconciliation of funds and an additional level of review, is acceptable.

This finding may be closed.

¹The JLD program is a part of the FWS program. An institution is allowed to use part of the Federal funds it receives under the FWS program to establish or expand a JLD program.

INSTITUTION: **HILLSBOROUGH COMMUNITY COLLEGE**

OPE ID: **00787000**

FINDING: **FA 11-103, Errors for Official and Unofficial Withdrawals, Page 197**

Hillsborough Community College's (HCC's) procedures were not adequate to ensure the correct use of withdrawal dates for students who officially and unofficially withdrew (students who received all grades of "I" or "F"). The Return of Title IV Funds (R2T4) calculations were incorrect due to the wrong number of days in the Spring 2011 term. Testing of 25 withdrawn students (12 official and 13 unofficial) disclosed errors for four official withdrawals and three unofficial withdrawals.

According to HCC, these errors were due to oversight and the turnover of staff assigned to processing R2T4 calculations. Also, the institution deemed a grade of "F" as an earned grade without requiring documentation to verify whether or not the student actually earned an "F", or unofficially withdrew.

As required, funds totaling \$1902 due to the Department were returned subsequent to the issuance of the audit.

This deficiency is similar to a finding reported in the audit for the previous year.

FINAL AUDIT DETERMINATION:

34 C.F.R. § 668.22 of the Student Assistance General Provisions specifies the treatment of Title IV funds when a recipient withdraws from an institution. If a Title IV recipient withdraws after beginning attendance, the percentage of Title IV funds earned by the student while enrolled must be determined. The institution must have a system to determine a student's withdrawal date because that date is used to determine the percentage of time completed, therefore, the amount of aid a student earned.

An institution must return the amount of Title IV funds for which it is responsible as soon as possible but no later than **45** days after the date of determination that the student withdrew.

The withdrawal date for a student who ceases attendance at an institution that is not required to take attendance is—

- The date, as determined by the institution, that the student began the withdrawal process or provided official notification to the institution, in writing or orally, of his or her intent to withdraw;
- If the student ceases attendance without providing official notification to the institution of his or her withdrawal, the mid-point of the payment period; or,

- If the institution determines that a student did not begin the withdrawal process or otherwise provide official notification of his or her intent to withdraw because of illness, accident, grievous personal loss, or other such circumstances beyond the student's control, the date that the institution determines is related to that circumstance.

If a student earns a passing grade in one or more of his or her classes offered over an entire payment period, an institution may presume that the student completed the course and thus completed the period. However, if a student who began attendance (and has not officially withdrawn) fails to earn a passing grade in at least one course offered over the entire period, the institution must assume, for Title IV purposes, that the student unofficially withdrew, unless the institution can document that the student completed the period. For example, a student who did not officially withdraw and did not receive either a passing grade in at least one course must be considered to have unofficially withdrawn. When a student unofficially withdraws from an institution that is not required to take attendance, the institution may use either the student's last date of attendance (LDA) at an academically related activity or the midpoint of the payment period as the student's withdrawal date.

An institution must make a determination of a student's unofficial withdrawal as soon as possible, but no later than 30 days after the end of the earlier of –

- The payment period or period of enrollment, as applicable;
- The academic year; or
- The student's program.

The school's corrective action plan stated that the financial aid office has significantly revised, updated, corrected and amended its internal R2T4 procedures.

Due to the error rate noted by this finding, HCC was required to review the files of Title IV recipients who withdrew during the Spring 2011 semester. The purpose of the review was to correct R2T4 calculations for all withdrawals.

The school's review identified students for whom either R2T4 calculations had not been performed correctly or not performed at all for students who withdrew during the Spring 2011 term. As a result, the institution must return **\$224,787** in Federal Pell Grant funds; **\$49,984** in Subsidized (Sub); and **\$107,490** in Unsubsidized (Unsub) loan funds to the Department. In addition, the institution must pay an additional **\$10,545** for the cost of funds on the ineligible Title IV expenditures. The *Cost of Funds* (COF) is the expense the Department incurred as a result of the institution retaining ineligible funds. The rate of interest is based on when the funds should have been returned to the Department. A copy of the COF calculation is attached as

The institution must refer to its August 10, 2012 submission (spreadsheet) to our office for student names and amounts which detail the liability identified by this finding. That data

must also be used to make student-level adjustments. The student-level adjustments must be made prior to the payment of the liability.

The total amount of funds to be returned to the Department for this finding is **\$392,806** as follows:

Program	Total	COF	Due to ED
Pell Grant	\$224,787	\$ 2,008	\$226,795
Sub	\$ 49,984	\$ 2,009	\$ 51,993
Unsub	\$107,490	\$ 6,528	\$ 114,018
Total	\$382,261	\$10,545	\$392,806

Please refer to the Payment Instructions provided at the end of HCC's section of this letter for detailed steps the institution must follow to pay this liability.

HILLSBOROUGH COMMUNITY COLLEGE

PAYMENT LANGUAGE

Liabilities Owed to the Department

HCC owes **\$392,806** to the Department. This liability must be paid using an electronic transfer of funds through the Treasury Financial Communications System, which is known as FEDWIRE. HCC must make this transfer within **45 days of the date of this letter**. This repayment through FEDWIRE is made via the Federal Reserve Bank in New York. If HCC's bank does not maintain an account at the Federal Reserve Bank, it must use the services of a correspondent bank when making the payments through FEDWIRE.

Any liability of \$100,000 or more identified through an audit must be repaid to the Department via FEDWIRE. The Department is unable to accept any other method of payment in satisfaction of these liabilities.

Instructions for completing the electronic fund transfer message format are included on the attached FEDWIRE form.

Federal Pell Grant Adjustments

HCC must perform student-level downward Pell Grant adjustments in the amount of **\$224,787** for all applicable students listed in HCC's August 10, 2012 file review submitted to our office in response to this finding. The disbursement record for each student must be adjusted in the Department's Common Origination and Disbursement (COD) System based on the corrected R2T4 calculation.

Because the liability established is for a closed award year (2010-2011), HCC must contact COD School Relations at codsupport@acs-inc.com or by telephone at 1-800-848-0978 to request *extended processing relief* before any student-level adjustments can be processed. Extended processing will allow HCC to transmit student-level adjustments to COD for closed award years. The student-level adjustments must be made prior to the repayment of the liability.

Federal Direct Loan (FDL) Adjustments

HCC must pay **\$157,474** in FDL liabilities (\$49,984 Sub + \$107,490 Unsub) for all applicable students listed in its August 10, 2012 file review submitted to our office in response to this finding. (This amount consists of loan principal only.) The record for each student must be adjusted in COD based on the corrected R2T4 calculation.

Because the liability established is for a closed award year (2010-2011), HCC must contact COD School Relations at codsupport@acs-inc.com or by telephone at 1-800-848-0978 to request *extended processing relief* before any student-level adjustments can be processed. Extended processing will allow HCC to transmit student/borrower-level adjustments to COD for closed award years. The student-level adjustments must be made prior to the repayment of the liability.

HCC must also notify all student borrowers in writing regarding payments made on their behalf. This notification must include the amount and date of the payments.

Terms of Payment

As a result of this final determination, the Department has created a receivable for this liability and payment must be received by the Department within **45 days of the date of this letter**. If payment is not received within the 45-day period, interest will accrue in monthly increments from the date of this determination, on the amounts owed to the Department, at the current value of funds rate in effect as established by the Treasury Department, until the date of receipt of the payment. HCC is also responsible for repaying any interest that accrues. If the institution has any questions regarding interest accruals or payment credits, contact the Department's Accounts Receivable Group at (202) 245-8080 and asks to speak to HCC's account representative.

If full payment cannot be made within **45** days of the date of this letter, contact the Department's Accounts Receivable Group to apply for a payment plan. Interest charges and other conditions apply. Written request may be sent to:

U.S. Department of Education
OCFO Financial Management Operations
Accounts Receivable Group
550 12th Street, S.W., Room 6111
Washington, DC 20202-4461
Attn: Cindy Dixon, Acting Supervisor, Accounts Receivable Group

If within **45** days of the date of this letter, HCC has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the Department, the Department intends to collect the amount due and payable by administrative offset against payments due the institution from the Federal Government. **HCC may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt HCC must **timely appeal** this determination under the procedures described in the "Appeal Procedures" section of the cover letter. The Department will use those procedures to consider any objection to offset. **No separate appeal opportunity will be provided.** If a timely appeal is filed, the Department will defer offset until completion of the appeal, unless the Department determines that offset is necessary as provided at 34 C.F.R. § 30.28. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

HILLSBOROUGH COMMUNITY COLLEGE

FEDWIRE EFT MESSAGE FORMAT & INSTRUCTIONS

ABA Number 021030004	Type/Sub-Type	
Sender No.	Sender Ref. No.	Amount (1)

Sender Name (Automatically inserted by the Federal Reserve Bank)

Treasury Department Name/CTR/
TREAS NYC/CTR/

BNF=ED/AC-91020001 OBI=

Name/City/State:
(2)

EIN/PIN: **AGENCY CODE:**
(3) 60

FOR:
(4)

INSTRUCTIONS

A. Complete items 1-4 in parentheses above as follows:

- (1) Indicate amount including cents digits.
- (2) Indicate Name, City and State.
- (3) Indicate DUNS and EIN.
- (4) Enter the reason for the remittance. (ACN or PRC)

B. Provide the sending bank with a copy of the completed form. This form contains other information the bank will need to transmit the FEDWIRE message.

INSTITUTION: **MIAMI DADE COLLEGE**

OPE ID: **00150600**

FINDING: **FA 11-092, Transfer Monitoring Incomplete, Page 183**

The institution did not provide notification of transfer students to the National Student Loan Data System (NSLDS) for 18 students (of 25 tested) who transferred to the institution mid-year and received Title IV funds.

This is a repeat finding from the audit of the year ending June 30, 2009.

FINAL AUDIT DETERMINATION:

Per 34 C.F.R. § 668.19, an institution is required to inform NSLDS of transfer students. If a student transfers from one institution to another institution during the same award year, the institution to which the student transfers must request from the Secretary, through NSLDS, updated information about that student so it can determine whether or not the student is in default on any loans; owes an overpayment; and the amount of (and period of enrollment for) loans made to the student.

The institution may not make a disbursement to that student for seven days following its request, unless it receives the information from NSLDS in response to its request or obtains that information directly by accessing NSLDS, and the information it receives allows it to make that disbursement.

When NSLDS is not informed of mid-year transfers, students may receive Title IV funds for which they are not eligible. This would occur when students received funds from a prior institution that the second institution had no knowledge of. Further, by providing information to NSLDS of mid-year transfer students, the institution allows NSLDS to monitor and inform the institution of any subsequent relevant changes in a student's financial aid history before and after making a disbursement at the second institution.

The institution indicated that this error occurred as a result of a system failure in which the programmed queries were not properly set to identify mid-year transfer students. The school's corrective action plan states that, in addition to report modifications, the school continues to closely monitor the Multiple Reporting Records (MRR) reports provided by the Department.

This finding is closed.

INSTITUTION: **NORTHWEST FLORIDA STATE COLLEGE**

OPE ID: **00151000**

FINDING: **FA 11-086, Incorrect Procedures for Academic Progress, Page 174**

The institution's procedures were not adequate to ensure consistent application of its Satisfactory Academic Progress (SAP) policies for all students which may have resulted in students receiving 2010-2011 Title IV funds for which they were not eligible.

The auditors were advised by Northwest Florida State College (NWFSC) personnel that during the audit, the institution was in the process of revising its procedures manual and school catalog, but the revisions were not completed by June 30, 2011. As such, there was an increased risk that Satisfactory Academic Progress (SAP) policies were not consistently applied during the 2010-2011 award year which may have resulted in students receiving 2010-2011 Title IV funds for which they were not eligible.

(Note: The institution was instructed to return required funds to applicable Federal programs and lenders for this same finding as noted in the audit of the 2009-2010 award year.)

FINAL AUDIT DETERMINATION:

General Provisions 34 C.F.R. §§ 668.16 (e), 668.32 (f) and 668.34 require institutions to establish, publish, and apply reasonable standards for measuring whether an otherwise eligible student is maintaining SAP in his or her educational program. The Secretary considers an institution's standards to be reasonable if they are at least as strict as that for students who are not receiving Title IV funds, and are applied consistently to all educational programs and to all students within categories (e.g., full-time, part-time, undergraduate and graduate students).

The Department adopted regulatory changes to SAP on October 29, 2010, which became effective on July 1, 2011. Among those changes, one significant modification is that the policy provides that a student's academic progress is evaluated—

- At the end of each payment period if the educational program is either one academic year in length or shorter than an academic year; or
 - For all other educational programs, at the end of each payment period or at least annually to correspond with the end of a payment period.
-
- All SAP policies for Title IV purposes must specify the qualitative standard (grade point average or GPA) that a student must have at each evaluation or, if GPA is not an appropriate qualitative measure, a comparable measure against a norm.
 - If a student is enrolled in an educational program of more than two academic years, the policy specifies that at the end of the second academic year, the student must have a GPA of at least a "C" or its equivalent, or have academic standing consistent with the institution's requirements for graduation.

- The policy must specify the pace at which a student must progress through his or her educational program to ensure that the student will complete the program within the maximum timeframe. The timeframe for an undergraduate program must be no longer than 150% of the published length of the student's educational program.
- An SAP policy must explain how GPA and pace of completion are affected by course incompletes, withdrawals, repetitions and transfer credits from other schools. Transfer credits that count toward the student's current program must count as both attempted and completed hours.
- If an SAP check shows that a student does not have the required GPA or is not maintaining the required pace, he or she becomes ineligible for Title IV funds unless he or she is placed on financial aid warning or probation, as explained:

Financial aid warning: Only schools that check SAP at the end of each payment period may place students on financial aid warning as a consequence of not making satisfactory progress. A school may do this without a student appeal. Warning status lasts for one payment period, during which the student may continue to receive Title IV funds. Students who are still failing to make satisfactory progress after the warning period lose their aid eligibility unless they successfully appeal and are placed on probation.

Financial aid probation: A school assigns the status of financial aid probation to a student who is failing to make SAP and who successfully appeals. *Eligibility for aid may be reinstated for one payment period only.* While a student is on financial aid probation, the institution may require him or her to fulfill specific terms and conditions such as taking a reduced course load or enrolling in specific courses. At the end of one payment period on financial aid probation, the student must meet the institution's SAP standards or meet the requirements of the academic plan developed by the institution in order for the student to qualify for further Title IV funds.

- To the extent that an institution uses these statuses, it must use the terminology published in the regulations. These status changes must be included in the information provided to students.
- An SAP policy may establish a process for students not meeting SAP standards to petition the school for reconsideration of eligibility for Title IV funds, but only as follows:

Financial aid appeals: The appeal policy must describe the process by which a student who is not meeting SAP standards appeals to school officials for reconsideration of eligibility for Title IV funds. A student may appeal the result of not making SAP on the basis of: injury or illness, the death of a relative, or other special circumstances. The student's written appeal must explain why he or she failed to make satisfactory progress and what has changed in his or her situation that will allow him or her to make satisfactory progress at the next

evaluation. An institution may decide to limit the number of times it will allow a student to appeal. All SAP appeals related to Title IV eligibility must be documented and maintained by an institution.

- An institution must also explain how students who are not making SAP can restore their eligibility for Title IV funds.

In response to the school's corrective action plan for this finding, NWFSC was required to submit a copy of its revised Policy and Procedures Manual and its published SAP policy for Title IV recipients.

The school submitted both requested items, noting a December 2011 effective date for the revised SAP policy. However, NWFSC's published information and procedures to monitor SAP for Title IV recipients remain incorrect. The published SAP policy addresses '*financial aid warning*', but it does not use the terminology '*financial aid probation*', whereas the Policy and Procedures Manual uses the terms '*financial aid probationary status*' and '*suspension from financial aid*'. ***The revised, published procedures are not consistent and do not use the terminology published in the regulations. Therefore, NWFSC does not ensure consistency in its application of SAP for Title IV recipients.***

Further, the *financial aid appeals* section of the published SAP policy is explained within guidelines for transfer students, thus giving the appearance that only transfer students must appeal on the basis of mitigating circumstances. While this may be an oversight; the published policy must be corrected to explain the appeal process for all applicable Title IV recipients.

In order to resolve this finding which dates back to the previous audit, NWFSC must review its current Policy and Procedures Manual and its published SAP policy to ensure clear and consistent standards and terminology -- therefore a consistent determination -- of SAP for Title IV recipients. The policies must be revised such that all school officials and students have a clear understanding of the terminology. Please refer to the above references and the Department's *Program Integrity Questions and Answers - Satisfactory Academic Progress* at: <http://www2.ed.gov/policy/highered/reg/hearulemaking/2009/sap.html>

The institution must update and apply its revised SAP policy to all students who have received Title IV funds since July 1, 2010 and make corrected determinations (of SAP) as necessary. NWFSC must inform all Title IV recipients of any changes that affect their eligibility for aid.

INSTITUTION: **NORTHWEST FLORIDA STATE COLLEGE**

OPE ID: **00151000**

FINDING: **FA 11-100, Incorrect Procedures for Official Withdrawals, Page 194**

The institution's procedures were not adequate to ensure the correct use of withdrawal dates for students who officially withdrew. The school may have retained funds that should have been returned to the Department.

The auditors were advised by NWFSC personnel that during the audit, the institution was in the process of revising its Return of Title IV Funds (R2T4) procedures.

This finding was cited in the audit of the previous year

FINAL AUDIT DETERMINATION:

34 C.F.R. § 668.22 of the Student Assistance General Provisions specifies the treatment of Title IV funds when a recipient withdraws from an institution. If a Title IV recipient withdraws after beginning attendance, the percentage of Title IV funds earned by the student while enrolled must be determined. The institution must have a system to determine a student's withdrawal date because that date is used to determine the percentage of time completed, therefore, the amount of aid a student earned. Institutional charges and aid that was disbursed are also factors used to determine the amount of unearned Title IV aid that the school (or student) is responsible for returning.

An institution must return the amount of Title IV funds for which it is responsible as soon as possible but no later than 45 days after the date of determination that the student withdrew.

The withdrawal date for a student who ceases attendance at an institution that is not required to take attendance is—

- The date, as determined by the institution, that the student began the withdrawal process or provided official notification to the institution, in writing or orally, of his or her intent to withdraw;
- If the student ceases attendance without providing official notification to the institution of his or her withdrawal, the mid-point of the payment period; or,
- If the institution determines that a student did not begin the withdrawal process or otherwise provide official notification of his or her intent to withdraw because of illness, accident, grievous personal loss, or other such circumstances beyond the student's control, the date that the institution determines is related to that circumstance.

The corrective action plan states that NWFSC will continue to review and strengthen its withdrawal procedures to establish consistency in the application of withdrawal dates for official withdrawals.

An error rate for this finding was not included in the audit report, however, the auditors must comment on the status of the school's progress to correct return calculations for 2010-2011 award year withdrawals.

INSTITUTION: PALM BEACH STATE COLLEGE

OPE ID: 00151200

FINDING: FA 11-081, Inadequate Computer System Controls, Page 167

Access controls to protect the institution's Information Technology (IT) resources needed improvement. Specific details of the deficiencies were not disclosed in the audit report to avoid the possibility of compromising institutional information. However, appropriate institutional personnel have been notified of the deficiencies.

This finding was noted in the audit report for the previous year.

FINAL AUDIT DETERMINATION:

Per 34 C.F.R. § 668.14 (b), by entering into a program participation agreement, an institution agrees that it will, amongst other requirements, establish and maintain procedures and records as necessary to ensure proper and efficient administration of funds received from the Secretary for students under the Title IV programs, together with an assurance that it will provide, upon request and in a timely manner, information relating to the administrative capability and financial responsibility of the institution. To continue to participate in the Title IV programs, an institution must demonstrate that it is capable of adequately administering the programs by having a system that provides for adequate checks and balances, and internal controls (34 C.F.R. § 668.16 [b]).

Effective controls assist in the prevention and detection of errors or fraud. Proper controls provide employees access to IT resources based on their demonstrated need to view, change, or delete data, and restrict employees from performing functions outside of their area of responsibility. For example, financial aid office employees should not be able to change data elements that are entered by the registrar's office. An institution's system must allow only individuals with security classifications to have access to applicable IT systems. It should also be able to identify any individual who makes changes.

The Federal Trade Commission (FTC) has ruled that most educational institutions are subject to the provisions of the Financial Services Act's Security Provisions (also known as the Financial Services Modernization Act). The commission created a definition of financial institutions that includes most educational institutions on the basis of the financial relationships they have with students, donors, and others. Consequently, educational institutions must draft detailed policies for handling financial data covered by the law, such as parents' annual income, and must take steps to protect the data from falling into the wrong hands. Institutions must also develop, implement, and maintain a comprehensive information security program. The definition of "information security program" is the administrative, technical, or physical safeguards a school uses to access, collect, distribute, process, protect, store, use, transmit, dispose of, or otherwise handle customer information.

An educational institution must:

- Designate an employee or employees to coordinate its information security program.
- Identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that could result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of information.
- Assess risk in each relevant area of its operations, including: employee training and management; information systems, including network and software design, as well as information processing, storage, transmission, and disposal; and, detecting, preventing, and responding to attacks, intrusions, or other systems failures.
- Design and implement information safeguards to control the risks identified through risk assessment, and regularly test or otherwise monitor the effectiveness of the safeguards' key controls, systems, and procedures.
- Evaluate and adjust its information security program in light of the results of the required testing and monitoring, as well as for any material changes to its operations or business arrangements or any other circumstances that it has reason to know may have a material impact on the school's information security program.
- A service provider is any person or entity that receives, maintains, processes, or otherwise is permitted access to customer information through its provision of services directly to a school. A school must take reasonable steps to select and retain service providers that are capable of maintaining appropriate safeguards for the customer information at issue and require its service providers by contract to implement and maintain such safeguards.

The corrective action plan for the current year states that the Director and Associate Director of Financial Aid have access to add/change/delete staff access to Financier. A report was created that shows all security changes made to the Financier System. During 2011-2012, the Vice President of Student Services and Enrollment Management will run and review this report monthly to monitor security access.

However, the corrective action plan for the audit of the 2009-2010 year reported that the institution's IT staff assisted implemented a report which identified changes to material data elements in student financial aid applications. Also, IT Identity Management was to be reviewed monthly and modified accordingly.

Palm Beach State College is advised that repeat findings in future audits or failure to satisfactorily resolve the findings of this audit may lead to an adverse administrative action. An adverse action may include the imposition of a fine, or the limitation, suspension, or termination of the eligibility of the institution pursuant to 34 C.F.R. Part 668, Subpart G.

The institution's administration must take immediate action to ensure that steps have been taken to prevent another repeat of this deficiency.

INSTITUTION: **POLK STATE COLLEGE**

OPE ID: **00151400**

FINDING: **FA 11-081, Inadequate Computer System Controls, Page 167**

Access controls to protect the institution's Information Technology (IT) resources needed improvement. Specific details of the deficiencies were not disclosed in the audit report to avoid the possibility of compromising institutional information. However, appropriate institutional personnel have been notified of the deficiencies.

This finding was noted in the audit report for the previous year.

FINAL AUDIT DETERMINATION:

Per 34 C.F.R. § 668.14 (b), by entering into a program participation agreement, an institution agrees that it will, amongst other requirements, establish and maintain procedures and records as necessary to ensure proper and efficient administration of funds received from the Secretary for students under the Title IV programs, together with an assurance that it will provide, upon request and in a timely manner, information relating to the administrative capability and financial responsibility of the institution. To continue to participate in the Title IV programs, an institution must demonstrate that it is capable of adequately administering the programs by having a system that provides for adequate checks and balances, and internal controls (34 C.F.R. § 668.16 [b]).

Effective controls assist in the prevention and detection of errors or fraud. Proper controls provide employees access to IT resources based on their demonstrated need to view, change, or delete data, and restrict employees from performing functions outside of their area of responsibility. For example, financial aid office employees should not be able to change data elements that are entered by the registrar's office. An institution's system must allow only individuals with security classifications to have access to applicable IT systems. It should also be able to identify any individual who makes changes.

The Federal Trade Commission (FTC) has ruled that most educational institutions are subject to the provisions of the Financial Services Act's Security Provisions (also known as the Financial Services Modernization Act). The commission created a definition of financial institutions that includes most educational institutions on the basis of the financial relationships they have with students, donors, and others. Consequently, educational institutions must draft detailed policies for handling financial data covered by the law, such as parents' annual income, and must take steps to protect the data from falling into the wrong hands. Institutions must also develop, implement, and maintain a comprehensive information security program. The definition of "information security program" is the administrative, technical, or physical safeguards a school uses to access, collect, distribute, process, protect, store, use, transmit, dispose of, or otherwise handle customer information.

An educational institution must:

- Designate an employee or employees to coordinate its information security program.
- Identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that could result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of information.
- Assess risk in each relevant area of its operations, including: employee training and management; information systems, including network and software design, as well as information processing, storage, transmission, and disposal; and, detecting, preventing, and responding to attacks, intrusions, or other systems failures.
- Design and implement information safeguards to control the risks identified through risk assessment, and regularly test or otherwise monitor the effectiveness of the safeguards' key controls, systems, and procedures.
- Evaluate and adjust its information security program in light of the results of the required testing and monitoring, as well as for any material changes to its operations or business arrangements or any other circumstances that it has reason to know may have a material impact on the school's information security program.
- A service provider is any person or entity that receives, maintains, processes, or otherwise is permitted access to customer information through its provision of services directly to a school. A school must take reasonable steps to select and retain service providers that are capable of maintaining appropriate safeguards for the customer information at issue and require its service providers by contract to implement and maintain such safeguards.

The corrective action plan for the current year states that the institution will continue to review and strengthen its procedures regarding access controls to the financial aid system and to conduct external pre-award and post-disbursement reviews of student awards. In addition, it will be migrating to a new financial aid system in the 2012 academic year which will include enhanced access controls relating to employees performing incompatible functions.

However, the corrective action plan for the 2009-2010 audit also stated that the school would continue to review and strengthen its procedures regarding the financial aid system. In addition, it implemented external pre-award and post-disbursement reviews of student awards to ensure that the awards were not made to ineligible students.

Polk State College is advised that repeat findings in future audits or failure to satisfactorily resolve the findings of this audit may lead to an adverse administrative action. An adverse action may include the imposition of a fine, or the limitation, suspension, or termination of the eligibility of the institution pursuant to 34 C.F.R. Part 668, Subpart G.

The institution's administration must take immediate action to ensure that steps have been taken to prevent another repeat of this deficiency.

INSTITUTION: **POLK STATE COLLEGE**

OPE ID: **00151400**

FINDING: **FA 11-101, Incorrect Returns for Official Withdrawals, Page 195**

FINDING: **FA 11-107, Incorrect Returns for Unofficial Withdrawals, Page 204**

The institution's procedures were not adequate to ensure correct withdrawal dates and refunds to applicable Title IV programs for students who withdrew. Return of Title IV Funds (R2T4) calculations were incorrect due to understaffing; personnel turnover; and, the wrong number of days used in the calculations during the Spring 2011 term.

- Testing of 10 officially withdrawn students disclosed three late returns and six R2T4 calculation errors. Due to the incorrect number of days used in the calculations during the Spring 2011 term, the institution returned too much money to the Title IV programs and may have overcharged the students. Incorrect (return) amounts were minor.
- Testing of 30 students who unofficially withdrew disclosed seven late returns and one R2T4 calculation error. Spring 2011 returns were miscalculated due to the incorrect number of days used in the term, however, this resulted in de minimus overpayments.

The late return of funds is a repeat finding from the audit of the previous year.

FINAL AUDIT DETERMINATION:

34 C.F.R. § 668.22 of the Student Assistance General Provisions specifies the treatment of Title IV funds when a recipient withdraws from an institution. If a Title IV recipient withdraws after beginning attendance, the percentage of Title IV funds earned by the student while enrolled must be determined. The institution must have a system to determine a student's withdrawal date because that date is used to determine the percentage of time completed, therefore, the amount of aid a student earned. Institutional charges and aid that was disbursed are also factors used to determine the amount of unearned Title IV aid that the school (or student) is responsible for returning.

An institution must return the amount of Title IV funds for which it is responsible as soon as possible but no later than 45 days after the date of determination that the student withdrew.

The withdrawal date for a student who ceases attendance at an institution that is not required to take attendance is—

- The date, as determined by the institution, that the student began the withdrawal process or provided official notification to the institution, in writing or orally, of his or her intent to withdraw;

- If the student ceases attendance without providing official notification to the institution of his or her withdrawal, the mid-point of the payment period; or,
- If the institution determines that a student did not begin the withdrawal process or otherwise provide official notification of his or her intent to withdraw because of illness, accident, grievous personal loss, or other such circumstances beyond the student's control, the date that the institution determines is related to that circumstance.

The institution reviewed all Title IV recipients who withdrew and made the appropriate adjustments and/or payments.

The corrective action plan states that the institution enhanced its procedures to ensure the timely and accurate return of unearned funds to the applicable Title IV program(s).

This finding is closed.

INSTITUTION: **POLK STATE COLLEGE**

OPE ID: **00151400**

FINDING: **FA 11-110, Incorrect Reporting - Enrollment Status Change, Page 208**

The institution did not always accurately and timely report enrollment status changes to the National Student Loan Data System (NSLDS) for student loan borrowers. For three of 27 borrowers who graduated or otherwise ceased to be enrolled at least half-time during the 2010-2011 year, the institution did not timely report enrollment status changes to NSLDS for two students, and reported the incorrect enrollment status for the third student.

The institution submitted its roster files to the National Student Loan Clearinghouse (NSC) and relied on NSC to transmit student status changes to NSLDS. However, the institution did not have monitoring procedures in place to ensure that NSC timely transmitted status changes to NSLDS, and, it did not monitor the accuracy of the information it submitted.

FINAL AUDIT DETERMINATION:

34 C.F.R. § 685.309 requires all participating institutions to report student enrollment status data to NSLDS through a Roster file (formerly called the Student Status Confirmation Report or SSCR). This process is referred to as Enrollment Reporting. Enrollment information is reported to guarantors, lenders, and servicers of student loans and is critical for effective administration of the Title IV student loan programs. Enrollment Reporting is not only for reporting data related to loans certified by a school—schools must also report information for currently attending students who received loans at other schools.

Upon receipt of a Roster file or similar report from NSLDS, an institution must report changes in a 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 file. If an institution reports enrollment data to the NSLDS, it does not have to complete SSCRs received directly from guaranty agencies. Schools may also go to www.nslidsfap.ed.gov and update student information online.

The corrective action plan reports that the institution enhanced its procedures to ensure that all enrollment status changes are reported accurately and timely to NSLDS.

This finding is closed.

INSTITUTION: **SANTA FE COLLEGE**

OPE ID: **00151900**

FINDING: **FA 11-081, Inadequate Computer System Controls, Page 167**

Access controls to protect the institution's Information Technology (IT) resources needed improvement. Specific details of the deficiencies were not disclosed in the audit report to avoid the possibility of compromising institutional information. However, appropriate institutional personnel have been notified of the deficiencies.

This finding was noted in the audit report for the previous year.

FINAL AUDIT DETERMINATION:

Per 34 C.F.R. § 668.14 (b), by entering into a program participation agreement, an institution agrees that it will, amongst other requirements, establish and maintain procedures and records as necessary to ensure proper and efficient administration of funds received from the Secretary for students under the Title IV programs, together with an assurance that it will provide, upon request and in a timely manner, information relating to the administrative capability and financial responsibility of the institution. To continue to participate in the Title IV programs, an institution must demonstrate that it is capable of adequately administering the programs by having a system that provides for adequate checks and balances, and internal controls (34 C.F.R. § 668.16 [b]).

Effective controls assist in the prevention and detection of errors or fraud. Proper controls provide employees access to IT resources based on their demonstrated need to view, change, or delete data, and restrict employees from performing functions outside of their area of responsibility. For example, financial aid office employees should not be able to change data elements that are entered by the registrar's office. An institution's system must allow only individuals with security classifications to have access to applicable IT systems. It should also be able to identify any individual who makes changes.

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An educational institution must:

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- Identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that could result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of information.
- Assess risk in each relevant area of its operations, including: employee training and management; information systems, including network and software design, as well as information processing, storage, transmission, and disposal; and, detecting, preventing, and responding to attacks, intrusions, or other systems failures.
- Design and implement information safeguards to control the risks identified through risk assessment, and regularly test or otherwise monitor the effectiveness of the safeguards' key controls, systems, and procedures.
- Evaluate and adjust its information security program in light of the results of the required testing and monitoring, as well as for any material changes to its operations or business arrangements or any other circumstances that it has reason to know may have a material impact on the school's information security program.
- A service provider is any person or entity that receives, maintains, processes, or otherwise is permitted access to customer information through its provision of services directly to a school. A school must take reasonable steps to select and retain service providers that are capable of maintaining appropriate safeguards for the customer information at issue and require its service providers by contract to implement and maintain such safeguards.

The corrective action plan for the current year states that the college will continue to review access control procedures to ensure that independent reviews are scheduled, performed, and documented. The school has followed an action plan since it was first notified of this finding.

This is a repeat finding that dates back to the 2008-2009 award year. Also, the corrective action plan for the 2009-2010 audit report is the same as it was for the current audit.

Santa Fe College is advised that repeat findings in future audits or failure to satisfactorily resolve the findings of this audit may lead to an adverse administrative action. An adverse action may include the imposition of a fine, or the limitation, suspension, or termination of the eligibility of the institution pursuant to 34 C.F.R. Part 668, Subpart G.

The institution's administration must take immediate action to ensure that steps have been taken to prevent another repeat of this deficiency.

INSTITUTION: **SANTA FE COLLEGE**

OPE ID: **00151900**

FINDING: **FA 11-112, Fraud Reported to Office of Inspector General, Page 210**

As described below, the institution referred five instances of actual or attempted fraud perpetrated by students to the Department's Office of Inspector General (OIG), as well as to the institution's Police Department.

- During the 2010-2011 year, a student submitted a falsified W-2 form on behalf of her parent in hopes of obtaining a Federal Pell Grant. However, no Title IV funds were disbursed because institution personnel noticed that the W-2 form did not look correct, and confirmed with the mother's employer that it did not originate from that employer.
- Also, during the 2010-2011 year, a student obtained \$17,117 in Title IV funds as a result of submitting satisfactory academic progress (SAP) appeal documentation with an altered date. The student later submitted an SAP appeal for the 2011-2012 year, referring back to the prior documents. However, no Title IV funds were disbursed for the 2011-2012 year because institution personnel noted that the date on the previous documentation had been altered.
- Through September 2011, three more fraudulent SAP appeals were submitted by students. Two of the appeals involved altered or manufactured notes from doctors' offices, and the third appeal indicated that the student was her mother's caretaker, which contradicted an earlier appeal that indicated there was no contact with the mother. However, no Title IV funds were awarded or disbursed for these fraudulent appeals for 2011-2012 because institution personnel detected these alterations or discrepancies.

This finding is similar to cases of student fraud reported in the audit of the previous year.

FINAL AUDIT DETERMINATION:

34 C.F.R. § 668.16 (g) requires Title IV participants to refer any credible information indicating that an applicant for Title IV aid may have engaged in fraud or other criminal misconduct in connection with his or her application, to the Department's OIG. Examples of other types of fraud information are—

- False claims of independent student status;
- False claims of citizenship;
- Use of false identities;
- Forgery of signatures or certifications;
- False statements of income; and

- Any credible information indicating that an employee, servicer, or other agent of the institution, may have engaged in fraud, misrepresentation, conversion or breach of fiduciary responsibility or other illegal conduct involving the Title IV programs.

The status of the above cases of student fraud is unknown. The institution will continue to be vigilant in suspected instances of fraud and continue to report all known or suspected instances of fraud or abuse to the OIG and the institution's Police Department.

This finding is closed.