

# Program Review Guide



**U.S. Department of Education**

**Prepared by:  
Case Management and Oversight  
Schools Channel  
Student Financial Assistance**

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*We Help Put America Through School*

## **Notice**

**This Program Review Guide is designed to set forth the guidelines and procedures of the U.S. Department of Education intended for Department officials conducting institutional reviews of Title IV student financial assistance programs.**

**The Guide is not intended to create any substantive or procedural rights enforceable at law. It does not establish any procedures, requirements, or standards for the operations of student financial assistance programs, nor does it bind the Department to particular procedures, requirements, or standards. For any relevant procedures, requirements, and standards, the reader should refer to applicable statutes and regulations and to applicable agreements between institutions and the Department.**

**This Guide shall be made available to institutions participating in programs authorized under Title IV of the Higher Education Act in accordance with Section 494 of the Higher Education Amendments of 1998, PL 105-244.**

# Table of Contents

<b>Introduction</b>	<b>i</b>
<b>A. Purpose of the Guide</b>	<b>ii</b>
<b>B. Additional Publications for Reference</b>	<b>ii</b>
<b>C. List of Acronyms Used in the Guide</b>	<b>iii</b>
<b>Chapter I Purpose, Mission, and Scope of Program Reviews</b>	<b>1</b>
<b>A. Purpose</b>	<b>1</b>
1. General	1
2. Congressional Priorities	1
3. Other Sources of Information	2
<b>B. Mission</b>	<b>2</b>
<b>C. Scope</b>	<b>3</b>
1. Options in Planning the Scope of Program Reviews – A Continuum	3
2. Focused Reviews	4
3. Overall Assessment Reviews	4
4. Expanded Reviews	5
<b>Chapter II Review Preparation</b>	<b>1</b>
<b>A. Review Information in ED Databases</b>	<b>1</b>
1. PEPS (Postsecondary Education Participants System)	1
2. Institutional Assessment Model	4
3. NSLDS (National Student Loan Data System)	4
4. Grants Administration and Payment System (GAPS)	5
5. Fiscal Operations Report and Application to Participate (FISAP)/Campus Based-Windows	6
6. Recipient Financial Management System (RFMS)	6
7. Direct Loan System	6
<b>B. Access to Other Case Team Records/Resources</b>	<b>7</b>
1. Prior Reviews	7
2. Prior Audits	8
3. Complaint Profiles	8
4. Case Team Files	8
5. AAAD Liaison	8
6. Contacts with Other Agencies	9
7. The Internet	9

<b>C.</b>	<b>Announced/Unannounced Reviews.....</b>	<b>9</b>
<b>D.</b>	<b>Coordination of Review Schedules.....</b>	<b>10</b>
<b>E.</b>	<b>Sample Selection .....</b>	<b>11</b>
<b>F.</b>	<b>Notice of Visit Letter .....</b>	<b>12</b>
<b>G.</b>	<b>Incorporating the SFA Assessment in the Case Management Process .....</b>	<b>13</b>
1.	What is the SFA Assessment?.....	13
2.	Ways to Use the SFA Assessment in the Case Management/ Program Review Process .....	14
	<b>Chapter III On-Site Review Procedures</b>	<b>1</b>
<b>A.</b>	<b>Entrance Conference .....</b>	<b>1</b>
1.	Topics to Discuss.....	1
2.	Request for Documents .....	3
<b>B.</b>	<b>Program Review Process.....</b>	<b>4</b>
<b>C.</b>	<b>Interviewing .....</b>	<b>5</b>
<b>D.</b>	<b>Documenting Program Review Findings.....</b>	<b>7</b>
<b>E.</b>	<b>Expanding the Program Review.....</b>	<b>8</b>
1.	Expanded Program Review Process.....	8
2.	Expanded Review Team Members .....	9
3.	AAAD/OGC Involvement in Expanded Reviews .....	10
<b>F.</b>	<b>Detecting and Documenting Suspected Fraud and Abuse .....</b>	<b>11</b>
1.	Indicators of Fraud and Abuse .....	11
2.	If Fraud is Suspected.....	12
3.	Documenting Suspected Fraud .....	12
4.	Areas for Potential Fraud .....	13
<b>G.</b>	<b>Administrative Action Issues.....</b>	<b>15</b>
1.	Referral to AAAD .....	16
2.	AAAD Action .....	16
<b>H.</b>	<b>Evaluating Program Review Results .....</b>	<b>17</b>
1.	File Reviews.....	17
2.	Corrective Action Plans .....	18
3.	Technical Assistance.....	19
<b>I.</b>	<b>Exit Conference .....</b>	<b>20</b>

<b>Chapter IV Program Review Items</b>	<b>1</b>
<b>A. Selecting Which Items to Review</b> .....	<b>1</b>
<b>B. Conflicting Information</b> .....	<b>1</b>
<b>C. Program Review Items as Guidance</b> .....	<b>2</b>
<b>D. Program Review Items</b> .....	<b>3</b>
1. Institutional Eligibility .....	3
2. Fiscal.....	3
3. Student Eligibility.....	3
4. Awarding/Disbursement.....	3
5. Other .....	4
<b>Chapter V Office Systems and Coordination</b>	<b>1</b>
<b>A. Offices</b> .....	<b>1</b>
<b>B. Computer Systems</b> .....	<b>2</b>
<b>Chapter VI Special Focus on Default Prevention</b>	<b>1</b>
<b>A. Reviews at Schools With High Cohort Default Rates</b> .....	<b>1</b>
<b>B. Review Items</b> .....	<b>1</b>
<b>C. Cohort Default Rate</b> .....	<b>2</b>
1. Formulas Used to Calculate a School’s Official Cohort Default Rate .....	2
<b>D. Sanctions and Benefits for Cohort Default Rates</b> .....	<b>3</b>
1. Sanctions Associated with High CDRs (effective 7/1/01) .....	3
2. Benefits Associated with Low CDRs .....	3
<b>E. Changes in School Status</b> .....	<b>4</b>
<b>Chapter VII Special Considerations for Direct Loan Schools</b>	<b>1</b>
<b>A. Background</b> .....	<b>1</b>
<b>B. School Origination Options</b> .....	<b>1</b>
<b>C. School Responsibilities</b> .....	<b>2</b>
<b>D. Review Procedures</b> .....	<b>3</b>
1. Loan Origination.....	3
2. Drawdowns and Disbursements.....	4
3. Loan Counseling .....	6
4. Reconciliation.....	7

5. Administration, Fiscal Control and Fund Accounting ..... 8  
6. Reporting Changes in Borrower Enrollment Status to ED ..... 10  
7. Implementing a Quality Assurance System..... 11

**E. Other References for Direct Loans ..... 11**

**Chapter VIII Special Focus on Campus Security 1**

**A. Annual Security Report – Contents ..... 1**

1. Crime Statistics ..... 1  
2. Campus Security Authority ..... 2  
3. Policy Statements ..... 3 **Error! Bookmark not defined.**

**B. Annual Security Report – Method of Distribution ..... 3**

**C. Reviewing Accuracy of Reporting ..... 4**

**D. Sources of Data ..... 4**

1. Institutional Offices ..... 5  
2. Campus Police/Security Department ..... 5  
3. Local Police ..... 6

**Chapter IX After the Site Visit 1**

**A. The Program Review Report ..... 1**

1. Report Preparation ..... 1  
2. Timelines for Issuing the Program Review Report ..... 2

**B. Final Program Review Determinations ..... 3**

1. Expedited Determination Letter (EDL) ..... 4

**C. PEPS Data Entry and File Maintenance ..... 6**

1. PEPS Data Entry ..... 6  
2. Level of Review Seriousness ..... 6  
3. Deficiency Codes ..... 6  
4. File Maintenance ..... 6

**D. Appeals ..... 7**

**List of Appendices**

## Introduction

***We help put America through school.*** We do this by monitoring schools and their use of Federal Student Financial Assistance (SFA) funds – funds intended to provide equal access to education and to promote educational excellence.

As in the cases of initial participation screening, audit resolution, financial analysis and recertification, program review is a tool available to the Case Management Team (CMT) to assess the performance of our schools. Congress mandated that we use this tool “... to strengthen the administrative capability and financial responsibility provisions of” the Higher Education Act. HEA Section 498A(a).

Prepared by a team of central and regional office staff, this major revision of the Guide reflects significant changes to the program review process. Numerous staff within Case Management and Oversight (CMO) and Direct Loan School Relations provided valuable input to this Guide.

The Guide serves as a first point of reference in preparing for and conducting a program review. It is a compendium of procedures to cover many different school situations. Some of these procedures are appropriate only for the most egregious compliance issues. It is the responsibility of the CMT to select those procedures that best fit the individual school being reviewed.

Recognizing that most schools make a good faith effort to be in compliance with the legislation and regulations, this Guide tries to provide a balance between assisting schools in improving compliance through development of corrective action plans, and assessing liabilities resulting from non-compliance. Because of CMO’s fiduciary responsibility to ED, Congress, the taxpayer, and the students and their families, we can not ignore instances of non-compliance. However, it is the CMT’s responsibility to assess the nature of the non-compliance, the severity, the harm to the student and the programs caused by the non-compliance, and to determine the appropriate resolution. While there needs to be consistency in treatment for similar instances of non-compliance, we must also recognize that one-size fits all monitoring doesn’t work.

The Guide is designed to be updated regularly, and will be responsive to regulatory developments and the changing review process. Staff is encouraged to provide comments and suggestions to their supervisors and Performance Improvement and Procedures (PIP) on how to make the Guide a more effective program review resource.

## **A. Purpose of the Guide**

The purpose of this guide is to assist CMTs in conducting reviews of the SFA programs at participating institutions. Also, it is intended to provide guidelines for consistency in the conduct of SFA program reviews nationwide, as mandated by Congress.

## **B. Additional Publications for Reference**

Staff can find additional review guidance in the publications listed below and in PIP Procedures, Mailbox Messages, and IRB procedures memoranda. Many references will be available on the Department's web sites. The most valuable resource, however, will be the knowledge of CMO staff experienced in program reviews.

- Higher Education Act of 1965, as amended (HEA)
- Federal Registers
- Code of Federal Regulations (CFR)
- Compilation of Federal Regulations
- Federal Student Financial Aid Handbooks
- Counselor's Handbooks
- Dear Colleague Letters (Questions & Answer Bulletins)
- Verification Guides
- Audit Guides
- The Blue Book (Accounting, Recordkeeping, and Reporting by Postsecondary Educational Institutions)
- ED Guide to Payment Management System
- Delivery System Training Materials
- Expected Family Contribution Formula
- Direct Loan Bulletins

## C. List of Acronyms Used in the Guide

<b>AAAD</b>	Administrative Actions & Appeals Division
<b>ACD</b>	Area Case Director
<b>ATB</b>	Ability to Benefit
<b>CMD</b>	Case Management Division
<b>CMDD</b>	Case Management Division Director
<b>CMO</b>	Case Management and Oversight
<b>CMT</b>	Case Management Team
<b>COA</b>	Cost of Attendance
<b>CPA</b>	Certified Public Accountant
<b>CPS</b>	Central Processing System
<b>CTL</b>	Co-Team Leader
<b>DCL</b>	"Dear Colleague" Letter
<b>DMS</b>	Default Management System
<b>ED</b>	U.S. Department of Education
<b>EDL</b>	Expedited Determination Letter
<b>EDPMS</b>	Education Payment Management System
<b>EFC</b>	Expected Family Contribution
<b>ESAR</b>	Electronic Student Aid Report
<b>FAA</b>	Financial Aid Administrator
<b>FAT</b>	Financial Aid Transcript
<b>FCC</b>	Perkins Loan Federal Cash Contribution
<b>FPRD</b>	Final Program Review Determination letter
<b>GA</b>	Guaranty Agency
<b>GAPS</b>	Grant Administration and Payment System
<b>GED</b>	General Equivalency Diploma
<b>HEA</b>	Higher Education Act, as amended
<b>IIS</b>	Institutional Improvement Specialist
<b>IPS</b>	Institutional Payment Summary
<b>ISIR</b>	Institutional Student Information Record
<b>LDA</b>	Last Date of Attendance
<b>LOA</b>	Leave of Absence
<b>NSLDS</b>	National Student Loan Data System
<b>OGC</b>	Office of the General Counsel
<b>OHA</b>	Office of Hearings and Appeals
<b>OIG</b>	Office of the Inspector General
<b>PEPS</b>	Postsecondary Education Participants System
<b>PIP</b>	Performance Improvement and Procedures
<b>QAP</b>	Quality Assurance Program
<b>SAP</b>	Satisfactory Academic Progress
<b>SAR</b>	Student Aid Report
<b>SOA</b>	Statement of Account
<b>SSCR</b>	Student Status Confirmation Report
<b>SFAP</b>	Student Financial Assistance Programs
<b>SPS</b>	Student Payment Summary (Federal Pell Grant)
<b>WIA</b>	Workforce Investment Act

**X-Sites**      Experimental Sites Initiative

