2017

FEDERAL STUDENT AID

Program Review Guide for Institutions

Federal Student Aid (FSA) Programs

Federal Student Aid

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2017

Program Review Guide

for Institutions

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PREFACE

The Program Review Guide for Institutions (also referred to as The Guide) provides information about the general guidelines established by the U.S. Department of Education for Department personnel tasked to conduct program reviews of institutions participating in the Title IV student financial assistance programs. The Guide provides information to assist institutions in preparing for and participating in a program review as well as information pertaining to the general program review process and follow up. The Guide is updated regularly to reflect regulatory developments and changes in the program review process.

The Guide is available on the IFAP website to institutions participating in programs authorized under Title IV of the Higher Education Act, which is in accordance with Section 494 of the Higher Education Amendments of 1998, PL 105-244.

The Guide is not intended to create any substantive or procedural rights enforceable by law. The Guide does not establish any procedures, requirements, or standards for the operation of student financial assistance programs, nor does it bind the U.S. Department of Education to particular procedures, requirements, or standards.

For any relevant procedures, requirements, and standards, the reader of the Guide should refer to applicable statutes, regulations, and agreements between postsecondary academic institutions and the U.S. Department of Education.

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Introduction

As provided by Section 498 of the Higher Education Act of 1965, as amended (HEA), the Secretary of Education (Secretary) determines whether institutions seeking to participate, or participating, in the programs authorized pursuant to Title IV of the HEA (Title IV, HEA programs), 20 U.S.C. § 1070 et seq., meet, or continue to meet, the institutional eligibility, financial responsibility, and administrative capability requirements for participation in the Title IV, HEA programs. The Title IV HEA programs include the Federal Pell Grant (Pell Grant), Teacher Education Assistance for College and Higher Education (TEACH) Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work Study (FWS), Federal Perkins Loan (Perkins Loan), and William D. Ford Federal Direct Loan (Direct Loan) programs. One method for providing this required oversight is through program reviews.

AUTHORITY TO CONDUCT PROGRAM REVIEWS

The Secretary is mandated by law under Section 498A of the HEA, 20 U.S.C. § 1099c, to conduct program reviews at institutions of higher education participating in the Title IV, HEA programs. The law provides for program reviews using very specific language. It states:

In order to strengthen the administrative capability and financial responsibility provisions of this title, the Secretary

(1) shall provide for the conduct of program reviews on a systematic basis designed to include all institutions of higher education participating in programs authorized by this title;
(2) shall give priority for program review to institutions of higher education that are
  (A) institutions with a cohort default rate for loans under part B of this title in excess of 25 percent or which places such institutions in the highest 25 percent of such institutions;
  (B) institutions with a default rate in dollar volume for loans under part B of this title which places the institutions in the highest 25 percent of such institutions;
  (C) institutions with a significant fluctuation in Federal Stafford Loan volume, Federal Direct Stafford/Ford Loan volume, or Federal Pell Grant award volume, or any combination thereof, in the year for which the determination is made, compared to the year prior to such year, that are not accounted for by changes in the Federal Stafford Loan program, the Federal Direct Stafford/Ford Loan program, or the Pell Grant program, or any combination thereof;
  (D) institutions reported to have deficiencies or financial aid problems by the State licensing or authorizing agency, or by the appropriate accrediting agency or association;
  (E) institutions with high annual dropout rates; and
  (F) such other institutions that the Secretary determines may pose a significant risk of failure to comply with the administrative capability or financial responsibility provisions of this title.

The Secretary has delegated to Program Compliance's School Eligibility Channel (a component of Federal Student Aid) the responsibility for performing program reviews at postsecondary institutions that participate in the Title IV HEA programs. This authority extends to the resolution of any program review findings and the initiation of administrative action(s) when appropriate. Members[1] of the School Eligibility Service Group Participation Divisions (SPDs) conduct program reviews. See Appendix A for SPD contact information. See Appendix B for a list of Acronyms and Common Terms used by the Department.

INSTITUTIONAL REQUIREMENTS

Institutions participating in the Title IV HEA programs must meet basic eligibility criteria. Among other things, an institution must

- be authorized by the State in which it is located to provide an educational program that is beyond secondary education,
- be accredited by an accrediting agency recognized by the Secretary to accredit schools that wish to participate in the Title IV HEA programs,
- provide at least one eligible program, and
- admit as regular students only persons who have a high school diploma or equivalent, or are beyond the age of compulsory school attendance in the State where the school is located.

Eligible institutions must demonstrate that they are financially responsible. The Department determines whether an institution is financially responsible based on, among other things, the institution's ability to

- provide the services described in its official publications and statements,
- properly administer the Title IV programs in which the school participates, and
- meet all of its financial obligations.

Institutions must also meet certain minimum administrative capability standards. These standards require that an institution have, among other things

- a capable individual responsible for administering all of the Title IV, HEA programs;
- a system of internal checks and balances for administering federal student financial aid;
- a division of functions for determining student awards and disbursing funds that result from those award decisions;
- frequent, periodic reconciliation of fiscal office and financial aid office award data;
- a system to identify and resolve discrepancies in information the institution receives from various sources about a student's application for financial aid;
- a satisfactory academic progress policy for recipients of federal student financial aid;
- procedures to ensure that requests for federal cash do not exceed the amount of funds the institution needs immediately to make aid disbursements to students;
- a policy for refunding tuition when a student withdraws from classes;
- a process to ensure that the institution submits its required annual financial statements on time;
- a process to ensure that the institution submits its required annual compliance audit on time; and

[1] The term "member" refers to "reviewers" or "review team" and encompasses any SPD member who might be involved in conducting a program review. The terms "reviewers," and "review team" are used interchangeably throughout this Guide.

- a process to notify the Department within 10 days of any changes in the institution's status or operations as required by regulation.

The Department makes available online resources that may be of assistance to institutions in the daily management of the Title IV programs as well as in preparing for a program review. These are found at https://ifap.ed.gov.

PURPOSE OF PROGRAM REVIEWS

The overall purpose of a program review is to evaluate compliance with the Title IV, HEA statute and regulations, identify liabilities owed to the Department for errors in compliance, and improve future institutional capabilities. During this process the reviewers typically:

- analyze the institution's data and records and identify any weaknesses in the institution's procedures for administering Title IV, HEA program funds;
- frame required actions and recommendations that will strengthen the institution's future compliance with Title IV, HEA rules and regulations;
- quantify any harm resulting from the institution's impaired performance and identify liabilities where noncompliance results in loss, misuse, or unnecessary expenditure of federal funds; determine the extent to which any weaknesses in the institution's administration of Title IV, HEA program funds may subject students and taxpayers to potential or actual fraud, waste, and abuse; and
- refer institutions for administrative action to protect the interests of students and taxpayers, when necessary.

As part of a program review, reviewers examine financial aid, academic, and fiscal records, interview institution staff and students, and review relevant consumer information (e.g., the school's website, student catalogs, pamphlets, etc.), among other things. This is usually done at the institution (on-site review) to allow the reviewers to have direct contact with students, institution officials, and employees and to give the reviewers first-hand knowledge of the institution's administration of the Title IV HEA programs. In some circumstances institutions are asked to submit copies of selected records to the SPD for review at its office, or the SPD may review only relevant data stored in Department databases (off-site review).

See Appendix C for a list of Most Frequently Cited Program Review Findings.

Department Preparation for Program Review

Chapter 1

After a decision is made to conduct a program review and a review team is assigned, the team must familiarize themselves with the institution in order to develop an appropriate plan for conducting the program review. The review team begins by gathering information and reviewing data and documents on file with the Department. The team may enlist the assistance of other members of the School Participation Division (SPD) staff such as the Eligibility Analyst, Audit Resolution Specialist, and Financial Analyst when reviewing the institution's eligibility application, audits, or financial statements.

INSTITUTIONAL STRUCTURE RESEARCH

The reviewers will gather information about the organizational and physical structure of the institution. This information is gathered primarily from documents and data submitted to the Department through the eligibility application, compliance audits, and financial statements.

By researching the organizational structure of the institution, the reviewers will learn the details of its ownership, leadership, and financial structure. This helps the reviewers determine what information should be considered during the program review. For example, if the owner(s) of the institution own other institutions, the review team will typically consider any relevant information about those other institution(s). If the institution's corporate ownership is publicly held, the reviewers may check the Security and Exchange Commission website for recent filings submitted by the owner in order to obtain information about the corporation's activities that may be relevant to the program review.

Understanding how the institution is structured physically will help the reviewers determine where documents might be located and may reveal potential internal institutional communication issues.

If the institution has multiple locations, the reviewers must determine how information is communicated and how records are shared between locations. The reviewers must ascertain where the records to be reviewed are located and determine where the review of institutional records will take place. Institutions are obligated to make their records available at an institutional location as designated by the Department. (See 34 CFR § 668.24(d)(2).) Institutions with multiple locations may be asked to send the records to a central location. Records held by servicers and/or consultants must be made available to the reviewers at the designated location.

Small institutions must have a structure that supports separation of duties while providing for proper recordkeeping and internal checks and balances. Large institutions must have a structure that supports adequate communication and sharing of information among the offices, whether they are down the hall or across the campus.

SYSTEMS RESEARCH

The Department has many electronic sources from which reviewers can gather information on institutions participating in the Title IV HEA programs. By researching data from multiple sources, reviewers gain additional insights about the institution.

Postsecondary Education Participants System

The Postsecondary Education Participants System (PEPS) is Federal Student Aid's management information system of all organizations that have a role in administering student financial aid and other HEA programs. PEPS maintains eligibility, certification, demographic, financial, program review, audit, and default rate data about schools, lenders, and guarantors participating in the Title IV programs. One of the primary sources for institutional information in PEPS is the E-App completed by institutions to report updates and apply for recertification.

The reviewers use the information in PEPS to gain an understanding of the institution and its Title IV history. This information may also be compared with other documents to confirm the institution is accurately reporting location, academic program, and other information to the Department.

eZ-Audit

eZ-Audit is a web application that provides schools with a paperless, single point of submission for financial statements and compliance audits. It also serves as the Department's system for storage of financial statements, compliance audits, and related documents.

The reviewers may review documents in eZ-Audit related to the institution's administrative and financial capability.

National Student Loan Data System

The National Student Loan Data System (NSLDS) is the main source for student-level data for the Federal Pell Grant, TEACH Grant, Perkins Loan, and Direct Loan Programs. (FSEOG and FWS funding data are not entered in NSLDS so they cannot be matched to student-level data.) Student information entered into NSLDS is provided by institutions, lenders, guaranty agencies, Direct Loan servicing, the Department's Borrower Services, Central Processing System (CPS), and Common Origination and Disbursement System.

Certain student-level data may be obtained from NSLDS for comparison with information in the institution's files and other records.

G5

G5 is an electronic system for grants management and payment tracking. G5 e-payments function is used by schools to draw down Pell Grant, Campus-Based, and Direct Loan funds. G5 provides the reviewers with current grant and payment information such as authorization amounts, cumulative drawdowns, current award balances, and payment histories. This information is used to develop an overall picture of the institution. It is also used when reviewing the institution's Title IV funds management.

FISAP and eCB Website

The Fiscal Operations Report and Application to Participate (FISAP) contains award and expenditure information reported annually by institutions participating in the Campus-Based (CB) Programs as of the close of the award year (June 30th). The CB Programs include Perkins Loan, FSEOG, and FWS.

Institutions also use the FISAP to report the

- number of undergraduate and graduate students for the year,
- tuition and fees for the year,
- total Pell Grant expenditures for the year,
- Federal Student Aid applicant (family) income information,
- cumulative fund activity for the Perkins Loan Program, and
- withdrawal from the Perkins Loan Program, if applicable.

The eCB Statement of Account notifies an institution of its final federal authorization for each of the CB Programs for the award year.

The reviewers compare the information reported by the institution on the FISAP, and the authorization figures from the eCB Statement of Account, with the institution's financial records to verify that all Title IV funds were properly accounted for.

If the institution being reviewed participates in the CB Programs, the reviewers determine, for every award year under review, if the institution has a letter granting a waiver of the non-federal matching requirement for the FWS and FSEOG Programs. The Secretary may waive the requirement to match FWS and FSEOG funds with non-federal funds for institutions meeting certain conditions.

The reviewers also determine if an institution has requested, and been approved, for a waiver of the community service and/or reading tutor requirement for FWS under 34 CFR § 675.18(g)(2).

Common Origination and Disbursement System

The Common Origination and Disbursement (COD) System is a Department system used to collect and store student-specific demographic and award information. COD integrates data from institutions, GAPS/G5, PEPS, and CPS. Institutions use COD to report originations, disbursements, adjustments, and returns of Pell Grant and Direct Loan funds. COD currently does not collect information regarding CB awards.

The student-level data in COD is reviewed for anomalies and compared to data in other systems and at the institution. In addition, the reviewers check COD to find out if the institution was approved for extended processing for the award years included in the scope of the program review.

Campus Security Website

The reviewers may access the Office of Postsecondary Education's Campus Security website and compare the crime statistics for the institution on the website to the statistics in the institution's annual report. The comparison may help determine if the institution is disclosing to the Department the same statistics as it is disclosing to its employees and students.

OTHER RESEARCH

The reviewers may check other documents from Department files and other recordkeeping systems. These documents may include prior program review reports and the institution's responses, complaints, and reports of reviews conducted by other organizations.

EXTERNAL AGENCY CONTACTS

External agencies may be contacted regarding a planned program review. Such agencies may include guaranty agencies, accrediting agencies, state authorizing/licensing agencies, and/or state agencies responsible for corporation registration.

The reviewers may coordinate activities and share information with the compliance section of the institution's primary accrediting agency. When research suggests that there may be issues in programs accredited by a secondary accreditor, the reviewers may also contact that accreditor as well.

The reviewers may also coordinate activities and share information with the compliance section of the institution's state authorizing/licensing agency(s).

For proprietary and private non-profit institutions that indicate corporate ownership or partnership, the reviewers may verify the existence of the ownership entity with the appropriate state agency responsible for corporate registration (usually the Secretary of State). This will help to ensure that notice of the program review is sent to the proper entity. Information obtained from the state agency may also be used to confirm that the corporation is in good standing, and to identify other information on file with the state such as officers, directors, corporate status (such as active or inactive), and agent for service of process.

PROGRAM REVIEW PLAN

In planning for a program review, the school participation division (SPD) identifies the purpose, scope, and execution information for the program review. This includes consideration of:

- program review type,
- program review scope,
- location where records will be reviewed (on-site or off-site),
- timing of notification of the program review,
- timing for conducting the program review,
- staffing considerations, and
- duration of the program review.

The review characteristics may change at any time during the program review, including after discussing the review with the institution, after reviewing the information the institution submits in response to the announcement letter, or while conducting the review. This may include changing the program review type, changing the scope of the review or the number of award years reviewed, expanding the review sample, including additional award years, or altering the focus of the review. The reviewers may also determine that completion of the program review will require additional time either on-site or off, or may make any other necessary changes to the purpose, scope, or execution of the program review.

Program Review Type

The SPD will determine what type of program review to conduct—either a standard Program Review or a Campus Security or Closed School Review. The type of review is decided based on the issues that resulted in the decision to conduct the review.

Program Review Scope

The SPD will determine the appropriate scope for the program review and will determine award years to be included, if necessary, for

- General Assessment
- Focused
- Incentive Compensation
- Joint Program Review

A **general assessment program review** is the most common option for the scope of a program review. A general assessment review is conducted when the SPD seeks a general evaluation of the institution's performance in meeting its administrative and financial obligations relative to the Title IV, HEA programs. A general assessment review can be changed to a focused review at any stage of the review.

A **focused review** is a program review that addresses one or more specific issues. A focused review is conducted when the SPD seeks to determine if the institution has problems with a specific area(s) of Title IV, HEA program compliance.

The **incentive compensation review** includes testing of the Higher Education Act (HEA) regulations that specifically prohibit an eligible institution from providing any commission, bonus, or other incentive payment to any persons or entities engaged in any student recruiting or admissions activities or making decisions regarding the award of student financial assistance.

The **joint program review** is conducted in instances where adverse action and significant liabilities are considered likely outcomes.

The scope of a program review typically consists of the current award year and the most recently closed award year. If the program review is being conducted early in the award year and the reviewers determine that the institution's records for the current year are insufficient to review, the reviewers might look only at the most recently closed award year.

Location Where Records Will Be Reviewed—On-site or Off-site

The SPD will determine whether records will be reviewed on-site at the institution or off-site at the Department. With some exceptions, general assessment and joint program reviews are typically conducted on-site. A focused review can be on-site or off-site. Off-site program review procedures parallel on-site procedures, including the same steps in the process.

Timing of Notification of the Program Review

The SPD will decide how far in advance of the visit, or start of an off-site review, to announce the program review to the institution. Most standard SPD program reviews are announced two to four weeks in advance. However, the review team may provide shorter notice of the program review, including providing notification when they arrive at the institution to conduct the review.

Factors that may result in the SPD providing short notice of the program review may include, but are not limited to

- complaints from law enforcement agencies (e.g., Department of Justice, FBI),
- serious credible complaints from students and/or parents,

- complaints to the Office of Inspector General (OIG),
- negative reports from state agencies or accrediting agencies,
- adverse articles in the media,
- information from former or current employees of the institution, or
- possible fraud or abuse at the institution.

Timing for Conducting the Program Review

The SPD will determine whether specific timing is appropriate for a program review. The SPD may be aware of a planned review by another agency or other internal Department office (e.g., Financial Partners, Default Management) and therefore may decide to conduct its program review in conjunction with the other agency or office. The program review may be scheduled to coincide with pending actions such as an upcoming recertification date, a letter of credit release, an audit receipt, etc.

Staffing Considerations

The staffing of the review team will be based upon the scope and other factors such as the size of the institution (the volume of records to be reviewed) and the location of the records. The need for specific staff expertise (foreign language interpreters, etc.) will also be considered. The review team typically includes at least two reviewers; however it may range from one reviewer to several.

Duration of the On-site Review

The duration of an on-site review is typically one week. However, when establishing the anticipated duration for an on-site review, the reviewers will consider the program review scope and characteristics, the number of Title IV, HEA programs in which the institution participates, the anticipated level of testing, logistical issues, and any other factors that may affect the amount of time on-site. Joint program reviews are typically longer than general assessment and focused reviews.

Institution Preparation for Program Review

Chapter 2

Institutions should be prepared at all times for the possibility of a program review. Attending training and staying current with changes to the law and regulations are the best ways for an institution to prepare. Institutions may also wish to take advantage of the FSA Assessments modules (available at **https://ifap.ed.gov**) to conduct a self-assessment of their management of the Title IV programs.

When a decision is made to conduct a program review, the institution will be notified of the review and the steps it must take in preparation for the review.

RECEIVING NOTIFICATION OF THE PROGRAM REVIEW

The institution will be formally notified in writing of the SPD's decision to conduct a program review and whether the review will be conducted on-site at the institution or off-site. The lead reviewer will coordinate all correspondence and communication with the institution.

See Appendix D, Announcement Letter, for an example of the template used by the Department for the on-site announcement letter.

Advance Notice Review

The institution will typically receive advance notification of the program review by telephone and letter. This notification will include

1. a telephone call to the President/CEO/Owner;
2. a telephone call to the Financial Aid Administrator; and
3. a follow-up letter to the President/CEO/Owner of the institution, with a copy to the Financial Aid Administrator.

The lead reviewer will attempt to make the initial contact with the President/CEO/Owner by telephone. If the reviewer is able to reach the President/CEO/Owner, the conversation will cover the following:

- Notification that a program review will be conducted
- Purpose of the program review (to determine the institution's compliance with the Title IV, HEA program regulations)
- Identification of a contact person (the FAA or someone else) with whom the reviewer should discuss the details of the program review
- Notice that a formal written notification of the program review will be sent to the President/CEO/Owner and other identified contacts

If the reviewer is unable to speak with the President/CEO/Owner of the institution, the reviewer will leave a message that the purpose of the call is to announce a program review by the U.S. Department of Education, that a letter announcing the review and containing the details regarding the review is being sent to the President/CEO/Owner, with a copy to the Financial Aid Administrator (FAA), and that he/she will also be contacting the FAA via telephone.

Following initial contact with the President/CEO/Owner, the lead reviewer will attempt to contact the FAA or designee. If the reviewer is able to speak to the FAA, the conversation may cover the following:

- Notification that an on-site or off-site review will be conducted
- Purpose of the program review (to determine the institution's compliance with the Title IV, HEA program regulations)
- Notification of the scheduled start date of the program review. If the start date will create a significant conflict with critical activities at the institution, the reviewer may be able to negotiate an alternative date for the review.
- Identification of a contact person with authority to provide information and records in the time frame specified, if not the FAA
- The general process and logistics
  - Entrance conference
    - Tentative start time of the entrance conference
    - Attendees—key personnel involved in the Title IV, HEA program processes (e.g., President/CEO/Owner, fiscal office, registrar, financial aid staff, IT staff, etc.) appropriate to the scope of the program review
    - How the institution divides responsibilities for Title IV, HEA program management and whether the institution uses a third-party servicer
  - Program review process—on-site review
    - Staff and student interviews
    - Student file reviews
    - Institutional review
    - Policy and procedures review
  - Program review process—off-site review
    - Focus of the program review and the award years to be covered
    - Documentation that will be requested (e.g., student files)
    - Staff availability
- On-site review only—How and where student files are maintained
  - Location of Title IV, HEA program-related records
    - If financial aid is being centrally processed, or if each location is allowed to operate autonomously
    - If the records are located off-site at the corporate office or on-site at the individual institution
    - What records are maintained by the third-party servicer
    - Where records must be made available for review
  - How the institution manages the Title IV, HEA program records
  - In what format the records are maintained (hard copy or electronic copy)
- On-site review only—The characteristics of the institution
  - Level of offering
  - Size of enrollment
  - Distance education courses offered (if applicable)
  - Special programs (e.g., incarcerated students, English as a Second Language [ESL])
  - Additional locations

- Off-site review only—Indication of documents required (student file or other records relevant to the focus of the program review) and how the institution will submit the requested records (hard copy or electronic). The materials that may be requested in the announcement letter. This may include, but is not limited to, copies (except for catalogs, brochures, pamphlets, handbooks, etc.) of the
  - Catalog/brochure of institution
  - Policy and procedures concerning
    - Admission to the institution and to academic programs
    - Satisfactory academic progress
    - Attendance
    - Recruiter compensation/incentive programs
    - Withdrawals, official and unofficial
    - Return of Title IV funds
    - Verification
    - Awarding of Title IV, HEA program aid
  - Most recent campus security information published and distributed to students and staff, including websites used, if any
  - Institutional and financial aid student consumer publications
  - URL listing for all financial aid consumer information
  - Examples of institutional forms, applications and worksheets that are used in administering the Title IV, HEA programs
  - Documents identifying current total enrollment and percentage of students receiving Title IV, HEA program aid
- The availability and format of recipient data, what data is to be provided and the due date for receipt of the data
  - The institution's ability to generate reports
  - The format to be used to present the data: Excel and/or Access
  - The expectation that, for each award year under review, the institution provide a numbered, unduplicated list of Title IV, HEA recipients with the data elements identified on the Recipient Data Spreadsheet (The institution may choose to complete the provided workbook or generate its own electronic file in the same format as the workbook provided.)
- Indication that a formal written notification of the program review will be sent to the President/CEO/Owner and other identified contacts. This letter will also provide the format for submitting the information requested.

After making initial contact, the SPD will send the letter formally announcing the program review to the President/CEO/Owner, with a copy sent to other identified contacts.

This letter typically

- confirms the review location and start date;
- identifies the reviewers and primary Department contact;
- identifies the award years to be reviewed;
- provides a list of information the institution must submit prior to an on-site review;
- transmits the Recipient Data Spreadsheet, if applicable;
- for on-site reviews, provides an enclosure listing records the institution must have available on-site at the start of the program review; and
- provides an enclosure regarding safeguarding Personally Identifiable Information.

Short Notice Review

For a short notice program review, the institution will typically receive notification of the program review when the announcement letter is either

- presented to the institution at the time of the visit,
- received via FedEx Overnight delivery the morning the program review is to begin (prior to arrival of the review team), or
- received via fax or e-mail shortly before the review team is to arrive.

The institution is not expected to provide Title IV administration information in advance for this type of program review.

THIRD-PARTY SERVICER NOTIFICATION

It is the responsibility of the institution to notify its third-party servicer(s) of the program review. The institution must ensure any documentation that must be provided prior to the program review is provided to the Department and that the records that must be available at the institution during the program review are available. However, if necessary to facilitate the delivery of the required documentation and institutional records, the lead reviewer may participate in a joint call with the institution and the third-party servicer to provide clarification.

RESPONDING TO THE ANNOUNCEMENT LETTER

Preparing the Response

The institution must gather the required information and prepare the requested reports. These items must be sent to the reviewers as directed, and by the due date identified, in the announcement letter.

Most documents may be submitted electronically or in hard copy. When submitting hard copies of documents, the institution should be careful not to submit original documents (except for catalogs, brochures, pamphlets, handbooks, etc.).

Protecting Sensitive Data

Institutions are responsible for protecting sensitive information including personally identifiable information (PII). PII is any information about an individual including, but not limited to, education, financial transactions, medical history, criminal or employment history and information which can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, biometric records, etc., including any other personal information which is linked or linkable to an individual. PII that, if improperly disclosed, could be used to steal an individual's identity, violates the individual's right to privacy, or otherwise harms the individual, must be protected.

When sending sensitive program review documents and media by first class or overnight mail,

- all data files must be saved in a password-protected WINZIP or WINZIP-compatible file prior to shipping.
- shipments must include a manifest inside the package (a copy should be retained by the institution in the event a package is lost or damaged).

- all sensitive documents and media must be double packaged in packaging that is approved by the shipping agent (DHL, FedEx, UPS, USPS, etc.).
- both the "To" and "From" addresses must be included on both the inner and outer packages.
- shipping agents used must have the capability of tracking the shipment's status.
- shipments must require signatures upon receipt.
- packages must not identify the sensitivity of the contents.

Sensitive information may be transmitted via email. When an e-mail containing sensitive information is sent to the Department, the information must be provided in an attached, password-protected, WINZIP file. Passwords must be provided to the recipient in a separate email or via telephone.

Materials Not Submitted by Due Date

If the requested materials are not received from the institution by the due date, the lead reviewer may contact the institution to ascertain the reason. The reviewer may grant the institution an extension, and/or change the program review start date, if the circumstances warrant it (e.g., if there is a death or natural disaster). If all requested materials are still not received, the reviewers will typically proceed with the program review without the requested materials. Except as noted, failure to provide the requested documents will neither prevent nor delay the program review.

Chapter 3

Entrance Conference

The primary purpose of the entrance conference is for the review team to gain an understanding of the institution's processes for managing the Title IV, HEA program funds placed in its trust, and to determine who at the institution is responsible for managing those processes. The entrance conference will also serve to provide institution officials with an overview, and an opportunity to ask questions about, the program review process.

NOTE: Any institution that participates in the Title IV, HEA programs is required to cooperate with the Department in the event of a program review (see 34 CFR § 668.24(f)). Failure to do so may lead to an adverse administrative action.

Each entrance conference will be customized to reflect the scope of the program review. However, the entrance conference for on-site and off-site reviews will generally follow the formats presented in this section.

ENTRANCE CONFERENCE—ON-SITE

An agenda for the entrance conference may be provided. While each entrance conference is unique to the institution under review, the following items are typically covered:

- Introduction of Program Review Team Members
- Introduction of Institution Representatives
- Reason for the Program Review and Scope
- Overview of the Program Review Process
- How Title IV Aid Is Processed at the Institution and Staff Responsibilities
- Required Documents and Time Frame to Provide Them
- Scheduling the Exit Conference
- Getting Started

Short Notice Reviews

An entrance conference conducted at the start of a short notice program review closely resembles an entrance conference conducted for a program review that was announced in advance. The three main differences are in scheduling the entrance conference, the amount of information provided to institution officials and the request for documents.

Immediately upon arrival at the institution, the reviewers will notify the President/CEO/Owner of the intent to conduct a program review and provide him/her with a copy of the announcement letter. At that point, the reviewers may request that a brief entrance conference be scheduled as soon as possible so that all appropriate institution officials can be notified of the program review.

In addition, because the announcement letter was not provided in advance, the reviewers may explain the letter to the President/CEO/Owner and request the documents required for the program review.

Introduction of Department and Institution Representatives

The program review team members typically introduce themselves by giving their name and role on the review team.

The President/CEO/Owner, or that person's representative, should initiate introductions of the institution's personnel present and ask each of them to give a brief description of their role, if any, in the administration of the Title IV, HEA programs. All institution personnel may be asked to sign in on an Entrance Conference Attendance Form.

If there are officials who are directly involved in the processing of Title IV, HEA program funds who are not able to attend the entrance conference, the institution should provide the person's name, title, phone number, and office location.

Reason for the Program Review and Review Scope

The review team may or may not identify the reason(s) the institution was selected for the program review. However, even if the reason(s) presented establish the initial scope of the program review, the scope may be expanded. In addition,

- for a general assessment review, the reviewers will perform an overall assessment of the institution's compliance with the Title IV, HEA regulations.
- for a focused review, the reviewers will perform an assessment of the institution's compliance with specific regulations.
- for either review, a formal written Program Review Report will indicate problems identified, if any.

The review team will also identify the award years for which the team will be reviewing program data, financial data, and student files.

While some information will be requested initially, the team may ask the institution for additional information as needed throughout the program review (e.g., files or reports for certain categories of recipients, such as recipients selected for verification, or recipients who withdrew for whom a return of Title IV, HEA funds was calculated).

Overview of the Program Review Process

During the entrance conference, the review team may provide an overview of the program review process. The process typically includes

- a Department review of the institution's data and records. If the program review includes an evaluation of student files, a sample of students will have been drawn from the institution's population of Title IV recipients. The reviewers will need to know how or where to obtain the student files to be reviewed.
- interviews with institution staff and/or students.
- a Department analysis of the information obtained to determine, first if the institution is in compliance with the applicable Title IV, HEA rules and, second, if errors are identified, to determine the source of those errors so that the institution can take corrective action.
- a Department preparation of a written Program Review Report and Expedited Determination Letter (EDL) that is sent to the institution. The Program Review Report contains a discussion of any instances of noncompliance identified and indicates what action(s), if any, the institution is required to take in order to identify the extent of the noncompliance, correct the noncompliance, identify the actions needed to make the Title

IV, HEA programs or the recipients whole for any funds that were improperly managed, and/or to prevent the same problems from recurring. The EDL serves as both the preliminary report and final determination letter to the institution regarding findings discovered during the review. The institution is not required to submit a written response.

- an institution preparation of a written response that is sent to the Department. The response provides any information requested by the Program Review Report and any other information the institution would like the Department to consider.
- a Department review of the institution's response to the findings in the Program Review Report.
- a Department preparation of a Final Program Review Determination (FPRD) letter that is sent to the institution. The FPRD provides final determinations for each finding including any liabilities owed to the Department, lenders, and/or students, and payment instructions.

How Title IV Aid Is Processed at the Institution/Responsibilities

During the entrance conference, the review team may provide the institution with the opportunity to explain how it processes Title IV, HEA funds and who is responsible for various aspects of the administration of those funds.

For a focused campus security review, the Title IV process will not typically be discussed.

Required Documents and Time Frame to Provide

If the announcement letter was not sent in advance, the review team may explain the documents requested in the announcement letter. They will identify what documents need to be provided, which documents are needed as soon as possible, and what the deadline will be for providing all documents.

If the announcement letter was sent in advance, the review team may explain only those items listed on the attachment to the letter that were not provided in advance.

Schedule Exit Conference or Status Meeting

The exit conference or status meeting will be scheduled, if possible, during the entrance conference. Doing so assists both the reviewers and the institution's personnel in planning their work and managing their time. It is also helpful to establish early in the process who will represent the institution at the meeting. However, if during the program review the timing and/or requirement for the exit conference changes, the reviewers should advise the institution.

Getting Started

To begin the on-site review, the review team may:

- establish procedures for interviewing staff. Interviews may be conducted with individual staff. If the school has a "non-disclosure clause" in an employment contract, the reviewers will request that the school provide the reviewers with a written waiver of that clause to ensure that they are able to speak freely to all current employees of the school about their knowledge of the school's administration of the Title IV, HEA programs. The reviewers will provide copies of that waiver to any school employee who the reviewers interview.
- identify a contact person in each key area. That person should be intimately involved with the daily operations of that office. Depending on the size and structure of the institution, there may be a single point of contact or points of contact in various areas (e.g., Admissions, Registrar, Financial Aid, Business Office, Campus Security). The reviewers will need to know the phone numbers and office locations of the contacts.

- request a location where there is privacy to hold conferences with staff.
- establish a process for communicating with the institution's officials during the course of the program review, including a protocol for communication (written requests) and a time frame for response.
- establish procedures for interviewing recipients. Students may be interviewed, if necessary.
- request a secure work area (because of student privacy issues) and reasonable access to a photocopy machine. There will need to be a way for the reviewers to secure records that are in their possession in their absence.
- explain the possibility of resolving issues or deficiencies while the review team is at the institution. In some cases the institution may be given a reasonable time frame to resolve deficiencies and possibly collect missing documentation prior to the end of the on-site visit.
- ascertain when they will be provided with the records requested in the announcement letter.
- determine if the institution is aware of the Family Educational Rights and Privacy Act (FERPA) requirement to document disclosure of students' PII to the Department as part of the program review.
  - If the institution is aware of its responsibilities, no further action is required.
  - If the institution is not aware of the requirements, the reviewers may instruct the institution to review the FERPA information on IFAP, and may provide the institution with sample language for a statement to place in the student files reviewed.

ENTRANCE CONFERENCE—OFF-SITE

An off-site entrance conference serves the same purpose as the on-site entrance conference. The primary difference is in the scheduling and in the amount of information that is provided. The reviewer will conduct the entrance conference via telephone. Because an off-site review is typically focused on one or two specific areas of the institution's Title IV, HEA administration, the details of the program review and the amount of information needed may be limited.

An agenda for the entrance conference may be provided. While each entrance conference is unique to the institution under review, the following items are typically covered:

- Introduction of Program Review Team Members
- Introduction of Institution Representatives
- Reason for the Program Review and Scope
- Overview of the Program Review Process
- How Title IV Aid Is Processed at the Institution and Staff Responsibilities
- Scheduling the Exit Conference
- Getting Started

Introduction of Department and Institution Representatives

Because of the limited scope of most off-site reviews, there typically will be only one reviewer. The reviewer will introduce himself/herself.

The President/CEO/Owner, or that person's representative should initiate introductions of the institution's personnel present and ask each of them to give a brief description of their role, if any, in the administration of the Title IV, HEA programs.

If there are officials who are directly involved in the processing of Title IV, HEA program funds who are not able to attend the entrance conference, the institution should provide the person's name, title, and phone number.

Reason for the Program Review and Scope

The reviewer may or may not identify the reason(s) the institution was selected for the program review. However, even if the reason(s) presented establish the initial scope of the program review, the scope may be expanded.

Because an off-site review is typically focused on one or two specific areas of the institution's Title IV, HEA administration, the reviewer will perform an assessment of the institution's compliance with specific regulations related to the focus area(s).

The reviewer will also identify the award years for which program data, financial data, and student files will be reviewed.

While some information will be requested initially, the reviewer may ask the institution for additional information as needed throughout the program review (e.g., files or reports for certain categories of recipients, such as recipients selected for verification, or recipients who withdrew for whom a return of Title IV, HEA funds was calculated).

Overview of the Program Review Process

During the entrance conference, the reviewer may provide an overview of the program review process. The process typically includes

- Department preparation of a letter requesting that the institution send certain documents immediately after the conference. During the conference the reviewer will confirm the email address to use for sending the letter and discuss the time frame and delivery method for submission of the required documents. The reviewer will also advise the institution that additional documents may be required before the program review is completed.
- institution submission of the requested documents.
- Department review of the institution's data and records. If the program review includes an evaluation of student files, a sample of students will have been drawn from the institution's population of Title IV recipients. The reviewers will need to know from whom to request the student files to be reviewed.
- interviews with institution staff and/or students.
- Department analysis of the information obtained to determine, first if the institution is in compliance with the applicable Title IV, HEA rules and, second, if errors are identified, to determine the source of those errors so that the institution can take corrective action.
- Department preparation of a written Program Review Report and Expedited Determination Letter (EDL) that is sent to the institution. The Program Review Report contains a discussion of any instances of noncompliance identified and indicates what action(s), if any, the institution is required to take in order to identify the extent of the noncompliance, correct the noncompliance, identify the actions needed to make the Title IV, HEA programs or the recipients whole for any funds that were improperly managed, and/or to prevent the same problems from recurring. The EDL serves as both the preliminary report and final determination letter to the institution regarding findings discovered during the review. The institution is not required to submit a written response.
- institution preparation of a written response that is sent to the Department. The response provides any information requested by the Program Review Report and any other information the institution would like the Department to consider.
- Department review of the institution's response to the findings in the Program Review Report.
- Department preparation of an FPRD that is sent to the institution. The FPRD provides final determinations for each finding including any liabilities owed to the Department and/or students, and payment instructions.

How Title IV Aid Is Processed at the Institution/Responsibilities

During the entrance conference, the reviewer may provide the institution with the opportunity to explain how it processes Title IV, HEA funds and who is responsible for various aspects of the administration of those funds with specific attention given to the areas of focus for the program review.

For a focused campus security review, the Title IV process will not typically be discussed.

Schedule Exit Conference or Status Meeting

The exit conference or status meeting will be scheduled, if possible, during the entrance conference. Doing so assists both the reviewer and the institution's personnel in planning their work and managing their time. It is also helpful to establish early in the process who will represent the institution at the meeting. However, if during the course of the program review the timing and/or requirement for the exit conference changes, the reviewer should advise the institution.

Getting Started

To begin the off-site review, the reviewer may

- request that the institution identify a primary point of contact and inquire about the availability of staff and the process for communicating with institution officials during the course of the program review. The reviewer will need to know whether the institution's primary point of contact would rather be contacted via phone or email, and whether the reviewer should contact him/her at certain times during the day or anytime a question arises. The primary point of contact may be asked to coordinate contact with other institution officials as needed (e.g., Admissions, Registrar, Financial Aid, Business Office, Campus Security).
- explain the possibility of resolving issues or deficiencies while the reviewer is gathering data. In some cases the institution may be given a reasonable time frame to resolve deficiencies and possibly collect missing documentation.
- email a list of required documents to the institution. The email will be sent either immediately following the entrance conference or at a later time established with the institution.
- determine if the institution is aware of the FERPA requirement to document disclosure of students' PII to the Department as part of the program review.
  - If the institution is aware of its responsibilities, no further action is required.
  - If the institution is not aware of the requirements, the reviewer may instruct the institution to review the FERPA information on IFAP, and may provide the institution with sample language for a statement to place in the student files reviewed.

See Appendix E, FERPA Disclosure, for information regarding the institution's requirements regarding FERPA.

ED Review of Institution Processes and Data

Chapter 4

The reviewers will examine information and may conduct interviews in order to develop an understanding of the institution's administration of the Title IV, HEA programs.

The institution is required to cooperate with the Department during the program review and provide unrestricted access to any and all information requested to conduct the program review.

The regulations (34 CFR § 668.24(f)) specifically require the institution to provide timely access, for examination and copying, to requested records, including but not limited to computerized records and records reflecting transactions with any financial institution with which the institution deposits or has deposited any Title IV, HEA program funds, and to any pertinent books, documents, papers, or computer programs; and provide reasonable access to personnel associated with the institution's administration of the Title IV, HEA programs for the purpose of obtaining relevant information. Failure to provide this access to the program review team may lead to an adverse administrative action.

REVIEW OF CRITICAL ELEMENTS—INSTITUTIONAL

The Department has identified critical elements for review that generally address those areas of noncompliance cited most frequently in program reviews.

The reviewers test the critical elements to determine if the institution is compliant with the applicable statute and/or regulations. If noncompliance is found, they may continue testing to determine if the error found is systemic.

The review of the critical elements does not prevent the reviewers from reviewing other items if appropriate.

Program Review Critical Institutional Elements	
Elements	**Statute/Regulation**
Eligible Institution	34 CFR Part 600, Subpart A—General
Administrative Capability **Managing Access to Department Systems** **Recurring Findings from Past Reviews/Audits**	34 CFR § 668.16
Program Eligibility	34 CFR § 668.8
Campus Security	34 CFR § 668.46

Program Review Critical Institutional Elements (continued)	
Elements	**Statute/Regulation**
Financial Responsibility	34 CFR Part 668, Subpart L—Financial Responsibility (§§ 668.171–668.175, Appendix A, Appendix B)
Fiscal Review	34 CFR Part 668, Subpart K—Cash Management (§§ 668.161–668.167)
Fiscal Operations Report & Application to Participate (FISAP)	34 CFR § 673.3
Excess Cash	34 CFR § 668.166
Incentive Compensation	34 CFR § 668.14(b)(22)
Distance Education	34 CFR § 668.8(m)
Reporting Institutional Changes to the Department	34 CFR § 600.21

REVIEW MATERIALS RECEIVED

The documents submitted by the institution will be reviewed as follows:

- Catalog/brochure of institution. The institution's catalog will be reviewed for any consumer information it is used to disseminate. It will also be reviewed for other information it includes regarding
  - institution's name and location(s);
  - degrees granted and non-degree (certificate) programs offered;
  - non-traditional programs offered (such as non-standard term programs, programs offered via distance education, programs taught using unusual combinations of formats, etc.);
  - programs offered for incarcerated and ESL students;
  - consortia agreements, contracted education, and joint degrees;
  - admission criteria;
  - curriculum;
  - financial aid availability and process
    - return of Title IV funds policy and policy on official and unofficial withdrawals
    - policies and procedures related to satisfactory academic progress, attendance, verification, and awarding of Title IV, HEA program aid; and/or
  - staff and faculty, and institutional structure.
- Policies and Procedures. The following policies and procedures are reviewed for compliance with the Title IV, HEA statute and regulations where required, and to gain familiarity with the policies of the institution regarding
  - admissions, to both the institution and specific academic programs;
  - satisfactory academic progress;
  - attendance/Verification of enrollment status;
  - recruiter compensation/incentive programs;
  - withdrawals, official and unofficial;
  - return of Title IV funds;
  - verification, and/or

  - awarding of Title IV, HEA program aid.
- Most recent campus security information published and distributed to students and staff. The disclosures will be reviewed for compliance with the requirements found in the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act.
- Institutional and financial aid student consumer publications. All institutional publications, including the catalog, will be reviewed for general information required to be disseminated under the consumer information regulations and the Student Right-to-Know Act. In addition, information required under the Equity in Athletics Disclosure Act will be reviewed if applicable; drug and alcohol abuse prevention information will be reviewed at institutions participating in the CB programs. A summary of the disclosure requirements is included in the Federal Student Aid Handbook.
- URLs for all financial aid consumer information. The information available on the institution's website or other electronic sources of information, if any exist, will be reviewed in conjunction with the printed materials received from the institution.
- Examples of institutional forms, applications and worksheets that are used in administering the Title IV, HEA programs. Documents used by the institution will be reviewed to gain familiarity with the institution's processes and facilitate the review of student files.
- Documents identifying current total enrollment and percentage of students receiving Title IV, HEA program aid. This information will be used to gain an understanding of the institution.

Institutional Data Collection

When reviewing the institutional critical elements, reviewers will typically note the following information:

INSTITUTIONAL DATA	
Institution/Review Identifiers	
Institution	The name of the institution being reviewed
General or Focused; SPD or Joint	The program review scope and type
OPE ID	The OPE ID number of the institution being reviewed
Award Years	The award years under review
Contact Information	
Name	Name of official
Phone No.	Phone number of official
Location	Location of official (building or office number)
Function	The area of responsibility of the official
Eligibility Requirements	
State Licensing	Whether the institution is properly licensed
Accrediting Agency	Whether the institution is properly accredited
Payment Method	The institution's method of payment (Advance, HCM1, HCM2, or Reimbursement)

INSTITUTIONAL DATA (continued)	
Eligibility Requirements	
PPA on File	If the institution has a copy of its current Program Participation Agreement on file and available
Provisional or Full Certification	Whether the institution is fully or provisionally certified
PPA Expiration Date	The institution's PPA expiration date
ECAR Information	Whether the programs being offered by the institution are listed on the ECAR
Ownership Correct	Whether the ownership reported on the ECAR is current and correct
Officials Correct	Whether the officials listed on the ECAR are current and correct
Paying Only for Programs on ECAR	If the institution is disbursing Title IV, HEA program funds only to students enrolled in approved programs
Program Lengths Correct/Match ECAR	Whether the program lengths listed in the ECAR match the program lengths described by school officials and listed on school catalogs or other information
Additional Locations Listed on ECAR	Whether all additional locations are listed on the ECAR
Separation of Duties	Whether the institution has a proper separation of duties between authorizing awards and disbursing funds
Incarcerated Students Less than 25%	Whether less than 25% of the institution's regular students are incarcerated or the institution has a waiver
Contractual/Consortium Agreements	Whether the institution has contractual or consortium agreements
Short-Term Programs	If the institution has short-term programs, whether the completion and placement rates of those programs are 70% or greater Whether the institution has unreported short-term programs
ESL Only Programs	If the institution has an ESL Only Program, whether the institution makes ESL determinations on a student-by-student basis and awards only Pell Grant
Correspondence Programs	Whether less than 50% of the institution's courses are offered by correspondence
Clock-to-Credit Hour Conversion	If applicable for programs, whether the institution properly calculated the clock-to-credit hour conversion
Commissioned Sales	Whether the institution pays commissions based on enrollment
School Catalog	Whether the institution has copies of school catalogs for the periods under review

INSTITUTIONAL DATA (continued)	
Required Policies and Procedures	
Financial Aid Policies and Procedures	Whether the institution has adequate and complete policies and procedures for administering the Title IV, HEA programs
Admissions Requirement Policy	Whether the institution has an admissions policy
Cost of Attendance Budgets for All Programs	Whether the institution has cost of attendance budgets for all programs
Academic Year Definition	Whether the institution has defined its academic year and note the academic year
Disbursement Schedule	Whether the institution has a clear disbursement schedule and what the disbursement schedule is
Disbursement Notification	Whether the institution has a procedure to notify students/parents of disbursements and their right to cancel
Awarding Policy	Whether the institution has a clear awarding policy including its policy for verifying enrollment status, its recalculation policy, and how institutional or other outside scholarships are considered for packaging aid
Verification Policy	Whether the institution has a verification policy, and includes the elements required by 34 CFR § 668.53, and its disbursement policy while verification is in process
Satisfactory Academic Progress Policy	Whether the institution has a satisfactory academic progress policy
Withdrawal Policy	Whether the institution has a withdrawal policy including how the last dates of attendance for both official and unofficial withdrawals are determined
Attendance Policy	Whether the institution has an attendance policy
Leave of Absence Policy	Whether the institution has a leave of absence policy
Return of Title IV Procedures	Whether the institution has a Return of Title IV policy
Refund Policy	Whether the institution has a refund policy
Campus-Based Awarding Policies	Whether the institution has a Campus-Based Program awarding policy
FSEOG Selection Policy	Whether the institution has an FSEOG selection policy
FSEOG Matching Policy	Whether the institution has an FSEOG matching policy including a policy that states how it matches FSEOG (fund, aggregate or student specific)
FWS Selection Policy	Whether the institution has an FWS selection policy
FWS Matching Policy	Whether the institution has an FWS matching policy
FWS Community Service	Whether the institution has an FWS community service policy

INSTITUTIONAL DATA (continued)	
Required Policies and Procedures	
FWS Disbursement Method	Whether the institution has an FWS disbursement policy
Perkins Promissory Notes Secured	Whether the institution secures its Perkins Promissory Notes in a fire-proof container, or if stored electronically, can be coherently retrieved
Perkins Matching Policy	Whether the institution has a Perkins matching policy
Credit Balance Retention Procedures	Whether the institution has a policy for retaining credit balances and, if yes, whether the statement used to obtain authorizations meets requirements
Student Consumer Information	
Crime Statistics Submitted	Whether the institution submitted crime statistics to the Department
Annual Security Report Published and Available to Public	Whether the institution has an annual campus security report published and available to current and prospective students and employees
Completion, Graduation and Placement Rates	Whether the institution publishes completion, graduation and placement rates
Drug and Alcohol Policy	Whether the institution has a drug and alcohol policy
Institutional Cost and Financial Assistance	Whether the institution publishes its institutional costs and information on financial assistance
Athletic Program Participation Rates	Whether the institution publishes its athletic participation rates
Other	
Pell Grant Formula	The Pell Grant Formula the institution uses
3rd Party Servicer	Whether the institution uses a third party servicer
Summer Term Awarding Policy	Whether the institution has a summer term awarding policy
Other Aid Awarded	Whether the institution has a process for identifying other aid received by students during the award period (e.g., veterans' benefits, institutional and outside scholarships, etc.)

STAFF INTERVIEWS

The regulations provide the Department with the authority to interview institution staff. See 34 CFR § 668.24.

Reviewers gather information from institution staff through a variety of interactions. This is typically the routine interaction of asking questions, or clarifying institutional procedures or data found in student files. However, sometimes it is necessary to schedule a formal interview to discuss specific details, topics or issues more fully.

When conducting interviews,

- the reviewers will select staff members to interview and do not need permission from institution officials to do so;
- the institution may not dictate who should be present during interviews (e.g., management, attorneys, etc.), or what information institution staff may supply to the reviewers; and
- the institution is not permitted to tape record staff interviews.

NOTE: If employees' contracts include a "non-disclosure" clause, the institution must provide a written waiver to ensure the reviewers are able to speak freely to all current employees about their knowledge of the school's administration of the Title IV, HEA programs.

If the institution does not cooperate with these rules, it is not providing reasonable access to personnel, and 34 CFR § 668.24 requires institutions to provide reasonable access to personnel.

Staff Interview Questions

During staff interviews, the reviewers may ask whatever questions they believe are necessary. However, the questions will typically reflect the position held by the staff member being interviewed.

Academic or Education Personnel/Registrar

The Academic or Education Personnel/Register may be asked to show attendance documents and explain codes and how records are kept. Policies and procedures manual and other documents will be requested, as needed.

Generally, questions will be asked regarding the following:

- The employee's job duties and staff functions
- The institution's academic programs
- Title IV eligibility of the academic programs
- Clock-to-credit conversion
- Academic calendar
- Externships
- Enrollment process
- Registration process
- Record maintenance
- Consortium and contractual agreements
- Attendance policies
- Integrated systems
- Institutional communication

Admissions Personnel

Admissions Personnel may be asked to present the forms associated with the admissions process using an actual student file. Policies and procedures manual and other documents will be requested, as needed.

Generally, questions will be asked regarding the following:

- The employee's job duties and staff functions
- Academic calendar
- Externships

- Special programs
- Admission requirements
- Enrollment and admissions process
- ATB testing
- Locations where classes are taught
- Information dissemination
- Record maintenance
- Integrated systems
- Recruitment activities
- Institutional communication

Financial Aid Personnel

Financial Aid Personnel may be asked to present the forms used to collect and verify information using an actual student file. Policies and procedures manual and other documents will be requested, as needed.

Generally, questions will be asked regarding the following:

- The employee's job duties and staff functions
- Academic calendar
- Financial aid process (determining need, awarding, verification, disbursement)
- Institutional policies (SAP, R2T4)
- Processing for administering each Title IV program
- Electronic processing/systems
- Third-party servicers used, if any
- Locations where classes are taught
- Consortium and contractual agreements
- Information dissemination
- Record maintenance
- Integrated systems
- Institutional communication

Fiscal Office Personnel

Fiscal Office Personnel may be asked about their general responsibilities as they relate to fiscal or business aspects of Title IV, HEA program administration.

Generally, questions will be asked regarding the following:

- The employee's job duties and staff functions
- Relationship of institution to owners or controlling entities
- Title IV fund management
- Title IV disbursement procedures
- Student account policies
- Refund and R2T4 policies
- Electronic processing / systems
- Third-party servicers used, if any
- Record maintenance
- Integrated systems
- Institutional communication

Placement Officer

The Placement Officer may be asked to present any forms associated with the placement process. Policies and procedures manual and other documents will be requested, as needed.

Generally, questions will be asked regarding the following:

- The employee's job duties and staff functions
- Placement assistance offered
- Placement procedures
- Placement rates
- Externships
- Record maintenance
- Integrated systems
- Institutional communication

Campus Security Personnel

Campus Security Personnel may be asked to present campus security documents and explain how statistics are gathered for the annual report.

Generally, questions will be asked regarding the following:

- The employee's job duties and staff functions
- Collection of crime data
- Campus crime reporting process
- Dissemination of campus crime reports
- Record maintenance
- Institutional communication

INTERVIEWS WITH OUTSIDE SOURCES/THIRD PARTIES

It may be necessary to interview others who are involved in the institution's administration of the Title IV, HEA Programs (e.g., Perkins Loan servicer).

RESOLUTION OF INSTITUTIONAL FINDINGS WHILE ON-SITE

During the course of the program review, the review team may discuss findings noted with the institution. If the institution wishes to try to resolve a finding while the review team is reviewing institutional records, it may do so. When the Program Review Report is prepared, any findings that were resolved prior to the issuance of the report will be included in the Program Review Report along with an explanation of their resolution.

ED Review of Student-level Information

Chapter 5

Reviewing student level information is critical to determining if an institution is following the law, the regulations, and its own policies. The reviewers may review student files and student level data from the Department's recordkeeping systems, and possibly conduct interviews, as part of their evaluation of the institution's administration of the Title IV, HEA programs.

The institution is required to cooperate with the Department during the program review and provide unrestricted access to any and all information requested to conduct the review. The regulations (34 CFR § 668.24(f)) specifically require the institution to provide timely access, for examination and copying, to requested records, including but not limited to computerized records and records reflecting transactions with any financial institution with which the institution deposits or has deposited any Title IV, HEA program funds, and to any pertinent books, documents, papers, or computer programs; and provide reasonable access to personnel associated with the institution's administration of the Title IV, HEA programs for the purpose of obtaining relevant information. Failure to provide this access to the program review team may lead to an adverse administrative action.

REVIEW OF STUDENT FILES

The reviewers will request the specific files to be reviewed. However, as all institutions have unique filing systems, it is the responsibility of the institution to provide all relevant information pertaining to the students and issues identified.

Student Sample

If the program review includes an evaluation of student files, a sample of students whose files will be reviewed will be drawn from the institution's population of Title IV recipients. After identifying a separate valid statistical sample for each award year under review, a small subset of records from the sample will be selected. This "review sample" is generally randomly selected using the first 15 records in the statistical sample and adding up to 14 more records as necessary to ensure the review sample includes a representative subset.

A review sample may not be randomly selected if a focused review of a specific issue (or issues) is being conducted.

The selection of a random sample does not prohibit reviewers from examining the files of other recipients to follow-up on certain issues. These additional recipients may or may not be in the statistical sample. All errors found in any student files, whether part of the review sample or not, will be included in the program review report.

Review of Critical Elements—Students

The Department has identified critical elements for review that generally address those areas of noncompliance cited most frequently in program reviews.

The reviewers test the critical elements to determine if the institution is compliant with the applicable statute and/or regulation(s). If noncompliance is found, they may continue testing to determine if the error found is systemic.

The review of the critical elements does not prevent the reviewers from reviewing other items if appropriate.

Program Review Critical Student Elements	
Elements	**Statute/Regulation**
Student Eligibility	34 CFR Part 668, Subpart C—Student Eligibility (§§ 668.31–668.40)
Ability to Benefit (ATB)	34 C.F.R Part 668, Subpart J–Approval of Independently Administered Tests; Specification of Passing Score; Approval of State Processes (§§ 668.141–668.156)
Attendance	General Provisions—34 CFR § 668.21 and § 668.22 Pell Grant—34 CFR § 690.80(b)
Cost of Attendance	HEA, Section 472
Credit Balances	34 CFR § 668.164(e)
Dependency Override	HEA Sec. §§ 480(d)(1)(I) and 480(d)(2)
Enrollment Status	34 CFR § 668.2 Full-time student, three-quarter time student, and half-time student 34 CFR § 668.32(a) 34 CFR § 668.20 Pell Grant—34 CFR § 690.8
Professional Judgment	HEA Sec. § 479A
Return of Title IV Funds (R2T4)	HEA, Section 484B 34 CFR § 668.22
Satisfactory Academic Progress (SAP)	34 CFR § 668.16(e)
Verification	34 CFR Part 668, Subpart E—Verification of Student Aid Application Information (§§ 668.51–668.61)
Calculations/Disbursements—Pell Grant	34 CFR Part 690, Subpart F—Determination of Federal Pell Grant Awards (§§ 690.61–690.67) 34 CFR Part 690, Subpart G—Administration of Grant Payments (§§ 690.71–690.83)

Program Review Critical Student Elements (continued)	
Elements	**Statute/Regulation**
Calculations/Disbursements—TEACH Grant	34 CFR Part 686, Subpart C—Determination of Awards (§§ 686.20–686.25) 34 CFR Part 686, Subpart D—Administration of Grant Payments (§§ 686.30–686.38)
Calculations/Disbursements—Federal Direct Loan	Direct Loan—34 CFR § 685.203
Calculations/Disbursements—FSEOG	34 CFR §§ 676.16 and 676.20
Calculations/Disbursements—FWS	34 CFR § 675.16
Calculations/Disbursements—Perkins Loan	34 CFR §§ 674.12 and 674.16

File Review

The reviewers will typically need the following records for the recipients in the review sample:

- Admission records: records pertaining to the student's admission to the institution/program, including the enrollment contract, admission application, high school transcript, ability-to-benefit results, etc.
- Academic records: records of courses, credits, or hours attempted/completed and grades earned (academic transcript) as well as records pertaining to the student's attendance, academic standing and progress
- Student financial aid records: records supporting student eligibility for Title IV, HEA funds, including SAR/ISIR, verification documents, R2T4 calculations, etc.
- Student account ledger: records of student charges and credits, including Title IV, HEA disbursement records

During the course of the program review, additional student files may be requested. The reviewers may also request a list of recipients with a certain characteristic in order to identify the additional files to be reviewed.

Reviewers will take appropriate precautions to prevent unauthorized access to the records in their possession (e.g., locking their work space, notifying their institutional contact when leaving, securing the documents in a locked file cabinet, etc.).

If records must be removed from the institution's premises to be copied, or for other extenuating circumstances, the reviewers will identify those records being taken and take precautions to ensure the security of the documents.

For an off-site review, the review team makes its request for records via mail, email, or facsimile. The review team will request that the records for the review sample be mailed with a postmark date no later than two business days from the receipt of the request.

Admissions Records

The reviewers will examine admissions documents to determine

- the basis for admission (high school diploma, GED, ATB, etc.).
- if information on the admissions document is consistent with information in other institutional records. If not (e.g., the ISIR indicates that the student is a high school graduate, but the admissions application indicates the student is not), the reviewers will review documentation collected by the institution to resolve the conflicting information.
- the requirements of the enrollment agreement (length of program, tuition and fees, start date).
- if the student is a regular student who has met the conditions for acceptance in a particular program and is enrolled in an eligible program.

Academic Records

The reviewers will analyze the academic transcript as part of determining if the student is an eligible student, if the student is making satisfactory academic progress, the student's enrollment status, and if the student failed to earn any credits in an academic period (received all F's or all W's, or a combination thereof). Other documents will be reviewed as they pertain to attendance and satisfactory academic progress.

Student Financial Aid Records

Financial aid records will be reviewed to verify that the student's eligibility for Title IV, HEA funds, was properly determined. The reviewers will examine documentation to support the institution's determination of the student's need and Title IV award, including, but not limited to, documentation related to verification, the use of professional judgment, dependency override, and return of Title IV.

Student Account Ledger

The reviewers will analyze the student's account ledger to verify that the institution is following the regulatory requirements to

- include charges consistent with allowable charges and student enrollment status;
- credit Title IV, HEA funds to the student's account, including identifying the Title IV, HEA program, the date the funds were posted, and the amount of aid received;
- pay credit balance to student;
- disburse Title IV, HEA funds within the required time frame; and
- return Title IV, HEA funds based on R2T4 calculation.

Student Data Collection

When reviewing the student specific critical elements, reviewers will typically note the information in the tables on the following pages.

Student Data	
Institutional/Review Identifiers	
Student Number	The student number from the review sample
Institution	The name of the institution the student attends
General, Focused, Join Program Review	The program review type
OPE ID	The OPE ID number of the institution being reviewed
Student-specific Information	
Award Year	The award year for which the student in the sample was selected
Last Name, First Name	The last name and first name of the student
Program of Study	The program of study in which the student is enrolled
Eligible Program	Whether the program the student is enrolled in is eligible or ineligible
Eligible Location	Whether the location at which the program is offered is eligible or ineligible
SSN	The last four digits of the student's Social Security number
DOB	The date of birth of the student
EFC	The expected family contribution of the student (from the ISIR the student was paid from)
Program Length	The length of the program of study in which the student is enrolled
Academic Year and Midpoint	The academic year of the program of study. Also, the expected midpoint for aid disbursement. If the institution has more than two payment periods, the payment period length
Citizenship	The citizenship status of the student (U.S. citizen, eligible noncitizen, not eligible)
Marital Status	The marital status of the student
Enrollment Status	The enrollment status of the student and if the student's first day of attendance was confirmed
Start Date	The date the student began attendance and current enrollment status
Education	The admission status of the student (high school diploma or GED, homeschooled, or ATB test, including details)
Dependency Status	The dependency status (Independent or Dependent) of the student
Dependency Override	Whether a dependency override was performed for dependent students
SAP Checked	Whether the institution checked for SAP according to its policy and whether the student was making SAP unless the student has not yet reached a point where SAP is checked
Return of Title IV	Whether a return calculation was performed and if it was timely and correct

Student Data (continued)	
Conflicting Info	Whether there is conflicting information in the student file and whether the conflict was resolved
Professional Judgment	Whether professional judgment was used on the student and if it was documented
Leave of Absence	Whether the student received a leave of absence (LOA), the date on which the LOA began, and if the LOA was properly documented, per its policy
Title IV Credit Balances	Whether a credit balance for the student existed, the date the credit balance occurred, whether the credit balance was paid within 14 days and, if the institution retained a credit balance, whether the institution had authorization to hold the credit balance
Verification	Whether the student was selected for verification and, if the student was selected for verification, whether the institution correctly verified the student
FISAP Income Grid	Whether the student is on the FISAP income grid and if so, whether the student is in the correct cell
ISIR Codes Requiring Resolution	Whether the ISIR on which the student was paid contained any comments that required resolution and if so, whether the issue was resolved
Verification Data	ISIR information for the verification elements (Household Size, No. in College, Adjusted Gross Income, Taxes Paid, and the Untaxed Income from Worksheets A, B, and C) and information from other documents for both student and parent
Other Eligibility Requirements	Whether the student meets the eligibility criteria for (1) Regular Student, (2) Degree Status, (3) Incarceration, (4) Debt and Default, (5) Statement of Education Purpose, (6) Selective Service, and (7) Drug Convictions
Pell Grant	The date(s) and amount(s) of any disbursements If the student received a Pell Grant award, if all requirements were met, including ► correct scheduled award ► correct prorating ► proper disbursement
FWS	The date(s) and amount(s) of any disbursements If the student received an FWS, if all requirements were met, including ► job description ► timesheets ► minimum wage ► proper disbursement
FSEOG	The date(s) and amount(s) of any disbursements If the student received an FSEOG award, if all requirements were met, including ► Pell eligibility ► awarding criteria ► within award limit ► proper disbursement

Student Data (continued)	
FDL	The date(s) and amount(s) of any disbursements If the student received a Direct Loan, the type of loan (subsidized, unsubsidized, PLUS) and loan period, and if all requirements were met, including ► proper certification/origination ► within annual loan limit ► within aggregate loan limits ► correct prorating (if applicable) ► 30-day delay (if applicable) ► entrance counseling ► exit counseling (if student no longer enrolled) ► proper disbursement
Perkins Loan	The date(s) and amount(s) of any disbursements If the student received a Perkins Loan award, if all requirements were met, including ► promissory note/rights and responsibilities ► within annual loan limit ► within aggregate loan limits ► entrance counseling ► exit counseling (if student no longer enrolled) ► due diligence (if applicable) ► proper disbursement
TEACH Grant	The date(s) and amount(s) of any disbursements If the student received a TEACH Grant award, if all requirements were met, including ► enrolled in TEACH eligible program ► meets 3.25 GPA or 75th percentile ► within aggregate grant limits ► proper disbursement
Packaging	+ Cost of Attendance – EFC = Need

Student Data (continued)	
	+ Institutional need-based aid + Outside need-based aid (including state need-based aid) + Pell Grant + FSEOG + Other Federal Grants + FWS + Subsidized Direct Loan + Perkins Loan = Total Need-based Aid (cannot exceed need)
	+ Total Need-based Aid + TEACH Grant* + Unsubsidized Direct Loan* + PLUS Loan* + Grad PLUS Loan* + Alternative Loan* = Total Aid (cannot exceed cost of attendance) * Non-Need-based Sources of Aid

Review Data for Students in the Review Sample

In addition to reviewing the student files at the institution, the reviewers analyze the data stored in the Department's recordkeeping systems, and compare the data for consistency.

Review NSLDS Data for Students in the Review Sample

Prior to the program review, the reviewers will retrieve information on a student-by-student basis from NSLDS for each student in the review sample. The review team will use this information to

- confirm student name and social security number (SSN).
- verify the name of the institution that awarded and disbursed aid.
- verify student enrollment status was properly reported.
- identify the amount and type of funds received by each student in the sample.
- detect any trends with funds received by students.
- compare the amount reported for payments of Pell, Perkins Loans, or Direct Loan (subsidized, unsubsidized and PLUS) to the amount disbursed to the student or the student's account.
- check the accuracy of loan periods.
- verify if any overpayments were reported.
- identify any defaulted loans and whether aid was disbursed prior to resolution of the default.
- review subsidized and unsubsidized loans and compare those loan amounts to the borrower's academic loan limits.
- check loan amounts guaranteed and disbursed (by loan period).
- check aggregate loan balance(s).

- determine if a return of funds has been made for a withdrawn student. (Most funds returned by the institution to the lender as a result of student withdrawals and Return of Title IV Funds (R2T4) calculations are coded as cancellations and indistinguishable from other cancellations in NSLDS. If unable to verify that a return was made, the reviewers may request documentation from the institution.)

Review COD Data for Students in the Review Sample

Institutions use the COD system to report originations, disbursements, adjustments, and returns of Pell Grant, TEACH Grant, and Direct Loan funds. Prior to the program review, reviewers will retrieve information on a student-by-student basis from COD for each student in the review sample. The review team will use this information to

- compare the amounts and dates of Pell and Direct Loan disbursements in COD with the institution's fiscal records as well as the student's account ledger.
- compare, for the TEACH Grant program, the total award and total disbursement.
- verify that downward adjustments of Pell, and TEACH Grant disbursements as a result of corrections, refunds (R2T4), or other reasons match the institution's fiscal records as well as the student's account ledger.
- verify that the amount of any Direct Loan adjustments match the institution's fiscal records as well as the student's account ledger.
- monitor whether or not the institution met the 30-day reporting requirement.
- verify that the cost of attendance and transaction number reported to COD are accurate.

Review CPS Data for Students in the Review Sample

The reviewers will obtain Institutional Student Information Report (ISIR) data for the most recently closed award year and the current open year for the students in the sample.

The reviewers will review the ISIR on which the student was paid. If the student has multiple ISIRs, the reviewers will analyze the differences to determine if changes made affected the EFC and if the institution paid on an ISIR with the correct data.

Items that the reviewers will pay particular attention to include the following:

- Multiple transactions
- Dependency override
- Verification
- ISIR Corrections
- Ability to Benefit
- FAFSA Signature
- Missing FAFSA information
- If the ISIR/SAR is based upon a FAFSA Renewal Application
- ISIR C Codes

STUDENT INTERVIEWS

Student interviews may be conducted to authenticate data in the file, follow up on student complaints, and/or discuss institutional practices.

When conducting interviews,

- the reviewers will select current and/or former students to interview and will not need permission from institution officials to do so.
- the institution may not dictate who should be present during interviews (e.g., management, attorneys, etc.), or what information students may supply to the reviewers.
- the institution is not permitted to tape record student interviews.

The questions used during a student interview will vary depending upon the type of institution the student is attending and the scope of the program review.

Generally, questions will be asked to verify the student's

- Biographical information
- Basis for admission
- Prior education
- Admission experience
- Financial aid experience
- Prior financial aid received
- Program of study
- Educational experience
- Access to campus security information

RESOLUTION OF STUDENT FINDINGS WHILE ON-SITE

During the course of the program review, the review team may discuss findings noted with the institution. If the institution wishes to try to resolve a finding while the review team is reviewing student files, it may do so. When the program review report is written, any findings that were resolved during the review or prior to the issuance of the report will be included in the program review report along with an explanation of their resolution.

Exit Conference/Status Meeting

Chapter 6

Generally, at the end of the on-site and off-site reviews, the review team will meet with institution officials to conduct an exit conference or a status meeting. The primary purpose of the exit conference or status meeting is for the review team to share with the institution the next steps in the program review process.

EXIT CONFERENCE

In situations where the fieldwork is substantially complete, an exit conference will usually be conducted. The reviewers will provide information that is determined by the time the exit conference is conducted, which includes a summary of the following:

- Required actions (if applicable)
- Outstanding items and submission time frames (if applicable)
- Preliminary findings (if applicable)
- Next steps in the program review process

Required Actions (if Applicable)

The reviewers may provide verbal instructions to the institution on required actions the institution must take to rectify current practices.

If the institution is engaging in a particular action that will result in increased liabilities or other harm if not corrected immediately, such as failure to include campus-based funds in the Return of Title IV funds calculations, the institution will typically be directed to rectify the problem right away and not wait for the Program Review Report to be issued.

If preliminary analysis indicates systemic errors or error rates in excess of Department standards, the institution will typically be notified that instructions for conducting a file review to identify and correct the errors will be included in the Program Review Report. The institution may want to begin preliminary preparations for conducting the file review for findings noted during the exit conference, but it must still adhere to the instructions in the Program Review Report for conducting the review.

Information regarding liabilities, and instructions regarding payment of liabilities, will be included in the Final Program Review Determination (FPRD) letter. However, if the institution would like to begin repaying liabilities immediately, it may do so, especially as the liabilities relate to refunds of unearned tuition to either students or the Department. If the institution resolves any findings by paying liabilities prior to issuance of the Program Review Report, the findings will still be included in the report, and the institution should provide proof of payment of those liabilities in response to the report. However, if the institution pays liabilities prior to issuance of the Final Program Review Determination, those findings cannot be appealed.

Outstanding Items and Submission Time Frames (if Applicable)

The reviewers will typically confirm with the institution what documents, if any, were requested but not provided by the institution.

If the documentation could not be provided because it was not yet available and outside the control of the institution (e.g., cancelled checks), the institution should provide the documentation as soon as it is available.

If the documentation could not be provided because the reviewers did not request the items until late in the review or for other reasons, the institution should provide the documentation within one calendar week of the exit interview.

If documentation has not been provided when the review team is ready to issue the Program Review Report, the issues for which required documentation was not provided will be included in the report as findings. The institution may provide the required documentation in response to the report.

Preliminary Findings (if Applicable)

The reviewers will typically provide a brief oral summary of the findings identified to date. The findings discussed are preliminary and additional analysis of the information collected may result in additional findings. The reviewers will typically notify the institution of any substantial findings not discussed during the exit conference prior to the issuance of the Program Review Report.

The exit conference is not the time for an in-depth discussion or debate of all the issues. The reviewers will not detail findings on a student-by-student basis. The Program Review Report will describe each finding in detail and the institution will be provided an opportunity to respond to every finding.

Next Steps in the Program Review Process

The review team will explain what the institution can expect to happen after the reviewers leave the institution.

Upon returning from the program review, the review team will further analyze the data collected. If additional documentation has been requested from the institution, the data will be analyzed once it is received.

It is anticipated that a Program Review Report will be issued generally within 75 days. The report will contain the findings identified, even those that the institution was allowed to resolve prior to the issuance of the report. The institution will be responsible for addressing all findings in the report, including those that were not known or discussed at the time of the exit conference.

The institution will have the opportunity to respond to the Program Review Report in writing within 30-90 days, depending upon the complexity of the findings and/or if any file reviews are required. Reasonable dialogue regarding the findings and questions of regulatory interpretation will be considered, but a timely resolution of the issues identified will be expected.

After the institution has been provided the opportunity to respond to the Program Review Report, the reviewers will issue an FPRD letter that will serve to identify any liabilities, provide repayment instructions, close the program review (if applicable), and provide instructions for appeal.

If there are no findings, or all findings with no liabilities have been resolved prior to issuance of the report, the SPD may issue an EDL in lieu of issuing a separate Program Review Report and FPRD.

STATUS MEETING

In situations where the fieldwork has not been completed and/or the data has not been analyzed, a status meeting will usually be conducted to provide the status of the fieldwork. The reviewers will typically identify

- required actions (if applicable),
- outstanding items and submission time frames (if applicable), and
- next steps in the program review process.

Required Actions (if Applicable)

The reviewers may provide verbal instructions to the institution on required actions the institution must take to rectify current practices.

If the institution is engaging in a particular action that will result in increased liabilities or other harm if not corrected immediately, such as failure to include campus-based funds in the Return of Title IV funds calculations, the institution typically will be directed to rectify the problem right away and not wait for the Program Review Report to be issued.

Outstanding Items and Submission Time Frames (if Applicable)

The reviewers will typically confirm with the institution what documents, if any, were requested but not provided by the institution.

If the documentation could not be provided because it was not yet available and outside the control of the institution (e.g., cancelled checks), the institution should provide the documentation as soon as it is available.

If the documentation could not be provided before the end of the review because the reviewers did not request the items until late in the review or for other reasons, the institution should provide the documentation within one calendar week of the exit interview.

If documentation has not been provided when the review team is ready to issue the Program Review Report, the issues for which required documentation was not provided will be included in the report as findings. The institution may provide the required documentation in response to the report.

Next Steps in the Program Review Process

The review team will explain what the institution can expect to happen after the reviewers leave the institution. If a return visit may be necessary to complete the fieldwork, the reviewers may discuss the return dates at this time. If the fieldwork has been completed but data has not been analyzed, the reviewers may indicate that they will contact the institution and schedule an exit interview (by conference call or in person, as appropriate) after analysis is complete.

Chapter 7

Referrals

During the course of the program review, it may be necessary for the review team to notify other offices within the Department, or external agencies, regarding problems found at the institution. It is not necessary for the program review process to be concluded prior to the issuance of an adverse administrative action. In fact, such an action will be initiated as soon as practicable during the program review process to protect the integrity of the Title IV programs.

THE ADMINISTRATIVE ACTIONS AND APPEALS SERVICE GROUP

If serious noncompliance is identified during the program review, the SPD may refer the institution to the Administrative Actions and Appeals Service Group (AAASG) for further action. AAASG administers the Secretary's authority to fine an institution that participates in the Title IV, HEA programs, or limit, suspend, or terminate Title IV, HEA program eligibility, as well as impose emergency actions. These actions are collectively referred to as administrative actions. An institution has the right to appeal administrative actions before an impartial hearing official, as outlined in 34 CFR Part 668, Subpart G—Fine, Limitation, Suspension and Termination Proceedings. Under the Subpart G regulations, an institution and/or FSA may appeal the hearing official's initial decision regarding fines, or limitations, suspensions or terminations of Title IV eligibility to the Secretary.

INSTITUTIONAL IMPROVEMENT SERVICES

The purpose of Institutional Improvement Services (IIS) is to help institutions improve their current and future administration of the Title IV, HEA programs by helping them identify the cause of their non-compliance. Whether it is a lack of information or a lack of understanding of how to implement and apply the rules and regulations, IIS is intended to help institutions through training and/or implementation of an improvement plan.

GUARANTY, STATE LICENSING, AND ACCREDITING AGENCIES

The reviewers may notify other entities regarding problems found at the institution. Other agencies to be notified may be the guaranty agency, the state licensing agency, and/or the accrediting agency. These agencies share the responsibility for oversight of institutions participating in the Title IV programs.

OFFICE OF INSPECTOR GENERAL

If a reviewer suspects any fraud, waste, or abuse of Title IV, HEA program funds a referral will be made to the Department of Education's Office of Inspector General (OIG). The review team will report any credible information indicating that any employee, third-party servicer, or other agent of the institution that acts in a capacity that involves the administration of the Title IV, HEA programs, or the receipt of funds under those programs, may have engaged in fraud, misrepresentation, conversion or breach of fiduciary responsibility, or other illegal conduct involving the Title IV, HEA programs.

Post Review Communication and Report

Chapter 8

Upon returning from the program review, or completing the off-site review of institutional records, the review team will analyze the data gathered. The reviewers will either contact the institution to request additional information, or issue an Expedited Determination Letter or a Program Review Report. The institution will be given an opportunity to respond to the Program Review Report before a Final Program Review Determination Letter is issued.

DEPARTMENT REQUEST FOR ADDITIONAL INFORMATION

In some cases, the reviewers may find that they need additional information from the institution in order to finish analyzing the institution's administration of the Title IV, HEA programs. If additional information is needed, the reviewers will either contact the institution and request that the institution send the documentation/ information, or visit the institution to review the additional documents.

The reviewers may contact the institution by telephone, email, or letter to request additional information. Telephone or email contact will typically be used only for minor requests where the explanation of additional information is not extensive. However, if, for example, it is necessary to expand the sample and request additional information for students in the expanded sample, then the reviewers will request the information by letter. Regardless of what method the reviewers use to request additional information, the request will include a time frame in which the institution must provide the additional information. The institution will generally be allowed 30 days to provide the requested information. If the information provided contains personally identifiable information (PII), the institution must take care to protect that information, either through encryption or proper packaging for shipment.

If the institution fails to provide the requested documentation in the specified time frame, there are three possible outcomes:

- The reviewers may contact the institution and schedule a visit to review the documentation on-site.
- The Program Review Report may include findings that are not actually problems, but rather reflect the failure of the institution to provide requested information.
- The institution's failure to provide information may be included as a finding in the Program Review Report, which could become grounds for an administrative action.

PROGRAM REVIEW REPORT OR EXPEDITED DETERMINATION LETTER

After the review team has completed its review and analysis of the institutional and student files, a report will be issued to the institution. There are two types of reports that may be issued:

- Expedited Determination Letter
- Program Review Report (most commonly used)

The Expedited Determination Letter (EDL)

The EDL serves as both the preliminary report and final determination letter to the institution regarding findings discovered during the program review. The institution is not required to submit a written response, and the EDL will include an indication that the program review is being closed.

The EDL is typically used when

- either no findings or only minor (isolated, non-systemic) findings were identified during the program review,
- any findings identified were corrected prior to issuance of the EDL, and
- any liabilities identified were paid/collected prior to issuance of the EDL.

The EDL will be sent via certified or overnight mail to the president of the institution with a copy to the financial aid administrator. The president and/or financial aid administrator will be responsible for providing copies of the letter to other institution officials requiring copies. A copy of the EDL will also be sent, if applicable, to officials of the state authorizing, accrediting, guaranty, and other federal agencies.

The EDL includes the following standard sections:

- Scope of Review and Disclaimer
- Findings (if applicable)
- Recommendations

See Appendix F, Expedited Determination Letter, for an example of the template used by the Department.

Scope of Review and Disclaimer

The scope section identifies when the program review was conducted, the focus of the review, how the student sample was selected, the number and type of records examined, and the award years reviewed. It also includes a disclaimer indicating that the review is not all-inclusive.

Findings

All findings are included in the EDL as a matter of record. Documentation of all compliance problems is important to providing independent public accountants, accrediting agencies, and other entities with a clear picture of any Title IV, HEA program administration weaknesses identified.

Findings in the EDL explain how the institution violated regulatory requirements, the effect of the violation, and the actions taken to correct the violation.

Findings are **numbered** and **titled** to reflect the violation noted. Each finding will include the statutory/regulatory citation and either a direct quote or brief description of the requirement. In addition, related resources, such as a Dear Colleague Letter, Blue Book, Federal Student Aid Handbook, Application and Verification Guide, etc., may be cited. A **Noncompliance** section for the finding will provide a description of the problem identified, including identification of all specific occurrences. The **Institutional Action Taken to Resolve** section will include an explanation of the actions the institution has taken to correct the problem and to ensure that the problem does not recur.

Recommendations

The reviewers may include recommendations in the EDL regarding actions they feel the institution should take that are not specific to resolving a particular finding. These recommendations would address matters that can potentially affect the administration of the Title IV, HEA program(s) at the institution. For example, if the institution does not utilize Federal Student Aid online technical assistance or avail itself of Departmental training, these could be recommended.

The Program Review Report

A Program Review Report is the preliminary report to the institution of the findings discovered during the review of the institutions records. The report includes the applicable statutes and regulations, and specifies required actions and a timeframe for the institution to respond.

The Program Review Report will be sent via certified or overnight mail to the president of the institution with a copy to the financial aid administrator. The president and/or financial aid administrator will be responsible for providing copies of the report to other institution officials requiring copies.

The institution's response to the Program Review Report will be due by the due date specified in the cover letter.

The Program Review Report typically includes the following standard sections:

- Report Cover Page
- Table of Contents
- Institutional Information
- Scope of Review and Disclaimer
- Findings
- Recommendations
- Appendices and Enclosures

See Appendix G, Program Review Report, for an example of the cover letter and report template used by the Department.

Report Cover Page

Each Program Review Report will have a Report Cover Page. The Report Cover Page will identify the institution and the team that is conducting the program review.

Table of Contents

Each Program Review Report will contain a Table of Contents. The Table of Contents provides the page numbers of sections and individual findings within the Program Review Report.

Institutional Information

The institutional information section of the Program Review Report is provided to give the reader a snapshot view of the institution. It includes the institution's name, address, type (public, private nonprofit, proprietary), highest level of offering, accrediting agency, current student enrollment, percent of students receiving Title IV, HEA program funds, the amount of Title IV, HEA program funds disbursed by program, and the three most recent cohort default rates for the applicable loan programs.

Scope of Review and Disclaimer

The scope section identifies the dates when the institution's records were reviewed, the focus of the review, how the student sample was selected, the number and type of records examined, and the award years reviewed. It also includes a disclaimer indicating that the review is not all-inclusive.

Findings

Whether or not a deficiency seems minor, or has been resolved or repaid while the reviewers were on-site, it will be included as a finding in the report as a matter of record. Documentation of all compliance problems is important to providing independent public accountants, accrediting agencies, and other entities with a clear picture of any Title IV, HEA program administration weaknesses identified.

Findings in the Program Review Report explain how the institution violated regulatory requirements, the effect of the violation, and what actions the institution must take in order to be in compliance.

Findings are numbered and titled to reflect the violation noted. Each finding will include the statutory/regulatory citation and either a direct quote or brief description of the requirement, In addition, related resources, such as a Dear Colleague Letter, Blue Book, Federal Student Aid Handbook, Application and Verification Guide, etc., may be cited. A Noncompliance section for the finding will provide a detailed description of the problem identified, including identification of all specific occurrences. The Required Action section will include a detailed explanation of the actions the institution is required to take to identify the extent of the problem and to ensure that the problem does not recur.

There are two general types of findings; student specific and institutional. The type of finding together with the error rate and whether or not the error will result in a liability, will determine the required action.

1. Student-specific Finding

If there is no potential or actual liability associated with the error, regardless of the number of errors identified in the student files in the sample, the institution will be required to correct its policy/procedure and practice for the future and demonstrate that this correction has been made. In addition, the institution will be required to correct the errors for the students in the sample.

If there is potential or actual liability associated with the error, the institution will be required to correct its policy/procedure and practice for the future and demonstrate that this correction has been made. If the error rate is small, the institution will be required to correct the errors for the students in the sample. If the error rate is high, the institution will be required to correct the errors for the students in the sample and perform a file review for either the remainder of the students in the statistical sample or the entire student population with the specific characteristic in order to identify and correct any other errors.

2. Institutional Finding

If the reviewers find that the institution has an incomplete or unacceptable institutional policy/procedure, the reviewers will determine if the error in the policy is also reflected in errors in student files. If not, the institution will be instructed to correct its policy/procedure and practice for the future and certify that it implemented the policy/procedure. If so, the institution will be instructed to take the appropriate action as identified for a Student-specific Finding above, which includes correcting the policy/procedure.

If the reviewers find a problem related to institutional eligibility, financial responsibility, financial reporting, or other institutional actions, the reviewers will determine if there is a liability or potential liability associated with the error. If there is no potential or actual liability associated with the error, the institution will be instructed to correct

its practice for the future and demonstrate that this correction has been made. If there is potential or actual liability associated with the error, the institution will be instructed to provide sufficient information so that the liability can be quantified. In addition, the institution will be instructed to correct its practice for the future and demonstrate that this correction has been made.

Recommendations

The reviewers may include recommendations in the Program Review Report regarding actions the institution should take that are not specific to resolving a particular finding. These recommendations will address issues that can potentially affect the administration of the Title IV, HEA program(s) at the institution. For example, if the institution does not utilize Federal Student Aid online technical assistance or avail itself of Departmental training, these could be recommended.

Appendices and Enclosures

The list of any student files reviewed will be included as an appendix.

An enclosure concerning the protection of PII and the requirements the institution must follow when submitting this type of information will be included when such information is requested.

The Program Review Report will include additional appendices and enclosures as necessary. These may include instructions for any required file reviews, analysis supporting one or more findings, checklists to assist the institution in correcting its deficiencies, etc.

INSTITUTION RESPONSE TO PROGRAM REVIEW REPORT

The institution is required to respond in writing to the findings presented in the Program Review Report. In addition, the institution may submit any additional information and/or documentation it wishes to provide to support its actions if it disagrees with any of the report's conclusions.

The Program Review Report will include an enclosure concerning the protection of PII and the requirements the institution must follow when submitting this type of information. The institution's response must be submitted accordingly.

The required information must be submitted so that it is received by the due date identified in the Program Review Report Cover Letter.

The **Required Action** section for each finding will describe in detail the actions the institution must take, and documentation that must be provided regarding the finding. The description of the required action will also include instructions for submitting the institution's response. The institution's written response to each finding must include all of the information and/or documents specified in the required action.

Generally, the institution will be required to (1) correct its policy/procedure and/or practice for the future and either demonstrate or certify that this correction has been made/implemented, (2) correct the errors for the students in the sample, (3) perform a file review for either the remainder of the students in the statistical sample or the entire student population with the specific characteristic to identify and correct any other errors, and/or (4) provide sufficient information so that the liability can be quantified.

1. Correction to Policy/Procedure and/or Practice Required

If the institution is directed to correct a policy/procedure, a copy of the revised policy/procedure must be provided in response to the Program Review Report. The institution should not take any action to implement or make corrections based on the revised policy/procedure until the reviewers confirm that the revised policy/procedure is acceptable.

If the institution is asked to demonstrate that the revised policy/procedure has been implemented and corrected in practice, the institution must submit documents as requested. For example, if the institution has updated its R2T4 policy and/or practice, it must submit copies of R2T4 calculations which were completed based on the revised policy.

If the policy/procedure change cannot be easily demonstrated, the institution may be asked to certify that the revised policy/procedure has been implemented. The certification must indicate the effective date and must be signed by the appropriate institution official.

2. Correction of Student-specific Errors Required

If the institution is directed to correct errors identified for the individual students in the sample, the institution must submit copies of all documents necessary to demonstrate that those errors have been corrected. In addition, the institution should indicate the effect of the corrections on the student's need and Title IV award.

3. File Review Required

If the institution is directed to complete a file review, the institution must identify the student files to be reviewed based on the population identified in the Program Review Report, and conduct its own review of those files to determine if similar errors exist. If so, the institution must correct the errors. The required action for the finding will provide detailed instructions regarding the file review including

- **identification of the population of files to be reviewed and for what award years.** Generally, a file review will cover the year or years in which the problem was identified. However, a file review may be required for prior periods if
  - the institution was using an erroneous policy and there is evidence that the erroneous policy was also being used during the prior award year.
  - the institution's policy is correct, but the institution was executing the policy incorrectly in practice, and there is evidence that the institution was also executing the policy incorrectly in practice for the prior award year.
- **a file review summary spreadsheet.** A sample file review summary spreadsheet may be provided to demonstrate how the results of the file review must be reported, either within the required action or as an appendix.
- **identification of supporting documentation to be submitted (if any) and how it is to be provided.** Supporting documentation will typically be requested in one of three ways:
  - Submission of all documents to verify the accuracy of the file review
  - Submission of all documents to verify the accuracy of the file review together with an Agreed Upon Procedures Attestation from an independent public accountant
  - Submission of the results only of the file review together with an Agreed Upon Procedures Attestation from an independent public accountant
- **instructions for review of a sample if liability projection can be used.** Normally, for file reviews requiring reconstruction of more than 100 files, the institution may be allowed to limit its review to the statistical sample of students. Based on that review, any liability identified would be projected for the entire population. However, liability projection cannot be offered for all findings. Examples of situations when liability projection cannot be used include, but are not limited to

- ▹ returns of Title IV funds are unmade or incorrect,
- ▹ credit balances are owed to recipients, or
- ▹ the statistical sample included students for whom loan discharges have been paid by the institution (e.g., closed school, false certification, or refund discharges).

4. Provide Sufficient Information So That the Liability Can Be Quantified

Each finding will provide specific instructions regarding the documentation/information that the institution should provide with its response. Submission of incomplete documentation/information may result in the identification of liabilities that perhaps could have been avoided.

DEPARTMENT FOLLOWUP TO INCOMPLETE/INACCURATE RESPONSE

An institution's response is complete when the institution has provided the required information/ documentation or has indicated that the required information/documentation cannot be provided.

If the information/documentation provided does not fully resolve the findings, the reviewers may contact the institution to obtain missing information or clarification.

If there are problems with the documents received for several files, the reviewers will notify the institution that the response for that finding is rejected, and will typically allow the institution 30 calendar days to correct and resubmit the response.

If the corrected response is not received within the 30 calendar days allowed, the institution may, for good cause shown, be granted an extension of time to provide the revised response. If an extension is not granted, the FPRD will be issued and any liabilities will be assessed based on the data available to the Department.

In addition, if there are significant problems with a majority of the documents reviewed, the institution may be placed on a restricted method of payment.

INSTITUTION REQUEST FOR EXTENSION OF TIME TO RESPOND TO PROGRAM REVIEW REPORT

Institutions may find that additional time is needed to prepare a complete response to the Program Review Report. If that is the case, the institution may request an extension of time (beyond the due date specified in the Program Review Report Cover Letter) to respond to the Program Review Report.

When the institution wishes to request an extension, the institution must submit its request in writing via facsimile, letter, or email. The institution should include the following in the extension request:

- ► A status report detailing the percentage of work completed for each finding
- ► An assessment of the time and effort required to complete the response
- ► Samples of work completed, if judged necessary by the reviewers
- ► If an auditor attestation is required, a copy of the auditor engagement letter
- ► An explanation of the reason the file review if applicable, could not be completed by the due date, including any extenuating circumstances, such as,

- ▹ delayed access to records due to a natural disaster,
- ▹ sudden loss of financial aid or other staff responsible for the response, or a change in administration,
- ▹ multiple file reviews to be conducted for a large population of students, or
- ▹ extensive research required before responding.

The institution will receive a written response to its request, either granting it or denying it.

INSTITUTION STATUS REPORTS WHEN ADDITIONAL TIME FOR RESPONSE GRANTED

If an extension is granted for over 60 days, the institution will be required to submit status reports of its progress toward completing the actions required in the report. The institution may also be asked to submit documents or information to allow the reviewers to confirm that the institution is performing the required actions appropriately (e.g., sample return calculations, sample corrections to verification, revised SAP policy).

The information that must be included in the status report will be identified in the letter granting the extension.

DEPARTMENT FOLLOWUP IF RESPONSE NOT RECEIVED BY DUE DATE

If the institution's response is not received by the due date (original or extended), the reviewers will typically call the institution to determine the status of the response.

- ► If the institution has completed the response and the response is in transit, no further action is required.
- ► If the institution has not completed the response and requires more than one week to complete the response, the institution will be asked to submit a Request for Extension to Respond.
- ► If the institution will be able to provide the response within one week, the institution must provide written confirmation of the date the response will be received by the Department.

Final Program Review Determination and Followup

Chapter 9

The Final Program Review Determination (FPRD) letter serves to inform the institution of the Department's final determination for each of the findings in the Program Review Report. The FPRD also identifies liabilities, if any, calculated based on the findings of the program review; provides instructions for the payment of liabilities, as appropriate; notifies the institution of its right to appeal the existence and amount of any liabilities identified, as appropriate; and closes the program review, if appropriate. The FPRD may or may not require additional action by the institution.

FINAL PROGRAM REVIEW DETERMINATION LETTER

The FPRD will be addressed to the President/CEO/Owner. The FAA will be sent a copy of the letter. The President/CEO/Owner and/or FAA will be responsible for providing copies of the letter to other institution officials requiring copies. In addition to the financial aid administrator, the appropriate parties at the state authorizing agency, accrediting agency and guaranty agency will also receive copies of the letter.

See Appendix H, Final Program Review Determination Letter, for an example of the cover letter and report template used by the Department.

Timeline for FPRD Preparation and Issuance

Typically the FPRD is issued to the institution within 30 to 90 days after the Department's receipt of a complete and final response to the Program Review Report.

However, more time may be needed to prepare the FPRD if

- a file review is extensive and includes supporting documentation and/or an auditor's attestation,
- there are multiple file reviews,
- liabilities must be projected,
- the reviewers need to seek concurrence or information from other offices, and/or
- Department priorities require the reviewers to give their attention to other cases.

FPRD if No Further Action Is Required

An FPRD requiring no further action will be issued if, in response to the Program Review Report, the institution provided information and/or documentation that resolved all findings and demonstrated that any liabilities were eliminated or paid.

The FPRD will include a letter indicating that all required actions have been taken by the institution and the program review is being closed. A copy of the Program Review Report will be enclosed with the letter.

Instructions for retention of records related to the program review will be included in the FPRD.

FPRD if Further Action Is Required

An FPRD requiring further action will be issued when the institution must take some action to resolve one or more of the findings. This action may include making student level adjustments in COD and/or G5, and/or paying liabilities. The FPRD will either indicate that the program review is closed (if the only required action is payment of liabilities to the Department), or that the program review will be closed upon receipt of documentation that the required action has been completed.

The cover letter used to transmit the FPRD to the institution includes important information. It indicates that the purpose of the FPRD is to: (1) identify liabilities resulting from the findings of the Program Review Report, (2) provide instructions for payment of liabilities to the Department and others, if appropriate, and (3) notify the institution of its right to appeal. Language to close the program review is included if any liabilities owed to parties other than the Department have been paid and any student level adjustments have been made in COD and/or G5. If the institution owes liabilities to parties other than the Department (i.e., lenders, students, parents, etc.) or if student level adjustments must be made in COD and/or G5 as part of the required actions, the program review will be closed when the reviewers have verified that the required payments and/or adjustments have been made. Instructions for filing an appeal of any monetary liabilities will be included in the cover letter. In addition, language regarding a possible referral to the Administrative Actions and Appeals Service Group (AAASG) will be included if appropriate, and instructions for retention of records related to the program review will be provided.

The FPRD Report typically will be structured as follows:

- Cover Page
- Table of Contents
- Institutional Information
- Scope of Review
- Findings and Final Determinations
  - Resolved Findings
  - Resolved Findings with Comments (Optional)
  - Findings with Final Determinations
- Summary of Liabilities
- Payment Instructions
- Appendices and Enclosures

Report Cover Page

Each FPRD will have a Report Cover Page. The Report Cover Page will identify the institution and the team that conducted the program review.

Table of Contents

Each FPRD will contain a Table of Contents. The Table of Contents provides the page numbers of sections and individual findings within the FPRD.

Institutional Information

The institutional information section of the FPRD is provided to give the reader a snapshot view of the institution. It includes the institution's name, address, type (public, private nonprofit, proprietary), highest level of offering, accrediting agency, current student enrollment, percent of students receiving Title IV aid, Title IV aid disbursed by program, and the three most recent cohort default rates for the applicable loan programs.

Scope of Review

The scope section gives the focus of the program review, how the liabilities were determined, and a disclaimer that the program review is not all-inclusive.

Findings and Final Determinations

For each finding from the Program Review Report, the reviewers will analyze the institution's response to determine if the finding has been corrected and if liabilities exist. The Findings and Final Determinations section of the FPRD presents the findings sorted into the following categories based on their final status:

- Resolved Findings
- Resolved Findings with Comments
- Findings with Final Determinations

Resolved Findings are findings that the institution has taken the corrective actions to resolve and no further action is required. The findings are identified by number only and do not contain the details described in the Program Review Report. These findings are considered closed and are not mentioned further in the FPRD.

Resolved Findings with Comments are findings that, while the institution has taken the corrective actions necessary to resolve them and no further action is required, are presented with related recommendations or additional information. These findings will include the following elements: 1) the original finding from the Program Review Report (including Title, Citation, Noncompliance and Required Action (in italics)), 2) a summary of the institution's response to the finding and the Department's comments, and 3) the Department's final determination for the finding. Each finding, response, and final determination is listed separately. The institution should read and consider any comments made by the Department.

Findings with Final Determinations are findings that contain liabilities or require action by the institution. These findings will include the following elements: (1) the original finding from the Program Review Report (including Title, Citation, Noncompliance and Required Action (in italics)), (2) a summary of the institution's response to the finding, and (3) the Department's Final Determination for the finding. Each finding, response, and final determination is listed separately.

If a Program Review Report was not issued for any reason, the structure of the findings is simply: Title, Citation, Noncompliance, and Final Determination.

If the final determination contains **student specific liabilities**, whether or not they resulted from a full file review, the liability for each individual student is identified either in the text of the finding or in an attached appendix. If a student is listed in the final determination for multiple findings, the final determination for each finding will reference the other finding, and will explain how the liability is being calculated. Any duplicate liabilities will also be identified in the Summary of Liabilities section of the FPRD and removed from the total liabilities due from the institution.

When the finding rests on examination of a **statistical sample**, the reviewers may use the liabilities from the sample in order to project the liabilities for the population from which the sample was drawn unless the institution opts to perform a full file review. Details of how the projected liabilities were calculated will be provided in the FPRD.

Summary of Liabilities

The purpose of this section of the FPRD is to summarize the liabilities owed to the Department, students, and/or the institution's accounts.

It is possible that the same funds paid to a student may be identified as a liability in more than one finding. If such duplicate liabilities exist the summary of liabilities table in the FPRD will include two charts for presenting the liabilities; Actual Liabilities by Finding–Including Duplicate Liabilities, and Established Liabilities–Duplicate Liabilities Removed. In this case, an explanation of how duplicate liabilities are treated and how the repayment amounts are determined will be included.

If there are no duplicated liabilities, only the Established Liabilities—Duplicate Liabilities Removed chart will be presented.

The summary of liabilities table will include a section showing adjustments made for any additional liabilities established for interest and special allowance, excess cash, and administrative cost allowance.

The summary of liabilities table will provide a total of how much is to be returned to each entity and a total of the adjustments required to current year Pell Grant student records in COD, if applicable. If the institution has repaid all liabilities or made the required COD adjustments prior to the issuance of the FPRD and provided the appropriate documentation, the FPRD will acknowledge that fact.

The Summary of Liabilities section will also include an explanation of any liabilities calculated using the estimated actual loss formula, any projected liabilities, and any liabilities established for all funds disbursed.

Payment Instructions

A Repayment Instructions section is included in the FPRD, if it establishes that there are liabilities to be paid, and if the institution has not filed for bankruptcy protection. The purpose of this section is to provide payment instructions and the terms related to the payments (e.g., when the payment is due, how the institution can request a payment plan, etc.).

Payment instructions for payments to the Department will vary depending on the particular Title IV, HEA program(s) to which funds must be repaid, and the liability amount.

If the FPRD requires the institution to make upward adjustments in COD due to underawards, Pell Grant Operations will open the account for changes and then close the account after the institution has made the required changes.

If the institution is required to repay liabilities to parties other than the Department (for example, Pell Grant liabilities that must be repaid to the Pell Grant account of the institution via student-level adjustments in COD, or funds that must be returned to the holder of a student loan or directly to the student and/or parent borrower) the institution will be required to provide proof that such payments were made. If the return of funds to the institution's federal accounts causes excess cash in those accounts, the excess cash must be returned to G5 as well. The institution is responsible for returning those funds, regardless of the amount.

If the SPD is aware that the institution has filed for bankruptcy, the FPRD will acknowledge the bankruptcy and identify the liabilities. However, the payment instructions will be omitted.

Appendices and Enclosures

An FPRD may contain appendices and enclosures to provide additional information to the institution. Appendices may be used to provide the following:

- student sample
- details for loan discharge liabilities
- calculation spreadsheets
- FEDWIRE form and instructions
- other documentation

If student-level testing was conducted, the **student sample** list from the original program review report will be included with the FPRD as a reference for the institution. If a file review or other documentation provided by the institution results in the requirement that funds be repaid for students not listed in the original student sample, those students will be identified in a separate appendix.

If the institution has been assessed a liability for loan discharges, details for the **loan discharge liabilities** will be included.

FPRDs, where applicable, will contain as appendices the **calculation spreadsheets** for interest and special allowance (cost of funds) liabilities, estimated actual loss liabilities, and liability projections.

If the liability to be repaid to the Department is more than $100,000, the **FEDWIRE form and instructions** will be included.

Any **other documentation** referenced in the FPRD as additional information will also be attached as an appendix.

DEPARTMENT FOLLOWUP IF FPRD IS RETURNED UNDELIVERABLE

If the FPRD is returned to the SPD office marked undeliverable, the SPD will attempt to identify a different address to which to send the FPRD. Note that the address of record is the address the institution provides to the Department in its E-App and that the institution is required to submit a change in address to the Department no later than 10 days after the change occurs (see 34 C.F.R § 600.21).

If the FPRD is successfully re-delivered, the institution has 45 days from the date the FPRD is received to file an appeal.

INSTITUTION RESPONSE TO FPRD, IF REQUIRED

In some cases, institutions are required to provide proof of payment of liabilities or other follow-up documentation in response to the FPRD.

If the institution is liable for funds owed to the Department, they must be sent according to the instructions provided in the FPRD. Failure to pay as required, or file a timely appeal, may result in the Department using an administrative offset to collect the funds owed.

If the institution is liable for an amount that must be paid to the holder of an FFEL, the institution must provide proof that the liabilities have been paid and that the student has been notified of the return of funds. Instructions regarding the acceptable documentation to be submitted (i.e., the front and back of the cancelled checks or proof of the Electronic Funds Transfer transaction) will be included in the FPRD.

If the institution owes student specific liabilities for Pell Grant or Direct Loan funds, the institution may be required to adjust each applicable student's disbursement record in COD. If the adjustments result in a negative balance (i.e., the funds drawn from G5 exceed the institution's authorization for the award year), the institution must return the amount of the negative balance electronically to their account in G5. The institution must provide proof that all applicable disbursement records have been adjusted (e.g., a copy of the adjustment from COD) and proof of payment to G5 as instructed in the FPRD.

FINAL PROGRAM REVIEW DETERMINATION CLOSEOUT LETTER

A Final Program Review Determination Closeout Letter will be issued generally within 20 calendar days of receipt of the institution's response to the FPRD, if the response contains all of the required documentation.

If the institution does not provide the required information within the time frame specified in the FPRD, the reviewers will typically followup with the institution.

The letter will be addressed to the President/CEO/Owner and will serve to close the program review.

If the institution does not provide the required information because it is filing an appeal for any of the findings, a Closeout Letter will not be issued.

APPEAL OF MONETARY LIABILITIES

Under 34 CFR Part 668, Subpart H, an institution may file a written appeal if it disagrees with the monetary liabilities established in an FPRD. To preserve its appeal rights, the institution must file the appeal within 45 days of its receipt of the FPRD. The FPRD contains detailed instructions to the institution for filing an appeal.

The institution appeals by submitting a written request for review to the Director of AAASG. The request must state the basis for the appeal and include any documents that the institution may wish to present in support of its case.

The Department will defer collection action on the appealed portion of the liability during the appeal process. However, the institution is expected to pay any non-appealed liabilities.

If an institution submits a timely appeal, AAASG will review the documentation provided. If the documentation satisfactorily resolves the noncompliance that created the contested liabilities, AAASG will notify the institution in writing of the outcome. However, if contested liabilities still exist, AAASG will forward the appeal to the Office of Hearings and Appeals (OHA). The hearing process will continue until a settlement between the institution and the Department is reached, the case is withdrawn, or the hearing official issues an initial decision. There are no mandated time frames for this portion of the appeal process.

Either party can appeal the hearing official's initial decision to the Secretary within 30 days of receipt of the decision. There are no mandated time frames for the Secretary to make a decision. (In addition, there are other appeal avenues that extend beyond the appeal to the Secretary.) In most cases, OHA notifies the institution of the outcome; otherwise, AAASG will do so.

A closeout letter will not be issued by the SPD.

If the outcome is in favor of the Department, the Department will resume billing on the liabilities.

School Participation Division Contacts

Appendix A

School Participation Division—Northeast	
New York/Boston Team	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, New Jersey, New York, Puerto Rico, and Virgin Islands
► New York, NY	646-428-3750
► Boston, MA	617-289-0133
Philadelphia Team	DC, Delaware, Maryland, Pennsylvania, Virginia, and West Virginia
► Philadelphia, PA	215-656-6442
School Participation Division—South-Central	
Atlanta Team	Alabama, Florida, Georgia, Mississippi, North Carolina, and South Carolina
► Atlanta, GA	404-974-9303
Kansas City Team	Iowa, Kansas, Kentucky, Missouri, Nebraska, and Tennessee
► Kansas City, MO	816-268-0410
Dallas Team	Arkansas, Louisiana, New Mexico, Oklahoma, and Texas
► Dallas, TX	214-661-9490
School Participation Division—Northwest	
Chicago Team	Illinois, Indiana, Minnesota, Ohio, and Wisconsin
► Chicago, IL	312-730-1511
Denver Team	Colorado, Michigan, Montana, North Dakota, South Dakota, Utah, and Wyoming
► Denver, CO	303-844-3677
San Francisco/Seattle Team	Alaska, American Samoa, Arizona, California, Guam, Hawaii, Nevada, Palau, Marshall Islands, N. Marianas State of Micronesia, Idaho, Oregon, and Washington
► San Francisco, CA	415-486-5677
► Seattle, WA	206-615-2594

Acronyms and Common Terms

Appendix B

This list includes acronyms and terms associated with the Program Review process.

Term	Acronym	Explanation
Ability to Benefit	**ATB**	One of the criteria used to establish student eligibility in order to receive Title IV program assistance is that a student must have earned a high school diploma or its equivalent. Students who are not high school graduates (or who have not earned a General Education Development [GED] certificate) can demonstrate that they have the "ability to benefit" from the education or training being offered under the Career Pathway or by an ATB alternative.
Administrative Actions and Appeals Service Group	**AAA Service Group**	Administers the Secretary's authority to fine, limit, suspend, terminate and impose emergency actions against postsecondary educational institutions that participate in the FSA programs for which SEC has oversight.
Campus-Based Programs	**CB**	Three federal student aid programs (Federal Perkins, Federal Work-Study and Federal Supplemental Educational Opportunity Grant), within Title IV, administered directly by the institution.
Central Processing System	**CPS**	The Central Processing System, or CPS, is ED's application data processing facility. The CPS uses student information from the FAFSA processors to calculate the student's official EFC. It returns the student's eligibility information to the student and the schools the student indicated on his or her FAFSA.
Chief Executive Officer	**CEO**	The Chief Executive Officer of the institution who is authorized to enter into a contractual agreement with the Department of Education for participation in the Title IV Programs.
Code of Federal Regulations	**CFR**	The codification of the rules published in the Federal Register by agencies of the federal government. Each volume of the CFR is updated once each calendar year and issued quarterly. The volume for Education, Title 34, is updated on July 1 of each year. Cited as 34 CFR.
Common Origination and Disbursement	**COD**	ED database that includes the process of origination and disbursement reporting for Federal Pell Grant, Teacher Education Assistance for College and Higher Education (TEACH) Grant, and Federal Direct Loan funding as well as student-level reporting for Federal Campus-Based awards.

Term	Acronym	Explanation
Department of Education	**ED or the Department**	A federal agency of the US Government that regulates and enforces policies and procedures for the US Education System.
Direct Loan	**DL**	A federally subsidized, low-interest student loan, awarded on the basis of financial need. As part of the Direct Loan Program, these loans are made directly by the federal government (rather than by a private lender) through participating institutions. The program offers four types of loans: ► Federal Direct Subsidized Stafford Loan ► Federal Direct Unsubsidized Stafford Loan ► Federal Direct PLUS Loan ► Federal Direct Consolidation Loan
Eligibility and Certification Approval Report	**ECAR**	A summary of an institution's eligibility/certification information (Title IV program participation, institution's accreditor, state authorization, staff, additional locations and eligible vocational programs).
English as a Second Language	**ESL**	A course administered to students whose native language is not English and who are not fluent in English.
Expedited Determination Letter	**EDL**	Serves as both the preliminary report and final determination letter to the institution regarding findings identified during the program review. Used only under conditions described in the procedures.
Family Educational Rights and Privacy Act	**FERPA**	FERPA restricts the disclosure of student records to other parties and requires the school to give a student the opportunity to review his or her records.
Federal Pell Grant Program	**Pell Grant**	A federal program that provides grants for (1) undergraduate students with the greatest financial need and have not received a bachelor degree or a first professional degree and (2) eligible students with baccalaureate degrees who are enrolled in state-required teacher certification programs.
Federal Perkins Loan	**Perkins Loan**	A campus-based loan program that provides low-interest student loans to students with financial need.
Federal Student Aid	**FSA**	Financial help to those enrolled in an eligible program as a regular student at an institution participating in our federal student aid programs. (An "institution" is a four-year or two-year public or private college, university, career institution, or a trade school.)
Federal Supplemental Educational Opportunity Grant	**FSEOG**	A campus-based program that provides grant assistance to undergraduate students with need. Priority is given to students who have exceptional financial need and are Federal Pell Grant recipients.
Federal Work-Study	**FWS**	A federal funded, campus-based employment program providing jobs for students with financial need.
Final Program Review Determination	**FPRD**	Follows institution's response to the PRR. Serves to inform the institution of ED's final determination regarding each of the findings in the PRR and identifies liabilities, if any; provides instructions for payment of liabilities; notifies the institution of its right to appeal the existence of and amount of liabilities; and closes the program review if appropriate.
Financial Aid Administrator	**FAA**	An individual employed by an institution to administer and coordinate student financial aid programs.

Term	Acronym	Explanation
Fiscal Operations Report and Application to Participate in Campus-Based Programs	**FISAP**	An annual report of expenditures in the Campus-Based programs during an award year, combined with an application to participate in Campus-Based programs in the upcoming award year. Must be submitted to ED via the web by any school receiving Campus-Based funds.
Free Application for Federal Student Aid	**FAFSA**	An application completed by students and parents to apply for federal student aid.
G5		A central repository for payment transactions of institutions that receive full financial management support to facilitate and support activities (i.e., award authorizations, disbursing and refunding and final grant close out) from the ED's Office of the Chief Financial Officer (OCFO).
General Educational Development Certificate	**GED**	Students who are beyond the age of compulsory attendance, but who do not have a high school diploma or General Educational Development Certificate (GED), must pass a written test to be eligible for Title IV.
Guaranty Agency	**GA**	An organization that administers the Federal Family Education Loan (FFEL) Program in all states.
Heightened Cash Monitoring 1	**HCM1**	A method of payment under which an institution is required to disburse funds to a student, before drawing down funds from ED, by crediting the student's account or issuing a check to the student directly. (Cash Monitoring Payment Method—Refer to 34 CFR § 668.162 (e)).
Heightened Cash Monitoring 2	**HCM2**	A method of payment under which the institution requests funds from ED after disbursement. This payment method is similar to the Reimbursement Payment Method, but is less restrictive for the institution. (Cash Monitoring Payment Method—Refer to 34 CFR § 668.162 (e)).
Higher Education Act	**HEA**	Federal legislation passed in 1965, with amendments and reauthorizations subsequently passed, authorizing Federal postsecondary student financial aid programs and mandating that the programs be regulated and administered by the U.S. Secretary of Education.
Information for Financial Aid Professionals	**IFAP**	The Information for Financial Aid Professionals (IFAP) website consolidates guidance, resources, and information related to the administration and processing of Title IV federal student aid into one online site for use by the entire financial aid community.
Institutional Improvement Services	**IIS**	Technical assistance provided to institutions to help identify potential compliance problems and find solutions for those problems. (IIS was formerly known as Management Improvement Services).
Institutional Student Information Record	**ISIR**	A summary of information from the student's Free Application for Federal Student Aid (FAFSA) submitted electronically to institutions and state agencies.
Leave of Absence	**LOA**	A temporary interruption in a student's education.

Term	Acronym	Explanation
National Student Loan Data System	**NSLDS**	ED's integrated database system that collects and maintains student loan and grant data on Title IV federal student aid recipients, available to the financial aid community.
Office of the General Counsel	**OGC**	ED office that provides legal services to all units of ED, including the Office of Postsecondary Education (OPE) and the Office of Federal Student Aid (OFSA).
Office of the Inspector General	**OIG**	ED office that provides information and technical guidance on the current status of Departmental policy.
Office of Postsecondary Education	**OPE**	The principal operating component (POC) within ED that directs, coordinates and recommends policies for programs designed to provide financial assistance to eligible students.
Office of Postsecondary Education Identification Number	**OPE ID**	An eight-digit number assigned to an institution upon approval for participation in Title IV programs.
Off-site Review	**Off-site**	The SPD will review records off-site at the Department.
On-site Review	**On-site**	The SPD will review records on-site at the institution.
Personally Identifiable Information	**PII**	PII is any information about an individual, which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date, and place of birth).
PLUS Loan	**PLUS**	Direct unsubsidized loans available to parents of dependent students, and to students enrolled in graduate or professional programs. These loans are available regardless of financial need and the amount of eligibility depends on the total cost of education.
Postsecondary Education Participants System	**PEPS**	The system maintains eligibility, certification, demographic, program review, financial and audit review and default rate data about institutions and lenders and guarantors participating in the Title IV programs.
Professional Judgment	**PJ**	A provision in the law allowing financial aid administrators to make individual adjustments to override a student's dependency status (from dependent to independent), to adjust the components of a student's cost of attendance and to adjust the data elements used to calculate the student's expected family contribution.
Program Participation Agreement	**PPA**	A signed agreement between the Secretary and the President/Owner/CEO of an institution allowing participation in the Title IV programs. Institutions may not award Title IV funds until the PPA has been signed and countersigned.
Reimbursement Payment Method	**Reimb.**	A restrictive method of payment where ED can closely monitor an institution's Title IV expenditures. Refer to 34 CFR § 668.162 (d).

Term	Acronym	Explanation
Return of Title IV Funds	**R2T4**	When a student withdraws from an institution without completing a payment period or period of enrollment, the institution must determine the amount of Title IV funds "earned" for the student's attendance. Unearned federal student aid must be returned. Earned grant funds that the student has not yet received must be paid to the student by the institution as a post-withdrawal disbursement. Earned loan funds that the student has not yet received must be offered to the student by the institution as a post-withdrawal disbursement.
Satisfactory Academic Progress	**SAP**	A sufficient rate of student course-completion determined using qualitative and quantitative measures.
Social Security Number	**SSN**	A nine-digit number assigned by the Social Security Administration (SSA). The SSN helps SSA to maintain an accurate record of wages or self-employment earnings that are covered under the Social Security Act, and to monitor records once a person begins to start receiving Social Security benefits.
Student Aid Record	**SAR**	A federal "output" document sent directly to a student from ED's Central Processing Center summarizing a student's application and eligibility status.
School Participation Divisions	**SPD**	Divisions organized within the School Eligibility Service Group (SESG) are referred to as SPDs—NY-Boston, Philadelphia, Atlanta, Chicago-Denver, Dallas, Kansas City, and San Francisco-Seattle. These Divisions provide integrated oversight and management improvement services to institutions receiving Title IV funds. (SPDs were formerly known as Case Management Teams.)
Teacher Education Assistance for College and Higher Education Grant	**TEACH Grant**	Grant created by the College Cost Reduction and Access Act (CCRAA) providing funds to students who plan on becoming teachers, and teachers who are obtaining graduate degrees, who agree to teach in a high-need or shortage field in a low-income school for 4 of the 8 years after completing their program. Failure to complete the teaching requirements causes the TEACH Grant to convert to an unsubsidized Federal Direct Loan. Funding for this grant program was first made available for the 2008–09 award year.
Title IV Federal Student Aid	**Title IV**	Financial aid programs for postsecondary students, authorized under Title IV of the Higher Education Act of 1965, as amended (Title IV, HEA) and administered by the U.S. Department of Education.
United States Code	**USC**	The United States Code is the codification by subject matter of the general and permanent laws of the United States. It is divided by broad subjects into 50 titles and published by the Office of the Law Revision Counsel of the U.S. House of Representatives. Since 1926, the United States Code has been published every six years. In between editions, annual cumulative supplements are published in order to present the most current information. Documents are available only as ASCII text files.

Most Frequently Cited Program Review Findings

Appendix C

- Crime Awareness Requirements Not Met
- Verification Violations
- Return to Title IV Calculation Errors
- Student Credit Balance Deficiencies
- Drug Abuse Prevention Requirements Not Met
- Student Status—Inaccurate/Untimely Reporting
- Entrance/Exit Counseling Deficiencies
- Consumer Information Requirements Not Met
- SAP Policy Not Adequately Developed and/or Monitored
- Inaccurate Recordkeeping

Announcement Letter

Appendix D

Date

Name of President/CEO/Owner
Title
Name of Institution
Address of Institution
City, State ZIP

Certified Mail
Return Receipt Requested

Re: Announced (on-site or off-site) Program Review
OPE ID Number:

Dear Name of President/CEO/Owner:

This letter confirms that an (on-site or off-site) Program Review has been scheduled to begin on Month Day, Year at Institution Name. You were notified via telephone of this review by Jane Doe on Month Day, Year. This review will be performed by Jane Doe and John Doe.

This review will assess Institution Name's administration of the Title IV, HEA programs in which it participates. The review initially will cover the yyyy-yyyy and yyyy-yyyy award years, but may be expanded if appropriate. The Department of Education (Department) considers the administration of the Title IV, HEA programs to be an institution-wide effort. Consequently, the review will include all offices involved in the financial aid administration:

- Financial Aid office
- Registrar office
- Academic office
- Admissions office
- Fiscal/Business office

The review will also assess the institution's administration of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) included in Section 485(f) of the Higher Education Act of 1965, as amended (HEA), 20 U.S.C. § 1092(f) and the Department's implementing regulations at 34 CFR §§668.41-668.46. The College's compliance with the requirements of the Drug-Free Schools and Communities Act and Part 86 of the Department's General Administrative Regulations will also be examined during the program review.

At the start of the review, we will conduct an entrance conference with you and your staff, to discuss the review process. Please inform the personnel responsible for the above areas, and any others you deem appropriate, so they or their designees can attend the entrance conference and remain available during the review.

SAMPLE

In preparation for the review, please provide the following information to me prior to the review and no later than Month Day, Year.

- Catalog/brochure of institution
- Policy and procedures concerning:
  - Admissions, institution and academic programs
  - Satisfactory academic progress
  - Attendance
  - Withdrawals, official and unofficial
  - Return of Title IV funds
  - Verification
  - Awarding of Title IV, HEA program aid
  - Statements regarding the institution's educational programs, its financial charges, or the employability of its graduates
- A description of the salary structure and compensation packages offered to personnel engaged in admissions, or in supervising the admissions process and any institutional staff that makes decisions about the award of title IV funds must be provided. This includes any bonuses, incentive payments, or profit sharing arrangements; copies of employment contracts for each admissions position.
- Guidelines, policies and procedures used to evaluate admissions/recruitment staff and to support adjustments to salary or any other form of compensation. (In the absence of documented guidelines the school must provide a written narrative.)
- A list of Third Party Servicers or other contractors involved in marketing, recruitment, and/or admissions (if applicable), and the services they provide, including copies of contracts.
- Copies of the two most recent Annual Security Reports published by the institution;
- Copies of the two most recent Annual Fire Safety Reports published by the institution (if required);
- Evidence of distribution of the two most recent Annual Security and Fire Safety Reports;
- A copy of the institution's Drug and Alcohol Prevention Program disclosures and evidence of distribution to all students and employees;
- Copies of the two most-recent Drug and Alcohol Prevention Program Biennial Review Documents published by the institution;
- Institutional and financial aid student consumer publications
- URL's for all financial aid consumer information
- Examples of institutional forms, applications and worksheets that are used in administering the Title IV, HEA programs
- Total current enrollment and percentage receiving Title IV, HEA program aid
- If the institution offers programs via distance education, include the following:
  - A list of all programs that are offered at physical campus locations.
  - A list of all programs that includes courses that are offered via distance education, regardless of the percentage (e.g. online)
- Please provide whatever materials that explain the faculty role in regards to interaction with students in distance education courses (e.g. faculty contract, handbook, job description, policy, training materials).
- Any instructions or materials provided to students for participation in online courses (including Web links)
- If the institution offers correspondence courses, include the following:
  - The percentage of correspondence courses offered in the latest complete award year
  - A list of all courses that are/were offered via correspondence in the latest complete award year, identifying those courses that are eligible for Title IV

SAMPLE

Please use the enclosure, Online Location of Consumer Information/Documents, to record the URL of the items listed above and any documents available only in hardcopy form. Please e-mail the completed form to Jane.Doe@ed.gov within 5 days of receipt of this letter and mail a copy of any materials available only in hardcopy.

The institution must also provide a photocopy, or electronic copy, of the original complete student file for at least one student on the Recipient Data Spreadsheet (see below).

Please do not send original materials, except for catalogs, brochures, pamphlets, handbooks, etc. The requested documents listed above should be copies.

Please direct this information to:

ATTN: Jane Doe
(Mailing/FedEx address, phone number)

In addition, the institution must provide the data elements indicated in the attached Recipient Data Spreadsheet. The institution may choose to complete the provided file, or generate its own electronic file in the same format as the file provided. Return the file to Jane Doe by e-mail at Jane.Doe@ed.gov no later than Month Day, Year. Please see the enclosure Protection of Personally Identifiable Information (PII) for instructions regarding submission of required data/documents containing PII.

Regulatory authority to examine program and fiscal records and conduct reviews may be found at 34 CFR § 668.24.

In addition to the information we have requested prior to the review, we also request that other specific records and documents be assembled in advance of the visit for examination by the review team at the start of the review on Month Day, Year. These records and documents are outlined on the enclosure. Please be certain that all records, hard copy and electronic, are available on site at the start, and for the duration, of the review. If the institution has contracted with one or more third-party servicers, such as consultants and data processors, to perform any functions related to the Title IV, HEA programs, Institution Name must notify each servicer of the program review so that all of the records are available for examination at the institution no later than the start of the program review. The reviewers may request additional documents and records while on-site as necessary.

Please make arrangements for the review team to have access (view only and print capability) to any computer databases containing information related to Title IV, HEA program eligibility or disbursements (e.g., computerized student account records).

Institution Name must provide access to its administrative staff and students. We also request that the institution provide a secure working space for the review team to ensure the confidentiality of the institutional records being reviewed. We will also need access to a photocopy machine.

At the conclusion of the review, the review team may conduct an exit conference with you and/or your designee(s). The institution will receive an official written report at a later date.

If you have any questions, please call Jane Doe at (XXX) XXX-XXXX. Thank you for your cooperation.

SAMPLE

Sincerely,

Division Director

cc: FAA Name, Financial Aid Administrator
Name of contact, Name of State Authorizing Agency
Name of contact, Name of Accrediting Agency
Name of contact, Name of Primary Guaranty Agency
Name of contact, Department of Defense
Name of contact, Department of Veterans Affairs
Name of contact, Consumer Financial Protection Bureau

Enclosures:
Online Location of Consumer Information/Documents
Records and Documents to be available at the start of the Program Review
Recipient Data Spreadsheet File
Protection of Personally Identifiable Information

SAMPLE

Online Location of Institution Name (OPEID: #) Consumer Information / Documents
Program Review: Month Day, Year, Award Years: YYYY-YYYY

Instructions: Indicate if the item is available electronically (URL) and/or hardcopy. If it is available electronically, provide the URL. If it is available hardcopy, include title and page number. (Indicate the specific page numbers that the item is located on.) Indicate N/A if the item is not required or available and the reason (e.g. no campus housing). Return this form via e-mail to Jane.Doe@ed.gov, return any documents available only in hardcopy via mail to the address in the announcement letter.

POLICIES AND PROCEDURES			
Document	**Online** Indicate with X	**Hardcopy** Indicate with X	**LOCATION** Online (include URL and page number) If hardcopy, include title and page number
Admission/Readmission, institution and academic programs			
Satisfactory Academic Progress (e.g. Undergraduate / Graduate / program specific, appeal process, academic plan, the treatment of Withdrawals or Incompletes)			
Recruiter Compensation/incentive programs			
Attendance			

POLICIES AND PROCEDURES			
Document	**Online** Indicate with X	**Hardcopy** Indicate with X	**LOCATION** Online (include URL and page number) If hardcopy, include title and page number
(e.g. administrative withdrawals, tardiness)			
Withdrawals, official and unofficial, drop/add policy			
Leave of Absence			
Return of Title IV funds			
Verification			
Awarding of Title IV funds (e.g. COA calculation, campus based policy, packaging)			
Academic Year Definition			
Campus Based Programs (FWS community service, FSEOG selection)			
Credit Balance			
Professional Judgment			
Dependency Overrides			
Course Repeats			
Clock hour programs: clock to credit hour calculation			

Publications			
Document	**Online** Indicate with X	**Hardcopy** Indicate with X	**LOCATION** Online (include URL and page number) If hardcopy, include title and page number
Catalogs (e.g. Undergraduate, Graduate, program specific) Include information on academic calendar, program starts, use of modules			
Brochures *Provide at least 2 samples*			

Consumer Information / Disclosures			
Financial Assistance Information			
Document	**Online** Indicate with X	**Hardcopy** Indicate with X	**LOCATION** Online (include URL and page number) If hardcopy, include title and page number
A description of all the Federal, State, local, private and institutional student financial assistance programs (need based and non-need based) available to students who enroll at the institution. [34 C.F.R. § 668.42(a)]			
Terms and conditions of the Title IV, HEA loans students receive [34 C.F.R. § 668.42(a)(4)], including information published by the Department [HEOA Sec. 488(c) amended HEA Sec. 485(d)]			
For each program, information must include [34 C.F.R. § 668.42(b)]: • Procedures and forms students use to apply for admission or for financial aid • Student eligibility requirements • Criteria for selecting recipients from the group of eligible applicants • Criteria for determining amount of student's award			

Consumer Information / Disclosures			
Financial Assistance Information			
Document	**Online** Indicate with X	**Hardcopy** Indicate with X	**LOCATION** Online (include URL and page number) If hardcopy, include title and page number
Rights and responsibilities of students receiving financial assistance, to include [34 C.F.R. § 668.42(c) except where indicated]			
Contacts for information on financial assistance and institutional issues [34 C.F.R. §§ 668.43(a)(8), 668.44]			
Information disclosed to students or parents of students who enter into an agreement regarding a Title IV, HEA loan that the loan will be submitted to NSLDS and accessible by authorized agencies, lenders, and institutions [HEOA 489 amended HEA Sec. 485B]			

Consumer Information / Disclosures			
Institutional Information			
Document	**Online** Indicate with X	**Hardcopy** Indicate with X	**LOCATION** Online (include URL and page number) If hardcopy, include title and page number
Availability of a GED program, if the school admits students who do not have a high school diploma or equivalent [34 C.F.R. § 668.14(b)(13)]			
Cost of attendance (including estimates of tuition/fees, books and supplies, room and board, transportation costs (such as commuting) if applicable, and any additional costs associated with a program in which the student is enrolled or expressed an interest [C.F.R. § 668.43(a)(1)]			
Refund policy with which the institution is required to comply for return of unearned tuition and fees or other refundable portions of costs paid to the institution [C.F.R. § 668.43(a)(2)]			
Requirements and procedures for officially withdrawing [C.F.R. § 668.43(a)(3)]			

Consumer Information / Disclosures			
Institutional Information			
Document	**Online** Indicate with X	**Hardcopy** Indicate with X	**LOCATION** Online (include URL and page number) If hardcopy, include title and page number
Summary of requirements related to return of Title IV funds (grant and loan aid) [C.F.R. § 668.43(a)(4)]			
Academic program information (current degree programs; instructional, lab, or other physical facilities which relate to the program(s); faculty & instructional personnel; and any plans for improving academic programs, if such a plan exists [34 C.F.R. § 668.43(a)(5)] Include information regarding required internships and externships			
Names of associations, agencies, and/or governmental bodies that accredit, approve, or license the institution and its programs; and procedures for obtaining or reviewing documents describing accreditation, approval, or licensing [C.F.R. § 668.43(a)(6)]			

Consumer Information / Disclosures			
Institutional Information			
Document	**Online** Indicate with X	**Hardcopy** Indicate with X	**LOCATION** Online (include URL and page number) If hardcopy, include title and page number
Services and facilities available to students with disabilities, including students with intellectual disabilities [C.F.R. § 668.43(a)(7)]			
Statement that a student's enrollment in a program of study abroad approved for credit by the home institution may be considered enrollment at the home institution for the purpose of applying for assistance under Title IV [34 C.F.R. § 668.43(a)(9)]			
Net Price Calculator [HEOA Sec. 111 amended HEA Title 1, Part C: added HEA Sec. 132(a), Sec. 132(h) (20 U.S.C. 1015a(a), 20 U.S.C. 1015a(h))]			
Transfer of Credits policies including established criteria on transfer of credit earned at another institution, and a list of institution articulation agreements [34 C.F.R. § 668.43(a)(11)]			
Copyright Information Policies and sanctions [34 C.F.R. § 668.43(a)(10)]			

Consumer Information / Disclosures			
Institutional Information			
Document	**Online** Indicate with X	**Hardcopy** Indicate with X	**LOCATION** Online (include URL and page number) If hardcopy, include title and page number
College Bookstore – ISBN The International Standard Book Number (ISBN) and retail price information of required and recommended textbooks and supplemental materials [HEOA Sec. 112 amended HEA Title I, Part C: added HEA Sec. 133(d) (20 U.S.C. 1015b)]			
Textbook Information			
Voter Registration Form Availability [HEOA Sec. 493(a)(1) amended HEA Sec. 487(a)(23) (20 U.S.C. 1094(a)(23)): added HEA Sec. 487(a)(23)(D)]			
Constitution Day [Division J of Pub. L. 108-447, the "Consolidated Appropriations Act, 2005," Dec. 8, 2004; 118 Stat. 2809, 3344-45 (Section 111)]			

Consumer Information / Disclosures			
Institutional Information			
Document	**Online** Indicate with X	**Hardcopy** Indicate with X	**LOCATION** Online (include URL and page number) If hardcopy, include title and page number
Written Arrangements Disclosures to prospective and enrolled students regarding blanket written arrangements on a programmatic basis and not for individual arrangements initiated by students. A description of the written arrangement that the institution has entered, including but not limited to: • The portion of the educational program provided by the non-degree/certificate granting school • Name and location of the non-degree/certificate granting school • Method of delivery of the portion of the program not being offered by the degree or certificate granting school • Estimated additional costs the student may incur [34 C.F.R. § 668.43(a)(12)]			

Consumer Information / Disclosures			
Institutional Information			
Document	**Online** Indicate with X	**Hardcopy** Indicate with X	**LOCATION** Online (include URL and page number) If hardcopy, include title and page number
Student Body Diversity Information on diversity of the student body, including percentage of enrolled, full-time students who are male, female, self-identified members of a major racial or ethnic group, and Federal Pell Grant recipients [HEOA Sec. 488(a)(1)(E) amended HEA Sec. 485(a)(1)]			
Verification To students selected for verification, a written statement explaining: • documents required for verification • student's responsibilities (correction procedures, deadlines, consequences of missing deadlines) • notification (how school will notify student of award changes based on verification and the timeframe for the notification) [34 C.F.R. § 668.53]			

Consumer Information / Disclosures			
Health and Safety			
Document	**Online** Indicate with X	**Hardcopy** Indicate with X	**LOCATION** Online (include URL and page number) If hardcopy, include title and page number
Vaccination Policy [HEA Sec. 485(a)(1)(V)]			
Drug and Alcohol Abuse Prevention Program • Penalties associated with drug related offenses • Links to 2 most recent program disclosures / distribution • biennial review [HEA Sec. 120, 34 C.F.R. Part 86]			
Clery (Campus Security Act) – Two most recent Annual Security Reports			
Crime Statistics			
Timely Warning and Emergency Notification			
Daily Crime Log			
Emergency Response/Evacuation			
Missing Person Notification			
Fire Safety Reports on Student Housing (two most recent)			

Consumer Information / Disclosures			
Institutional Outcomes			
Document	**Online** Indicate with X	**Hardcopy** Indicate with X	**LOCATION** Online (include URL and page number) If hardcopy, include title and page number
Student Right-To-Know Act			
Completion/graduation rates (for short term programs and if required by accrediting agency or State)			
Completion/graduation rates for student athletes			
Equity in Athletics Disclosure Act			

Consumer Information / Disclosures			
Other			
Document	**Online** Indicate with X	**Hardcopy** Indicate with X	**LOCATION** Online (include URL and page number) If hardcopy, include title and page number
Method of Disclosure Annual notice to enrolled students of the availability of information required to be disclosed that lists and briefly describes the disclosures and how to obtain the information.			
FERPA Information [34 C.F.R. Part 99, § 668.41(c)]			
Health and Safety Exemption Requirement			

Consumer Information / Disclosures			
Other			
Document	**Online** Indicate with X	**Hardcopy** Indicate with X	**LOCATION** Online (include URL and page number) If hardcopy, include title and page number
Establishing and Maintaining an Information Security Program			
Misrepresentation			
College Navigator Website Does it include a direct link to the institution's web site that provides in an easily accessible manner: • student activities offered by the institution • services offered by the institution for individuals with disabilities (including intellectual disabilities) • career and placement services offered to students during and after enrollment, and • institutional policies related to transfer of credit from other institutions			
Teacher Preparation Program Report			
Availability of Employee for Dissemination Purposes			

Consumer Information / Disclosures			
Other			
Document	**Online** Indicate with X	**Hardcopy** Indicate with X	**LOCATION** Online (include URL and page number) If hardcopy, include title and page number
Gainful Employment Disclosures related to programs preparing students for gainful employment [34 C.F.R. § 668.6(b)]. **Sample for a Program**			

Consumer Information / Disclosures			
Distance Education / Online Learning			
Document	**Online** Indicate with X	**Hardcopy** Indicate with X	**LOCATION** Online (include URL and page number) If hardcopy, include title and page number
A list of all programs that are offered at physical campus locations			
A list of all programs that includes courses that are offered via distance education, regardless of the percentage (e.g. online)			

Consumer Information / Disclosures			
Distance Education / Online Learning			
Document	**Online** Indicate with X	**Hardcopy** Indicate with X	**LOCATION** Online (include URL and page number) If hardcopy, include title and page number
Please provide whatever materials that explain the faculty role in regards to interaction with students in distance education courses (e.g. faculty contract, handbook, job description, policy, training materials).			
Any instructions or materials provided to students for participation in online courses			

Consumer Information / Disclosures			
Correspondence Courses			
Document	**Online** Indicate with X	**Hardcopy** Indicate with X	**LOCATION** Online (include URL and page number) If hardcopy, include title and page number
The percentage of correspondence courses offered in the latest complete award year			
A list of all courses offered in the latest complete award year, identifying those courses that are correspondence			

Marketing Materials Indicate type of marketing materials the institution utilizes and provide an example of each type (e.g. publications, print, tv, radio, social media, Internet) (e.g. Television Ad Campaign, 9/1/12 – 12/31/12)			
Type	**Online** Indicate with X	**Hardcopy** Indicate with X	**LOCATION** Online (include URL) If hard/soft copy, include title and attach it

Third Party Servicers	
List of all Third Party Servicers involved in marketing, recruitment, and admissions and a description of the services they provide	
List of all Third Party Servicers involved in the administration of Title IV	

PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

Personally Identifiable Information (PII) being submitted to the Department must be protected. PII is any information about an individual that can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth).

PII being submitted electronically must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip, however, files created with other encryption software are also acceptable, provided that they are compatible with WinZip (Version 9.0) and are encrypted with AES encryption. Zipped files using Win Zip must be saved as Legacy compression (Zip 2.0 compatible).

The Department must receive an access password to view the encrypted information. The password must be e-mailed separately from the encrypted data. The password must be 12 characters in length and use three of the following: upper case letter, lower case letter, number, and special character. A manifest must be included with the e-mail that lists the types of files being sent (a copy of the manifest must be retained by the sender).

Hard copy and electronic files containing PII must be

- sent via a shipping method that can be tracked with signature required upon delivery,
- double-packaged in packaging that is approved by the shipping agent (FedEx, DHL, UPS, USPS),
- labeled with both the "To" and "From" addresses on both the inner and outer packages, and
- identified by a manifest included in the inner package that lists the types of files in the shipment (a copy of the manifest must be retained by the sender).

PII data cannot be sent via fax.

Re: Records and Documents to be available at the start of the Program Review

We request that the following records or documents be assembled in advance of the visit so that they are available for examination by the review team at the start of the review on <Month Day, Year>.

1. Organizational chart of the institution that includes all employees currently employed by the institution; or at a minimum, all administrators currently employed by the institution

2. A complete set of fiscal records for financial aid, including a chart of accounts, general ledgers and subsidiary ledgers, including lists of disbursements to students

3. Original canceled checks, bank statements, deposit slips, checkbook or check register and any back-up documentation for cash transactions (including cash requests and refunds/returns of federal cash) with the Department's G5 System

4. Fiscal Operations Report and Application to Participate, with supporting documentation (two most recently filed reports)

5. Current and complete Federal Perkins Loan journal (all due diligence related reports).

6. Ability-to-Benefit test, publisher's instructions for administration, test administrator's credentials and ATB contact

7. List of all students admitted on the basis of ATB

8. For each award year, list of all incarcerated students enrolled, with addresses, and the total student population

9. List of internal/external recruiters

10. Accreditation Statement of Affiliation (or equivalent) and any additional accreditation documents that demonstrate the accreditation of the institution and describe the extent of the accreditor's recognition of the institution (locations, academic programs, restrictions, etc.)

11. State agency documents that reflect the institution's legal authority to provide educational services and describe the extent of the State's recognition of the institution (locations, academic programs, restrictions, etc.)

12. Compliance audit for the fiscal year ended <mm/dd/yyyy>

SAMPLE

13. Audited financial statements for the fiscal year ended <mm/dd/yyyy>
14. OMB Circular A-133 audit for the fiscal year ended <mm/dd/yyyy>
15. Annual Campus Security Report covering the period ended <mm/dd/yyyy>

16. Manuals or instructions for software programs used in the administration of Title IV, HEA programs

17. Contracts with third parties concerning the administration of Title IV, HEA program funds or the delivery of educational services for which the institution received Title IV, HEA program funds

SAMPLE

Note: Refer to the Instructions worksheet for information regarding completion of report.

Recipient Data			Actual disbursements to students for the award year.					FDIRECT				DISTANCE EDUCATION				Withdrawn Student Information			
SSN	LAST NAME	FIRST NAME	$FPELL	$TEACH	$FSEOG	$FWS	$FPERKINS	$SUB	$UNSUB	$FDPLUS	CURRENT ENROLLMENT STATUS	TOTAL NUMBER of HOURS ENROLLED for AY	NUMBER of DISTANCE ED HOURS ENROLLED for AY	% of ENROLLMENT DISTANCE EDUCATION	DISTANCE EDUCATION PROGRAM	WITHDRAWAL DATE	LAST DATE OF ATTENDANCE	R2T4 RETURN AMOUNT	DATE OF RETURN
xxx-xx-xxxx	Sample 1	1 Sample	$500				$500				F	15	12	80%	Y				
xxx-xx-xxxx	Sample 7	7 Sample		$650							F	30	20	67%					
xxx-xx-xxxx	Sample 8	8 Sample	$1,000								H	10	10	100%	Y				

SAMPLE

FERPA Disclosure

Appendix E

The Family Educational Rights and Privacy Act (FERPA) sets limits on the disclosure of personally identifiable information from institution records, and defines the rights of the student to review and request a change to the records.

Institutions are required to maintain a record in a student's file listing to whom personally identifiable information was disclosed and the legitimate interests the parties had in obtaining the information.

Generally, institutions must have written permission from the parent (if dependent) or eligible student in order to release any information from a student's education record. However, FERPA allows institutions to disclose those records, without consent, to the following parties or under the following conditions (34 CFR § 99.31):

- Institution officials with legitimate educational interest
- Other institutions to which a student is transferring
- Specified officials for audit or evaluation purposes
- Appropriate parties in connection with financial aid to a student
- Organizations conducting certain studies for or on behalf of the institution
- Accrediting organizations
- To comply with a judicial order or lawfully issued subpoena
- Appropriate officials in cases of health and safety emergencies
- State and local authorities, within a juvenile justice system, pursuant to specific State law

Disclosures may be made to authorized representatives of the Department for audit, evaluation, and enforcement purposes. "Authorized representatives" includes employees of the Department, such as employees of the Office of Federal Student Aid, the Office of Postsecondary Education, the Office for Civil Rights, and the National Center for Education Statistics, as well as firms that are under contract to the Department to perform certain administrative functions or studies.

Except as noted below, the institution must keep a record of each request for access and each disclosure of personally identifiable student information. The record must identify the parties who requested the information and their legitimate interest in the information. This record must be maintained in the student's file as long as the educational records themselves are kept. For instance, if student files are requested by Department reviewers in the course of a program review, the institution must document in each student's file that the student's records were disclosed to representatives of the Department. The easiest way for the institution to do this is to photocopy a statement to this effect and include it in each student's file. The following example may be used by the institution:

These financial aid records were disclosed to representatives of the U.S. Department of Education's School Eligibility Service Group, on (Month/Day/Year) to determine compliance with financial aid requirements, under 34 CFR § 99.31(a)(4).

The institution should ask the reviewers if any re-disclosure is anticipated. When re-disclosure is anticipated, the additional parties to whom the information will be disclosed must be included in the record of the original disclosure. For instance, to continue the example for a program review, the following statement might be added:

The School Eligibility Service Group may make further disclosures of this information to the Department's Office of Inspector General, and to the U.S. Department of Justice, under 34 CFR § 99.33(b).

There are some exceptions to the requirement of the institution to keep a record of each request for access and each disclosure of personally identifiable student information. An institution does not have to record instances where the request is made by

- the parent or eligible student,
- an institution official who has a legitimate educational interest,
- a party with written consent from the parent or eligible student,
- a party seeking directory information, or
- certain court orders or subpoenas.

Expedited Final Program Review Determination Letter

Appendix F

Date

Name of President/CEO/Owner
Title
Name of Institution
Address of Institution
City, State ZIP+4

Certified Mail
Return Receipt Requested

RE: Expedited Final Program Review Determination Letter
OPE ID:
PRCN:

Dear Name of President/CEO/Owner:

From Month Day, Year, through Month Day, Year, Jane Doe conducted a review of Institution Name's administration of 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 purpose of this Final Program Review Determination Letter is to close the program review.

The focus of the review was to determine Institution Name's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of Institution Name's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the YYYY and YYYY (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review.

Protection of Personally Identifiable Information (PII):
PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. Appendix A was encrypted and sent separately to the institution via e-mail.

SAMPLE

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

During the review, no significant findings were identified.

Record Retention:
Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 CFR § 668.24(e).

We would like to express our appreciation for the courtesy and cooperation extended during the review. If you have any questions concerning this report, please call Jane Doe at (XXX) XXX-XXXX.

Sincerely,

Division Director

cc: FAA Name, Financial Aid Administrator
Name of contact, Name of State Authorizing Agency
Name of contact, Name of Accrediting Agency
Name of contact, Name of Primary Guaranty Agency
Name of contact, Department of Defense
Name of contact, Department of Veterans Affairs
Name of contact, Consumer Financial Protection Bureau

SAMPLE

Appendix A: Student Sample

(Award Year 1)

	Student's Name	Student's SSN (last four digits only)
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		

(Award Year 2)

	Student's Name	Student's SSN (last four digits only)
16.		
17.		
18.		
19.		
20.		
21.		
22.		
23.		
24.		
25.		
26.		
27.		
28.		
29.		
30.		

SAMPLE

Program Review Report

Appendix G

Program Review Report Date

Name of President/CEO/Owner
Title
Name of Institution
Address of Institution
City, State ZIP+4

Certified Mail
Return Receipt Requested

RE: Program Review Report
OPE ID:
PRCN:

Dear Name of President/CEO/Owner:

From Month Day, Year through Month Day, Year, Jane Doe conducted a review of Institution Name's administration of 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 findings of that review are presented in the enclosed report.

Findings of noncompliance are referenced to the applicable statutes and regulations and specify the action required to comply with the statute and regulations. Please review the report and respond to each finding, indicating the corrective actions taken by Institution Name. The response should include a brief, written narrative for each finding that clearly states Institution Name's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, Institution Name must provide supporting documentation as required in each finding.

Please note that pursuant to HEA section 498A(b), the Department is required to:

(1) provide to the institution an adequate opportunity to review and respond to any preliminary program review report[2] and relevant materials related to the report before any final program review report is issued;
(2) review and take into consideration an institution's response in any final program review report or audit determination, and include in the report or determination—
    a. A written statement addressing the institution's response;
    b. A written statement of the basis for such report or determination; and
    c. A copy of the institution's response.

[2] A "preliminary" program review report is the program review report. The Department's final program review report is the Final Program Review Determination (FPRD).

SAMPLE

The Department considers the institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's written response will not be attached to the FPRD. However, it will be retained and available for inspection by Institution Name upon request. Copies of the program review report, 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 the FPRD is issued.

The institution's response should be sent directly to Jane Doe of this office within 30 calendar days of receipt of this letter.

Protection of Personally Identifiable Information (PII):
PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the finding in the attached report does not contain any student PII. Instead, the finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample.

Record Retention:
Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 CFR § 668.24(e).

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Jane Doe at (XXX) XXX-XXXX or Jane.Doe@ed.gov.

Sincerely,

Compliance Manager

cc: Financial Aid Administrator Name, Financial Aid Administrator

Enclosure:
Program Review Report (and appendices)
Protection of Personally Identifiable Information

SAMPLE

OPE ID
PRCN

PREPARED BY
U.S. Department of Education
Federal Student Aid
School Participation Division—(SPD Name)

Program Review Report

MM/DD/YYYY

SAMPLE

Name of Institution
OPE ID
PRCN
Page

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D. Recommendations	4
E. Appendices	5
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SAMPLE

Name of Institution
OPE ID
PRCN
Page

A. Institutional Information

Name of Institution
Address of Institution
City / State / Zip

Type:

Highest Level of Offering:

Accrediting Agency:

Current Student Enrollment:

% of Students Receiving Title IV:

Title IV Participation: YYYY

Federal Pell Grant $XX, XXX

Default Rate DL: **YYYY** XX.X%
YYYY XX.X%
YYYY XX.X%

SAMPLE

Name of Institution
OPE ID
PRCN
Page

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Institution Name from Month Day, Year to Month Day, Year. The review was conducted by Jane Doe. The focus of the review was to determine Institution Name's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of Institution Name's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the YYYY and YYYY (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year.

Disclaimer:

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

This report reflects initial findings. These findings are not final. The Department will issue its final findings in a subsequent Final Program Review Determination letter.

SAMPLE

C. Findings

During the review, several areas of noncompliance were noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by Institution Name to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding: Return Calculations Incorrect/Unmade

Citation: When a recipient of Title IV assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV assistance the student earned as of the date the student withdraws. The institution must determine how much aid a student earned by determining how much of the payment period he/she completed and then multiplying that percentage by the amount of Title IV funds the student received or could have received.
34 CFR § 668.22

Name of Institution
OPE ID
PRCN
Page

The Secretary considers that an institution has sufficient cash reserves if the institution returns, in a timely manner, unearned Title IV program funds that it is responsible for returning. If an institution fails to return funds in a timely manner for 5% or more of the students identified in an audit or program review sample, the institution must satisfy the reserve standard by submitting an irrevocable letter of credit (LOC) of 25% of the total amount of unearned Title IV program funds that the institution was required to return during the most recently completed fiscal year. 34 CFR § 668.173

Noncompliance: Institution Name temporarily lost eligibility on MM/DD/YYYY because problems related to moving to a new location caused it to suspend providing instruction. Institution Name was instructed to complete R2T4 calculations on all students enrolled as of the date the school lost eligibility. The calculations were performed and the funds were returned. However, these calculations were incorrect.

Full-time students at Institution Name usually contract for anywhere from 40 to 45 hours per week. However, institutional officials explained that they used 45 scheduled hours per week in the return calculation worksheets because the institution is open and available to students for 43 hours per week.

Students #25, 26, 27, and 30 were enrolled when the school lost eligibility. The scheduled hours used in the return calculation for each of these students are incorrect.

Required Action: The institution must recalculate the returns for the aforementioned students to determine if the errors result in additional funds to be returned to the Title IV programs. Due to the high percentage of errors noted during the YYYY-YYYY award year, Institution Name is required to review every return calculation completed during that award year to determine the extent of the errors.

SAMPLE

D. Recommendations

The following is a recommendation based upon observations made by the review team during the program review. Institution Name is not required to provide a response to, nor is Institution Name required to act upon, these recommendations. However, the review team believes that adoption of this recommendation will assist the institution in its administration of Title IV, HEA program funds.

Appendix A: Student Sample

(Award Year 1)

Student's Name	Student's SSN (last four digits only)
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	

SAMPLE

(Award Year 2)

Student's Name	Student's SSN (last four digits only)
16.	
17.	
18.	
19.	
20.	
21.	
22.	
23.	
24.	
25.	
26.	
27.	
28.	
29.	
30.	

Final Program Review Determination

Appendix H

Date

Name of President/CEO/Owner
Title
Name of Institution
Address of Institution
City, State ZIP+4

Certified Mail
Return Receipt Requested

RE: **Final Program Review Determination**
OPE ID:
PRCN:

Dear Name of President/CEO/Owner:

The U.S. Department of Education's (Department's) School Participation Division—(SPD name) issued a program review report on Month Day, Year covering Institution Name's administration of programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the (award years reviewed). Institution Name's final response was received on Month Day, Year. A copy of the program review report (and related attachments) and Institution Name's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Institution Name's upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, 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 FPRD is issued.

SAMPLE

Purpose:

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to: (1) identify liabilities resulting from the findings of this program review report, (2) provide instructions for payment of liabilities to the Department, (3) notify the institution of its right to appeal, and (4) close the review.

The total liabilities due from the institution from this program review are $1465.00.

This final program review determination contains detailed information about the liability determination for all findings.

Protection of Personally Identifiable Information (PII):

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the finding in the attached report does not contain any student PII. Instead, the finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample.

Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the Month Day, Year program review report. If Institution Name wishes to appeal to the Secretary for a review of financial liabilities established by the FPRD, the institution must file a written request for an administrative hearing. Please note that institutions may appeal financial liabilities only. The Department must receive the request no later than 45 days from the date Institution Name receives this FPRD. An original and four copies of the information Institution Name submits must be attached to the request. The request for an appeal must be sent to:

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

Institution Name'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. An institution may provide detailed liability information from a complete file review to appeal a projected liability amount. Any documents relative to the appeal that include PII data 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 "hard copy" records containing PII); and
(4) include a copy of the FPRD. The program review control number (PRCN) must also accompany the request for review.

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 Institution Name's appeal will be those provided in 34 CFR 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).**

SAMPLE

Record Retention:
Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 CFR §§ 668.24(e)(1), (e)(2), and (e)(3).

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Jane Doe at (XXX) XXX-XXXX. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,

Division Director

Enclosure:
Protection of Personally Identifiable Information
Program Review Report (and appendices)
Final Program Review Determination Report (and appendices)

cc: Financial Aid Administrator Name, Financial Aid Administrator
Name of contact, Name of State Authorizing Agency
Name of contact, Name of Accrediting Agency
Name of contact, Name of Primary Guaranty Agency
Name of contact, Department of Defense
Name of contact, Department of Veterans Affairs
Name of contact, Consumer Financial Protection Bureau

SAMPLE

OPEID
PRCN

Prepared by
U.S. Department of Education
Federal Student Aid
School Participation Division—(SPD Name)

Final Program Review Determination

Month Day, Year

SAMPLE

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SAMPLE

A. Institutional Information

Name of Institution
Address of Institution
City / State / Zip

Type:

Highest Level of Offering:

Accrediting Agency:

Current Student Enrollment:

% of Students Receiving Title IV:

Title IV Participation:	YYYY
Federal Pell Grant	$XX, XXX
Default Rate DL:	**YYYY** XX.X% **YYYY** XX.X% **YYYY** XX.X%

SAMPLE

B. Scope of Review

The U.S. Department of Education (Department) conducted a program review at (Institution Name) from Month Day, Year to Month Day, Year. The review was conducted by Jane Doe. The focus of the review was to determine (Institution Name)'s compliance with the statutes and regulations as they pertain to the institution's administration of the Title IV, HEA programs. The review consisted of, but was not limited to, an examination of (Institution Name)'s policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the YYYY and YYYY (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year.

Disclaimer:

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

SAMPLE

C. Findings and Final Determinations

Findings with Final Determinations

The program review report finding(s) requiring further action are summarized below. At the conclusion of each finding is a summary of (Institution Name)'s response to the finding, and the Department's final determination for that finding.

Finding 1. Return Calculations Incorrect/Unmade

Citation Summary: *When a recipient of Title IV assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV assistance the student earned as of the date the student withdraws. The institution must determine how much aid a student earned by determining how much of the payment period he/she completed and then multiplying that percentage by the amount of Title IV funds the student received or could have received.*
34 CFR § 668.22

The Secretary considers that an institution has sufficient cash reserves if the institution returns, in a timely manner, unearned Title IV program funds that it is responsible for returning. If an institution fails to return funds in a timely manner for 5% or more of the students identified in an audit or program review sample, the institution must satisfy the reserve standard by submitting an irrevocable letter of credit (LOC) of 25% of the total amount of unearned Title IV program funds that the institution was required to return during the most recently completed fiscal year. 34 CFR § 668.173

Noncompliance Summary: *(Institution Name) temporarily lost eligibility on Month Day, Year because problems related to moving to a new location caused it to suspend providing instruction. (Institution Name) was instructed to complete R2T4 calculations on all students enrolled as of the date the school lost eligibility. The calculations were performed and the funds were returned. However, these calculations were incorrect.*

Full-time students at (Institution Name) usually contract for anywhere from 40 to 45 hours per week. However, institutional officials explained that they used 45 scheduled hours per week in the return calculation worksheets because the institution is open and available to students for 43 hours per week.

Students #25, 26, 27, and 30 were enrolled when the school lost eligibility. The scheduled hours used in the return calculation for each of these students are incorrect.

Required Action Summary: *The institution must recalculate the returns for the aforementioned students to determine if the errors result in additional funds to be returned to the Title IV programs. Due to the high percentage of errors noted during the YYYY-YYYY award year, (Institution Name) is required to review every return calculation completed during that award year to determine the extent of the errors.*

SAMPLE

(Institution Name)'s Response: (Institution Name) included the required spreadsheet detailing returns previously paid, as well as the amounts of unpaid or improperly paid returns. In addition, (Institution Name) submitted the required R2T4 calculations and all supporting documents requested.

Final Determination: Each return calculation submitted as part of the file review was examined. The examination resulted in the determination that the institution failed to accurately complete return calculations for several students. The institution is liable for the amount of unpaid returns for each of the following students:

Student Number	Federal Pell Grant Liability Amount	*Interest Amount
#6	$1100.00	$2.50
#20	$ 150.00	$5.00
#8	$ 200.00	$7.50
Total Liability	$1450.00	$15.00

*A calculation has been computed to determine the amount of the interest, known as the Cost of Funds, due on the Federal Pell Grant Funds that should have been returned. The total amount of interest is $15.00. Therefore, the total liability to be remitted for this finding is $1450.00.

Due to the number of unpaid and late refunds, the institution is required to have on file with the Department an irrevocable Letter of Credit equal to 25% of the total refunds the institution made or should have made during the most recently closed fiscal year (34 CFR § 668.173(d)). Instructions for submitting this LOC will be sent to the institution under separate cover.

SAMPLE

D. Summary of Liabilities

Established Liabilities

Initial Liabilities	Pell (Closed Award Year)	FSEOG	FWS	ACG	SMART	TEACH	DL / FFEL	Perkins	EALF DL	EALF FFEL	
Finding #1	$1450.00										
Finding											
Finding											
Finding											
Subtotal 1	$1450.00	$	$	$	$	$	$	$			
Interest/SA	$15.00										
Excess Cash											
ACA											
Subtotal 2	$15.00	$	$	$	$	$	$	$			
TOTAL (add subtotal 1 + 2)	$	$	$	$	$	$	$	$			
Payable To:											**Totals**
Department	$1465.00								ED	ED	$1465.00
Students											$
Lenders											$
Inst Accounts											$

SAMPLE

E. Payment Instructions

Liabilities Owed to the Department

(Institution Name) owes to the Department $1465. 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 G5 will not be accepted as payment of this liability.**

The following identification data must be provided with the payment:

Amount:	$1465.00
DUNS:	012345679
TIN:	0123456789
PRCN:	012345678901

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. (Institution Name) is also responsible for repaying any interest that accrues. If you have any questions regarding interest accruals or payment credits, contact the Department's Accounts Receivable Group at (XXX) XXX-XXXX and ask to speak to (Institution Name)'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 6114
Washington, DC 20202-4461

If within 45 days of the date of this letter, (Institution Name) has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the Department,

SAMPLE

the Department intends to collect the amount due and payable by administrative offset against payments due (Institution Name) from the Federal Government. **(Institution Name) may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt, (Institution Name) 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 CFR § 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.

SAMPLE

Appendix A: Student Sample

(Award Year 1)

	Student's Name	Student's SSN (last four digits only)
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		

(Award Year 2)

	Student's Name	Student's SSN (last four digits only)
16.		
17.		
18.		
19.		
20.		
21.		
22.		
23.		
24.		
25.		
26.		
27.		
28.		
29.		
30.		

SAMPLE