ED presentations will be available at www.lasfaa.org
Top Ten Audit and Program Review Findings
Top Audit Findings

1. Repeat Finding – Failure to Take Corrective Action
2. NSLDS Roster Reporting – Inaccurate/Untimely Reporting
3. Return to Title IV (R2T4) Calculation Errors
4. Return to Title IV (R2T4) Funds Made Late
5. Verification Violations
Top Audit Findings

6. Pell Grants - Overpayment/Underpayment
7. Qualified Auditor’s Opinion Cited in Audit
8. Entrance/Exit Counseling Deficiencies
9. Student Credit Balance Deficiencies
10. Improper Origination of Direct Loans
Top Program Review Findings

1. Crime Awareness Requirements Not Met
2. Verification Violations
3. Return to Title IV (R2T4) Calculation Errors
4. Student Credit Balance Deficiencies
5. Drug Abuse Prevention Program Requirements Not Met
6. NSLDS Roster Reporting – Inaccurate/Untimely Reporting
Top Program Review Findings

7. Entrance/Exit Counseling Deficiencies
8. Consumer Information Requirements Not Met
9. Satisfactory Academic Progress Policy Not Adequately Developed/Monitored
10. Inaccurate Recordkeeping
Findings on Both Lists

- Return to Title IV (R2T4) Calculation Errors
- NSLDS Reporting – Inaccurate/Untimely Reporting
- Verification Violations
- Student Credit Balance Deficiencies
- Entrance/Exit Counseling Deficiencies
What is a Program Review and Is It the Same as an Audit?
What is a Program Review?

• Method of oversight
• Evaluates compliance with Title IV, HEA statue and regulations
  • Examination of financial aid, fiscal and academic records
  • Interviews with institution staff and students
  • Review of consumer information requirements
What is a Program Review?

• Identifies errors in compliance and liabilities owed
• Improves future institutional capabilities
• A program review is NOT a compliance audit
  • Different parts of the statute
  • One is conducted by ED and the other is a process leading to an ED review and possible resolution
Why are Program Reviews Conducted?

• Secretary of Education is mandated by law under Section 498A of the Higher Education Act of 1965, as amended (HEA), 20 U.S.C. § 1099c to conduct program reviews at institutions of higher education participating in the Title IV, HEA programs:

(a) GENERAL AUTHORITY. - 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 institution of higher education participating in programs authorized by this title;
Who Conducts Program Reviews?

- Federal Student Aid
- Program Compliance
  - School Eligibility Service Group (SESG)
  - School Participation Division
  - Program Review Team

Secretary of Education has delegated responsibility of conducting program reviews
How Are Institutions Selected?

• 20 U.S.C. 1099c-1 (a)(2): (The Secretary) shall give priority for program review to institutions of higher education that are institutions with-
  • High cohort default rate or dollar volume of default (25%+)
  • Significant fluctuations in Federal Pell Grant or loan volume
  • Reported deficiencies or financial aid problems by state or accrediting agency
  • High annual dropout rates, or
  • Any other institution Department determines may pose significant risk of failure to comply with administrative capability or financial responsibility requirements
Program Review Preparation

"Before anything else, preparation is the key to success."

~ Alexander Graham Bell
Department Preparation for Program Review

• Institutional Structure Research
• Systems Research
• Other Research
• Program Review Plan
Institution Preparation for Program Review

• Receiving Notification of Program Review
  • Advance Notice Review
  • Short Notice Review

• Third-Party Servicer Notification

• Responding to Announcement Letter
Program Review Begins
Entrance Conference

• On-Site Program Review
  • Introductions
  • Reason for Program Review and Scope
  • Overview of Program Review Process
  • Title IV Processing/Staff Responsibilities
  • Required Documents and Time Frames
  • Schedule Exit Conference
  • Getting Started
Entrance Conference

- Off-Site Program Review
  - Conference Call
  - One Reviewer
  - Limited Scope
  - Getting Started
Department Review of Institutional Processes and Data
Review of Institutional Processes and Data

• Review Institutional Documents Collected
  • Catalog/Brochure/Handbook
  • Policies and Procedures
  • Published Campus Security Information
  • Student Consumer Publications
  • Online Student Consumer Information
  • Institutional Forms, Applications and Worksheets
Review of Institutional Processes and Data

• Review of Institutional Critical Elements
  • Eligible Institution
  • Administrative Capability
  • Program Eligibility
  • Consumer Information
  • Campus Security
  • Financial Responsibility
  • Fiscal Review
  • FISAP
Review of Institutional Processes and Data

- Staff Interviews
  - Academic/Registrar
  - Admissions
  - Financial Aid
  - Student Accounts/Bursar/Fiscal Office
  - Placement
  - Campus Security
Department Review of Student Level Information
Review of Student Level Information

• Review of Student Critical Elements
  • Student Eligibility
  • Attendance
  • Cost of Attendance
  • Credit Balances
  • Enrollment Status
  • Dependency Overrides/Professional Judgment
  • Return of Title IV
  • Satisfactory Academic Progress
  • Verification
  • Calculations/Disbursements
Review of Student Level Information

• Records Reviewed in Student Files
  • Admissions
  • Academic
  • Financial Aid
  • Student Account Ledger

• Student Records Compared to Department Data
  • NSLDS
  • COD
  • CPS

• Student Interviews
Program Review Concludes
Exit Conference

• On-Site Program Review
  • Field Work Substantially Completed
  • Required Actions
  • Outstanding Items
  • Preliminary Findings
  • Next Steps
Status Meeting

• On-Site Program Review
  • Fieldwork Not Completed
  • Required Actions
  • Outstanding Items
  • Preliminary Findings NOT Discussed
• Next Steps
Referrals

- Administrative Actions and Appeals Service Group

- Management Improvement Services

- Office of Inspector General

- State Authorizing and Accrediting Agencies
Post-Review Communication and Report
Data Analysis Completed

• Three Possible Outcomes

  • Additional Information Requested

  • Expedited Determination Letter (EDL) Issued

  • Program Review Report (PRR) Issued
Request For Additional Information

• Institution requested to send documentation

• Typically allowed 30 days to provide information

• If information not provided
  • Visit scheduled to review documents on-site
    -or-
  • PRR includes findings otherwise omitted
    -or-
  • PRR includes Lack of Administrative Capability finding
Expedited Determination Letter

- EDL issued
  - No instances of non-compliance (findings) or only minor (non-systemic) findings identified
  - Any findings corrected prior to issuance of EDL
  - Any liabilities were paid/collectiond prior to issuance of EDL

- Three standard sections
  - Scope of Review and Disclaimer
  - Findings, if applicable
  - Recommendations, if applicable

- Sample template in Program Review Guide
Program Review Report

- Identifies findings with regulatory citations
- Actions required by institution
- Standard sections
  - Cover page
  - Table of Contents
  - Institutional Information
  - Scope of Review and Disclaimer
  - Findings
  - Recommendations, if applicable
  - Appendices and Enclosures
- Sample template in Program Review Guide
Program Review Report Findings

• Student-Specific
  • No potential or actual liability
  • Potential or actual liability
    • Small error rate
    • High error rate

• School Finding
  • Incomplete or unacceptable policy or procedure
  • Problems related to institutional eligibility, financial responsibility, financial reporting, other actions
    • No potential or actual liability
    • Potential or actual liability
Program Review Report
Response
Institution Responds to PRR

- Written response
- Submitted by due date
- Disagree with any PRR conclusions
- Document Required Actions from PRR
  - Correct policy or procedure
  - Correct student-specific error
  - File review required
  - Provide information to quantify liability
- Request extension of time for good cause
Department Follow Up to Response

- Response not received by due date

- Missing information or need clarification

- Response rejected
  - Problems with documents for several files
  - Typically given another 30 days to correct and respond
Final Determination and Follow Up
Final Program Review
Determinination Letter (FPRD)

- Department’s final determination for each finding
- Identifies liabilities and provides payment instructions
- Closes Program Review, if appropriate
- State authorizing and accrediting agencies receive copies
- Subject to FOIA

- Two types:
  - No further action required
  - Further action required
    - E.G. COD adjustments
Final Program Review
Determination Letter (FPRD)

- Standard sections
  - Cover page
  - Table of Contents
  - Institutional Information
  - Scope of Review and Disclaimer
  - Findings and Final Determinations
  - Summary of Liabilities
  - Repayment Instructions
  - Appendices and Enclosures

- Sample template in Program Review Guide
FPRD Closeout Letter or
Appeal of Monetary Liabilities

• FPRD Closeout Letter
  • Issued after satisfactory response to FPRD
  • Not issued if institution files appeal

• Appeal of Monetary Liabilities
  • Filed within 45 days
  • Collection efforts deferred on appealed liability amount
  • Non-appealed liabilities must be paid
  • Billing resumes if decision in Department’s favor
Top 10 Resources for Compliance Solutions
Top 10 Resources

- FSA Assessments
- Consumer Information/Campus Security
- Return of Title IV Funds
- Institutional Eligibility
- Satisfactory Academic Progress
- Verification
- Fiscal Management
Top 10 Resources

- **FSA Training**
  - [http://fsatraining.info/](http://fsatraining.info/)
    - Fundamentals of Federal Student Aid Administration

- **FSA Coach**
  - Basic
  - Intermediate
  - Advanced (Coming Soon)

- **Consumer Information**

- **Satisfactory Academic Progress**

- **Institutional Eligibility**

- **Recorded Webinars**

- **MORE!**
Top 10 Resources

- **Federal Student Aid Handbook**
  - Application and Verification Guide
    - Chapter 4: Verification, Updates and Corrections
    - Chapter 5: Special Cases
  - Volume 1 (Student Eligibility)
    - Chapter 1: School-Determined Requirements
  - Volume 2 (School Eligibility and Operations)
    - Chapter 6: Consumer Information & School Reports
Top 10 Resources

- **Federal Student Aid Handbook**
  - Volume 4 (Processing Aid and Managing FSA Funds)
    - Chapter 2: Disbursing FSA Funds
    - Chapter 3: Overawards and Overpayments
    - Chapter 5: Reconciliation in the Pell Grant and Campus-Based Programs
    - Chapter 6: Reconciliation in the Direct Loan Program
    - Appendix A: Accounting Systems
  - Volume 5, Chapter 1 (Withdrawals and the Return of Title IV Funds)
Top 10 Resources

- Code of Federal Regulations
  - Title 34, Education
    - Part 84 (Drug Free Workplace)
    - Part 86 (Drug and Alcohol Abuse Prevention)
    - Part 99 (Family Education Rights and Privacy)
    - Part 600 (Institutional Eligibility under the Higher Education Act of 1965, as amended)
    - Part 668 (Student Assistance General Provisions)
    - Parts 673 – 676 (Campus-Based Provisions)
    - Part 685 (William D. Ford Federal Direct Loan Program)
    - Part 686 (TEACH Grant Program)
    - Part 690 (Federal Pell Grant Program)
Top 10 Resources

- Campus Security
  - https://www2.ed.gov/admins/lead/safety/campus.html
- Entrance/Exit Counseling
  - https://studentloans.gov
- Return of Title IV (R2T4) on the Web
  - https://faaaccess.ed.gov
- School Data on StudentAid.gov
  - https://studentaid.ed.gov/about/data-center/school
- Direct Loan School Guide (2008-09)
Resources by Top 10 Findings
Resources by Top 10 Findings

• Repeat Finding (Audit)
  • Regulations: 34 C.F.R. §§ 668.16 and 668.174(a)

• NSLDS Reporting – Inaccurate/Untimely Reporting
  • Regulation: 34 C.F.R. § 685.309(b)
  • Dear Colleague Letter: GEN-12-06
  • Enrollment Reporting Guide
  • NSLDSFAP website - newsletter updates
    • https://www.nsldsfap.ed.gov/nslds_FAP/default.jsp
    • “News & Events” along top of home page
Resources by Top 10 Findings

• **R2T4 Calculation Errors and R2T4 Made Late**
  - Regulations: 34 C.F.R. §§ 668.22(e) and (f); 668.22(j) and 668.173(b)
  - FSA Assessments: Schools - R2T4
  - R2T4 Worksheets
    - Electronic Web Application (https://faaaccess.ed.gov)
    - Paper (*FSA Handbook*, Volume 5, Chapter 1)

• **Verification Violations**
  - Regulations: 34 C.F.R. §§ 668.51 – 668.61 (Subpart E) and 668.16(f)
  - FSA Assessments: Students - Verification
Resources by Top 10 Findings

• Pell Grants Overpayment/Underpayment
  • Regulations: 34 C.F.R. §§ 690.62, 690.63, 690.75, 690.79 & 690.80
  • FSA Handbook, Volume 4, Chapter 3

• Qualified Auditor’s Opinion Cited in Audit
  • Regulation: 34 C.F.R. § 668.171(d)(1)
  • FSA Coach
  • FSA Assessments
  • FSA Handbook, Volume 4, Chapters 5 and 6; Appendix A
Resources by Top 10 Findings

- **Entrance/Exit Counseling Deficiencies**
  - Regulation: 34 C.F.R. § 685.304
  - FSA Coach, Lesson B-404: Direct Loan Entrance Counseling and Lesson B-603: Exit Loan Counseling
  - *FSA Handbook*, Volume 2, Chapter 6

- **Student Credit Balance Deficiencies**
  - Regulations: 34 C.F.R. §§ 668.164(e) and 668.165(b)
  - *FSA Handbook*, Volume 4, Chapter 2

- **Improper Origination of Direct Loan**
  - Regulations: 34 C.F.R. §§ 685.301
  - *FSA Handbook*, Volume 3, Chapter 5
Resources by Top 10 Findings

- Crime Awareness Requirements Not Met and Consumer Information Requirements Not Met
  - Regulations: 34 C.F.R. Parts 86 and 99
  - Regulations: 34 C.F.R. §§ 668.6, 668.41 - 668.49 (Subpart D)
  - Higher Education Act of 1965, as amended, Sec. 485
  - FSA Handbook, Volume 2, Chapters 6 and 7
  - Consumer Information Training
    - http://fsatraining.info (Training by Topics)
  - FSA Assessments: Schools - Consumer Information
    - Consumer Information Disclosures At-A-Glance
    - The Handbook for Campus Safety and Security Reporting
      - http://www2.ed.gov/admins/lead/safety/campus.html
Resources by Top 10 Findings

• Drug Abuse Prevention Requirements Not Met
  • Regulation: 34 C.F.R. Part 86
  • FSA Assessments: Schools - Consumer Information
    • Consumer Information Disclosures At-A-Glance
  • FSA Handbook, Volume 2, Chapter 6

• Inaccurate Recordkeeping
  • Regulations: 34 C.F.R. §§ 668.24 and 668.165(b)
  • FSA Handbook, Volume 2, Chapter 7
Resources by Top 10 Findings

• Satisfactory Academic Progress Policy Not Adequately Developed/Monitored
  • Regulations: 34 C.F.R. §§ 668.16(e), 668.32(f) & 668.34
  • FSA Assessments: Students - Satisfactory Academic Progress (SAP)
  • FSA Handbook, Volume 1, Chapter 1
  • Satisfactory Academic Progress Training
    • http://fsatraining.info (Training by Topics)
SCHOOL ELIGIBILITY SERVICE GROUP (SESG)
Ron Bennett - Director, School Eligibility Service Group, Washington, DC
(202) 377-3181
School Eligibility Service Group General Number: (202) 377-3173 or e-mail: CaseTeams@ed.gov

Or call the appropriate School Participation Division manager below for information and guidance on audit resolution, financial analysis, program reviews, school and program eligibility/recertification, and school closure information.

New York/Boston School Participation Division
Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, New Jersey, New York, Puerto Rico, Virgin Islands
Betty Coughlin, Director (646) 428-3737
Tracy Nave – Boston (617) 289-0145
Patrice Fleming – Washington, DC (202) 377-4209
Chris Curry – New York (646) 428-3738

Philadelphia School Participation Division
District of Columbia, Delaware, Maryland, Pennsylvania, Virginia, West Virginia
Nancy Gifford, Director (215) 656-6436
John Loreng – Philadelphia (215) 656-6437
Sherrie Bell– Washington, DC (202) 377-3349

Multi-Regional and Foreign Schools Participation Division
Michael Frola, Director – Washington, DC (202) 377-3364
Barbara Hemelt – Washington, DC (202) 377-4201
Joseph Smith – Washington, DC (202) 377-4321
Barbara Murray – Washington, DC (202) 377-4203

Atlanta School Participation Division
Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina
Christopher Miller, Director (404) 974-9297
David Smittick – Atlanta (404) 974-9301
Vanessa Dillard – Atlanta (404) 974-5418

Dallas School Participation Division
Arkansas, Louisiana, New Mexico, Oklahoma, Texas
Cynthia Thornton, Director (214) 661-9457
Jesus Moya – Dallas (214) 661-9472
Kim Peeler – Dallas (214) 661-9471

Kansas City School Participation Division
Iowa, Kansas, Kentucky, Missouri, Nebraska, Tennessee
Ralph LoBosco, Director (816) 268-0440
Dvak Corwin – Kansas City (816) 268-0420
Jan Brandow – Kansas City (816) 268-0409

Chicago/Denver School Participation Division
Illinois, Minnesota, Ohio, Wisconsin, Indiana, Colorado, Michigan, Montana, North Dakota, South Dakota, Utah, Wyoming
Douglas Parrott, Director (312) 730-1532
Earl Flurkey – Chicago (312) 730-1521
Brenda Yette – Chicago (312) 730-1522
Douglas Parrott – Denver (A) (312) 730-1532

San Francisco/Seattle School Participation Division
Martina Fernandez-Rosario, Director (415) 486-5605
Gayle Palumbo – San Francisco (415) 486-5614
or Seattle (206) 615-3699
Dyon Toney – Washington, DC (202) 377-3639
Erik Fosker – San Francisco (415) 486-5606
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Trevor Summers
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Rick Renshaw
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Training Feedback

To ensure quality training we ask all participants to please fill out an online session evaluation

https://s.zoomerang.com/s/KevinCampbell-TX

Survey feedback is a tool to help us improve our training, justify training/travel expenditures and to listen to our customers

Please provide any comments regarding this training or the trainer to:

Jo Ann Borel, Title IV Training Supervisor joann.borel@ed.gov
Thank You
LASFAA!
QUESTIONS?