January 25, 2013

Ms. Alden Hall, President
Alden's School of Cosmetology
2080 Main Street
Baker, LA 70714-1502

Certified Mail
Return Receipt Requested
No. 7011 2000 0000 8054 3175

RE: Final Program Review Determination
OPE ID: 04120700
PRCN: 201120627407

Dear Ms. Hall:

The U.S. Department of Education's (Department's) Dallas School Participation Division issued a program review report on January 31, 2012, covering Alden's School of Cosmetology's (ASC'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 2009-10 and 2010-11 award years. ASC's final response was received on May 11, 2012. A copy of the program review report (and related attachments) and ASC's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by ASC 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.

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, (4) close the review, and (5) notify ASC of a possible adverse action. Due to the serious nature of one or more of the enclosed findings, in the normal course, this FPRD would be referred to the Department's Administrative Actions and Appeals Service Group (AAASG) for its consideration of possible adverse action (e.g. fine). Since Alden's is no longer participating in the Title IV programs, this FPRD will not be referred at this time; however, should Alden's apply for reinstatement in the future, in addition to meeting all other requirements, this matter will need to be addressed.

The total liabilities due from the institution from this program review are $124,656.00.

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 findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. In addition, Appendix B, Late Returns and Appendix C, Ineligible Program also contain PII. These appendices were encrypted and sent separately to the institution via e-mail.

Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the April 5, 2012 program review report. If ASC wishes to appeal to the Secretary for a review of monetary liabilities established by the FPRD, the institution must file a written request for an administrative hearing. The Department must receive the request no later than 45 days from the date ASC receives this FPRD. An original and four copies of the information ASC submits must be attached to the request. The request for an appeal must be sent to:

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

ASC'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 ASC's appeal will be those provided in 34 C.F.R. Part 668, Subpart H. **Interest on the appealed liabilities shall continue to accrue at the applicable value of funds rate, as established by the United States Department of Treasury, or if the liabilities are for refunds, at the interest rate set forth in the loan promissory note(s).**

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 C.F.R. §§ 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 Bruce Anderson at (214) 661-9470. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,

(b)(6)

Cynthia Thornton, Director
Dallas School Participation Division

Enclosure: Final Program Review Determination Report

cc: Veronica Lewis, Financial Aid Director
National Accrediting Commission of Career Arts and Sciences
Louisiana State Department of Education
Louisiana State Board of Cosmetology
Louisiana Board of Barbering Examiners

Federal Student Aid
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Prepared for

Alden's School of Cosmetology

OPE ID: 04120700
PRCN: 201120627407

Prepared by
U.S. Department of Education
Federal Student Aid
Dallas School Participation Division

Final Program Review Determination

January 25, 2013

1999 Bryan Street, Suite 1410
Dallas, TX 75201-6817
StudentAid.gov

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A. Institutional Information

Alden's School of Cosmetology
2080 Main Street
Baker, LA 70714

Type: Proprietary Institution

Highest Level of Offering: One Year, Non-degree Program

Accrediting Agency: National Accrediting Commission of Career Arts & Sciences

Current Student Enrollment: 55 (2010-2011)

% of Students Receiving Title IV, HEA Funds: 89% (2010-2011)

Title IV Participation (Common Origination and Disbursement):

	2009-2010 Award Year
Federal Pell Grant Program:	$545,666

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Alden's School of Cosmetology (ASC) from January 24, 2011 to January 28, 2011. The review was conducted by Regina Krob and Kimberley Peeler.

The focus of the review was to determine ASC's compliance with the statutes and federal 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 ASC'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 student files was identified for review from the 2009-2010 and 2010-2011 (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, which lists the names and partial social security numbers of the students whose files were examined during the program review, was provided to the institution during the program review.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning ASC'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 ASC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

C. Findings and Final Determinations

Resolved Findings

Findings 1, 2, 5, 6, 8, 9, 10 and 11

ASC has taken the corrective actions necessary to resolve findings 1-2 and 5-11 of the program review report. Therefore, these findings may be considered closed. Findings requiring further action by ASC are discussed below.

Findings with Final Determinations

The program review report findings requiring further action are summarized below. At the conclusion of each finding is a summary of ASC's response to the finding, and the Department's final determination for that finding. A copy of the amended program review report issued on April 12, 2011 is attached as Appendix D.

Note: Any additional costs to the Department, including interest, special allowances, cost of funds, unearned administrative cost allowance, etc., are not included in individual findings, but instead are included in the summary of liabilities table in Section D of the report.

Finding 3. Returns Paid Late

Citation: *An institution is required to return funds to the applicable Title IV, HEA program when a recipient withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance. Beginning July 1, 2006, a return must be paid to the applicable Title IV, HEA program within 45 days after the date of determination that the student withdrew. 34 C.F.R § 668.22(g)*

The Secretary considers that an institution has sufficient cash reserves if the institution returns, in a timely manner, unearned Title IV, HEA 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, HEA program funds that the institution was required to return during the most recently completed fiscal year. 34 CFR § 668.173

Noncompliance: *A return calculation was completed for student #12/26 on 09/10/10. The calculation resulted in a return of $2,184.42 due to the Federal Pell Grant program. According to a letter provided by ASC's servicer, the return was not paid until January 2011, more than 4 months after the date of determination that the student withdrew.*
A return calculation was completed for student #23. The student's last date of attendance was 07/20/10. It is unclear when the return calculation was completed as the form is not dated. However, information in the Common Origination and Disbursement system (COD) indicates funds were not returned until 1/20/11.

According to information provided by institutional officials, all returns calculated during the 2009-2010 and 2010-2011 that resulted in a return of funds due were paid late.

Required Action: *ASC must review all returns calculated during the 2009-2010 and 2010-2011 award years to determine the extent of the late returns. Please submit a spreadsheet detailing the following for each student for whom a return of Title IV, HEA funds was made or should have been made:*

- *Student's Name*
- *Last 4 digits of the student's social security number*
- *Date of determination that the student withdrew*
- *Amount of Title IV, HEA funds returned*
- *Date the funds were returned*

If the number of late and unpaid returns exceeds 5% of the students in the sample for the 2010-2011 award year, the institution will be required to submit an irrevocable LOC equal to 25% of the total returns ASC made or should have made during the most recent closed fiscal year. The information submitted in response to this finding will be reviewed to determine if a LOC is required. If so, instructions for submitting the LOC will be sent under separate cover.

ASC's Response Summary: ASC provided the required spreadsheet identifying all returns for students who withdrew during the 2009-10 and 2010-11 award years.

Final Determination: The file review provided included return calculations for 16 students and a spreadsheet indicating the date of the return and the amounts originally returned. Of the return calculations provided, none resulted in an additional amount of Title IV funds to be returned to the Department, but four returns were paid late. These four students are included in Appendix B.

Student #F-5: The return calculation submitted indicates $1,321.75 in Federal Pell Grant funds is required to be returned. However, information provided in the National Student Loan Data System (NSLDS) indicates that only $1,257.52 was returned. The difference, $64 in Federal Pell Grant funds, must be returned.

A calculation has been computed to determine the amount of the interest, known as the Cost of Funds, due on the late returns. The total interest on the late returns is $19.97. The Cost of Funds calculation is included as Appendix F. The total liability for this finding is $83.97 ($64 plus the $19.97 in interest).

Finding 4. Admissions Policy not Followed/Documented

Citation: *A proprietary institution of higher education is one that admits as regular students only persons who have a high school diploma, the recognized equivalent of a high school diploma or are beyond the age of compulsory attendance in the state in which the institution is physically located.*

A student is eligible to receive Title IV, HEA funds if the student has a high school diploma or its recognized equivalent or has obtained a passing score on an independently administered test. 34 C.F.R. §§600.5 and 668.32(e)

Noncompliance: *ASC's admissions policy for students seeking Title IV, HEA funds requires a student to have a high school diploma, GED, or pass an approved ability to benefit test. Student #17 was admitted on 8/4/10. He indicated on the ISIR that he did not have a high school diploma or GED. There was no documentation in the file to demonstrate he had passed an approved ATB test. It is unclear what ASC used as the basis for admission.*

The student received two disbursements of $2,775 each in Federal Pell Grant funds, the first on 8/25/10 and the second on 11/16/10.

Required Action: *ASC must provide copies of the documentation used to determine the basis of admission for student #17. If documentation cannot be obtained, all Title IV, HEA disbursements made to the student are an institutional liability.*

ASC's Response Summary: ASC submitted the Ability to Benefit results for the student indicating the student successfully passed the ATB test. However, the documentation submitted indicates that the test was not taken until February 4, 2011, or six months after the student was enrolled.

Final Determination: The student successfully passed the ATB test on February 4, 2011, within the second payment period. As the student gained eligibility during the second payment period, the student is eligible only for Federal Pell Grant funds beginning with that payment period. The student is ineligible for the Federal Pell Grant disbursed during the first payment period, prior to passing the ATB test. Therefore the $2,775 in Federal Pell Grant funds disbursed during the first payment period is a liability and must be repaid.

In addition, a calculation has been computed to determine the amount of the interest, known as the Cost of Funds, due on the ineligible disbursement. The total interest on the ineligible disbursement is $17.49. The Cost of Funds calculation is included as Appendix G. The total liability for this finding is $2,792.49.

Finding 7. Campus Security Procedures Inadequate

Citation: *Institutions are required to publish and distribute, by October 1 of each year, an annual security report that contains required crime statistics, as well as required statements and policies, to its current students and employees. Institutions must also inform prospective students and employees of the report's availability and provide a copy upon request.*

The annual security report must report crime statistics for the three most recent calendar years concerning the occurrence on campus, in or on non-campus buildings or property, and on public property of the following offenses:

- *Criminal homicide*
  - *murder and non-negligent manslaughter*
- *Sex offenses*
  - *forcible sex offenses*
  - *non-forcible sex offenses*
- *Robbery*
- *Aggravated assault*
- *Burglary*

- *Motor vehicle theft*
- *Arson*
- *Arrests for liquor law violations, drug law violations, and illegal weapons possession*
- *Persons not included in the above category who were referred for campus disciplinary action for liquor law violations, drug law violations, and illegal weapons possession*

The annual security report must also contain a number of statements, including, but not limited to:

- *A statement of current campus policies regarding procedures for students and others to report criminal actions or other emergencies occurring on campus. This statement must include (1) policies for making timely warning reports to members of the campus community regarding the occurrence of crimes required to be reported in the annual security report, (2) policies for preparing the annual disclosure of crime statistics, and (3) a list of the titles of each person or organization to whom students and employees should report the criminal offenses for the purpose of making timely warning reports and the annual statistical disclosure.*
- *A description of the type and frequency of programs designed to inform students and employees about campus security procedures and practices and to encourage students and employees to be responsible for their own security and the security of others.*
- *A description of programs designed to inform students and employees about the prevention of crimes.*
- *A statement of policy concerning the monitoring and recording through local police agencies of criminal activity in which students engaged at off-campus locations of student organizations officially recognized by the institution, including student organizations with off-campus housing facilities.*
- *A statement of policy regarding the possession, use, and sale of alcoholic beverages and enforcement of State underage drinking laws.*
- *A statement of policy regarding the possession, use, and sale of illegal drugs and enforcement of Federal and State drug laws.*
- *A description of any drug or alcohol-abuse education programs.*
- *A statement of policy regarding the institution's campus sexual assault programs to prevent sex offenses, and procedures to follow when a sex offense occurs.*
- *A statement advising the campus community where law enforcement agency information provided by a State under section 170101(j) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071(j)), concerning registered sex offenders may be obtained, such as the law enforcement office of the institution, a local law enforcement agency with jurisdiction for the campus, or a computer network address.*
- *A statement of policy regarding emergency response and evacuation procedures.*

- *A statement of policy regarding missing student notification procedures.*

The above statements are not comprehensive and are provided for illustrative purposes only. A complete list of required statements is provided in Appendix B. Institutions must comply with the campus security requirements for each separate campus. 34 C.F.R. § 668.46 (the implementing regulations of The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act or Clery Act)

Noncompliance: *ASC does not have adequate campus security procedures in place. Specifically, the following were missing from the information provided:*

- *Policies for making timely warning reports to members of the campus community;*
- *Crime statistics identified by calendar year in which the crime was reported;*
- *Campus crime statistics properly listed by offense category;*
- *A statement advising the campus community where registered sex offender information may be obtained; and*
- *A statement of policy regarding emergency response and evacuation procedures.*

Required Action: *ASC is required to revise its annual security report to ensure that it contains all required crime statistics and statements as specified in 34 C.F.R. § 668.46.*

The Department has made available the "The Handbook for Campus Safety and Security Reporting" to assist institutions in complying with the Clery Act. It can be found at the following web address:

http://www2.ed.gov/admins/lead/safety/ handbook-2.pdf

The institution must provide the revised policy to all prospective and currently enrolled students and staff. The report may be distributed to current students and employees via the web. If the information is provided on the web, then the institution must provide an individual notice to each recipient that includes:

- *A statement of the report's availability,*
- *A list and brief description of the information contained in the report,*
- *The exact electronic address of the Internet or Intranet Web site at which the report is posted, and*
- *A statement saying the school will provide a paper copy upon request.*

In response to this report, please provide a copy of the revised policy, describing the method ASC will use for distributing the report by October 1 of each year, and provide assurances that all currently enrolled students and staff received a copy of the revised campus security report.

ASC's Response Summary: ASC submitted the revised policies required, which included:

- Policies for making timely warning reports to members of the campus community;
- Revised crime statistics and categories;
- A statement advising the campus community where registered sex offender information can be obtained; and
- A statement of policy regarding emergency response and evacuation procedures.

In addition, ACS provided a description of the method ASC will use for distributing the report to students and faculty by October 1 of each year.

Final Determination: ASC has implemented improved policies and procedures to strengthen its Clery Act compliance. In addition ASC has developed a method to distribute the annual security report each year to all students and staff. The changes implemented will assist ASC's Clery Act compliance in the future.

However, the improvements noted in ASC's response will not eliminate this finding. Because of the non-compliance with the Clery Act requirements, in the normal course, this FPRD would be referred to the Department's Administrative Actions and Appeals Service Group (AAASG) for its consideration of possible adverse action (e.g. fine). Since Alden's is no longer participating in the Title IV programs, this FPRD will not be referred at this time; however, should Alden's apply for reinstatement in the future, in addition to meeting all other requirements, this matter will need to be addressed.

Finding 12. Ineligible Program

Citation: *Because an institution's eligibility does not necessarily extend to all of its programs, an institution must ensure that a program is eligible before awarding Title IV, HEA funds to students in that program. An institution's eligibility extends to all eligible programs and locations that were identified on the school's electronic Application to Participate (E-App). In general, an institution's eligible nondegree programs and locations are specifically named on the Eligibility and Certification Approval Report (ECAR). The eligibility of an added educational program must be determined by the Department before Title IV, HEA program funds can be awarded. An institution must submit an E-App with the appropriate sections completed, and copies of the approval of the new program from its accrediting agency and state authorizing agency. The Department will evaluate the new program and the institution. If the Department approves the additional program, a revised ECAR and Approval Letter are issued for the institution, and the school is eligible as of the date of the Department's determination. Only after receiving an Approval Letter may the institution begin disbursing Title IV, HEA funds to students enrolled in the program. 34 C.F.R.§§ 600.10 and 668.8 and Federal Student Aid Handbook, Chapter 2*

Noncompliance: *An issue has been brought to the attention of the School Participation Team-Dallas, by the State of Louisiana Board of Barber Examiners. In the past several*

months ASC has requested that several students who were enrolled in the Cosmetology program, registered with the Louisiana Cosmetology Board as cosmetology students and whose hours were reported to the Louisiana Cosmetology Board, be transferred to the Louisiana Board of Barber Examiners for the purpose of testing and licensing. Due to the number of transfer requests made by ASC, the Board of Barber Examiners notified ASC that it would no longer accept any barber student applications for students currently or previous enrolled at ASC.

During the program review, the reviewers asked institutional officials about the students who indicated that they intended to pursue a career in barbering. The owner of ASC indicated that any student in Louisiana who passed the Cosmetology licensing exam was eligible to take the barbering exam to obtain dual licensure. The reviewers were told that all students enrolled at ASC were notified of the option of taking the barbering exam. The reviewers were assured that all students were taught cosmetology and that clock hours were reported to the Louisiana Cosmetology Board. Based on the number of students for whom ASC has been requesting a transfer to the Board of Barber Examiners, it appears that ASC has been enrolling students in the Cosmetology program in order to award financial assistance, but training the students in the Barbering program available at ASC. The Barbering program has not been approved by the Department for Title IV, HEA funding and does not appear on the institution's ECAR.

Required Action: *ASC must review all students enrolled in the Cosmetology program and determine which of those students have actually been receiving training under the Barbering program curriculum, from inception of the Barbering program to present. For each of these students, ASC must provide the following information:*

1. *Student Name (Last, first)*
2. *Last four digits of SSN*
3. *Award Year*
4. *Amount of financial aid received*

All aid received by these students may be considered an institutional liability. Repayment of any identified liabilities will be addressed in the Final Program Review Determination letter.

ASC's Response: ASC provided commentary on a list of seven students (Appendix C: students # 2, 5, 6, 7, 8, 12 and 13) who appear to have received training in the barbering program, even though they signed enrollment contracts as cosmetology students and received Title IV, HEA funds for the hours they earned in the cosmetology program. Of these seven students, ASC indicates that three (students # 7, 12 and 13) requested transfer to the barbering program after or near the completion of their cosmetology training though the other four students identified never transferred to the barbering program.

Final Determination: The Louisiana Barbering Board provided information to the Department regarding fourteen students (including the seven students identified in ASC's response) who were enrolled in and received training in the cosmetology program at ASC, but for whom ASC later requested that the students be allowed to transfer their cosmetology hours to the Barbering Board for the purpose of obtaining a barbering license. The students identified received Title IV, HEA funds for the hours they earned in the cosmetology program. These students are listed in Appendix C.

One student identified by the Barbering Board was interviewed by the Department. When asked about the option of receiving training as a cosmetology student, passing the state cosmetology exam and then taking the barbering exam, the student indicated that he did not think he could pass the cosmetology exam since all of the training he received was in the barbering program. The student commented that he was told by an official of ASC to sign the cosmetology program enrollment contract so that he could receive financial aid, and that when he was almost finished with the program, the hours he earned that had been reported to the Cosmetology Board would be transferred to the Barbering Board so that he could pursue his barbering license.

Because these students were enrolled in and received Title IV, HEA funds for the completion of hours in the cosmetology program, it appears that ASC's request to have the hours transferred to the Barbering Board was an attempt to circumvent the lack of approval of the barbering program. Additionally, because the students were paid Title IV, HEA funds for a program in which the student was not seeking a certificate, the students are ineligible for Title IV, HEA funds and the funds received must be returned. A total of $120,892 in Federal Pell Grant funds must be returned.

In addition, a calculation has been computed to determine the amount of the interest, known as the Cost of Funds, due on the ineligible disbursements. The total interest on the ineligible disbursements is $887.42. The Cost of Funds calculation is included as Appendix G. The total liability for this finding is $121,779.42.

D. Summary of Liabilities

The total amount calculated as liabilities from the finding in the program review determination is as follows.

Established Liabilities		
Initial Liabilities	Pell (Closed Award Years)	
Finding 3	$ 64.00	
Finding 4	2,775.00	
Finding 12	120,892.00	
Subtotal 1	$ 123,731.00	
Interest/SA (Finding 3)	$ 19.97	
Interest/SA (Finding 4)	17.49	
Interest/SA (Finding 12)	887.42	
Subtotal 2	$ 924.88	
TOTAL	$ 124.655.88	
Payable To:		**Totals**
Department	$ 124,656.00	$ 124,656.00

E. Payment Instructions

ASC owes to the Department $124,656.00. This liability must be paid using an electronic transfer of funds through the Treasury Financial Communications System, which is known as FED-WIRE. ASC must make this transfer within **45 days of the date of this letter**. This repayment through FED-WIRE is made via the Federal Reserve Bank in New York. If ASC's bank does not maintain an account at the Federal Reserve Bank, it must use the services of a correspondent bank when making the payments through FED-WIRE.

Any liability of $100,000 or more identified through a program review must be repaid to the Department via FED-WIRE. The Department is unable to accept any other method of payment in satisfaction of these liabilities.

Instructions for completing the electronic fund transfer message format are included on the attached FED-WIRE form. (Appendix H)

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. ASC 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 (202) 245-8080 and asks to speak to ASC'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, ASC has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the Department, the Department intends to collect the amount due and payable by administrative offset against payments due ASC from the Federal Government. **ASC may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt, ASC must **timely appeal** this determination under the procedures described in the "Appeal Procedures" section of the cover letter. The Department will use those procedures to consider any objection to offset. **No separate appeal opportunity will be provided**. If a timely appeal is filed, the Department will defer offset until completion of the appeal, unless the Department determines that offset is necessary as provided at 34 C.F.R. § 30.28. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

F. Appendices

Appendix A: Student Sample

Appendix B: Finding 3 – Late returns

Appendix C: Finding 12 – Ineligible Program

Appendix D: Program Review Report

Appendix E: Institutional Response

Appendix F: Late returns – Cost of Funds

Appendix G: Ineligible Disbursements – Cost of Funds

Appendix H: FED-WIRE Instructions

Alden's School of Cosmetology
OPE ID: 04120700
PRCN: 201120627407

Appendix A
Student Sample

NAME SSN

(b)(6); (b)(7(C)

Alden's School of Cosmetology
OPE ID: 04120700
PRCN: 201120627407

Appendix B
Finding 3: Late Returns

NAME	SSN
(b)(6); (b)(7(C)	

Alden's School of Cosmetology
OPE ID: 04120700
PRCN: 201120627407

Appendix C
Finding 12: Ineligible Program

NAME	SSN	Pell Grant Received
(b)(6); (b)(7(C)		

Appendix D
Program Review Report

Appendix E
Institutional Response

Appendix F
Late Returns - Cost of Funds

Alden's School of Cosmetology
OPE ID: 04120700
PRCN: 201120627407

APPENDIX F

Late or Unmade Returns (Non-Loan) - Cost of Funds

Name of Institution: Alden's School of Cosmetology

Note: the withdrawal date is necessary to determine if an institution has 30 (default) or 45 days to return funds

No.	Description/Name	Return Amount	Program	W/D Date	Instituton Det Date	Return Paid Date	Return Due Date	Days Late	CVFR or Interest	Federal Share	To ED	To Inst Accounts
	B1	$1,080.00	Pell Grant	10/27/10	10/27/2010	1/19/2011	12/11/10	39	1.00%	$1,080.00	$1.15	$-
	B2	$2,142.00	Pell Grant	08/20/10	8/20/2010	1/19/2011	10/04/10	107	1.00%	$2,142.00	$6.28	$-
	B3	$2,251.00	Pell Grant	07/20/10	7/20/2010	1/19/2011	09/03/10	138	1.00%	$2,251.00	$8.51	$-
	B4	$1,457.00	Pell Grant	08/26/10	8/26/2010	1/19/2011	10/10/10	101	1.00%	$1,457.00	$4.03	$-

Total Returns	$ 6,930.00
Total Campus-Based	$ -
Totals By Program	
Pell Grant	$ 6,930.00
FSEOG	$ -
Perkins	$ -
ACG	$ -
SMART	$ -
TEACH	$ -
FSEOG-No Match	$ -
Perkins-No Match	$ -

Totals	$ 19.97	$ -
Interest Breakdown		
Pell Grant	$ 19.97	$ -
FSEOG	$ -	$ -
Perkins	$ -	$ -
ACG	$ -	$ -
SMART	$ -	$ -
TEACH	$ -	$ -
FSEOG-No Match	$ -	$ -
Perkins-No Match	$ -	$ -

Appendix G

Ineligible Disbursements – Cost of Funds

Alden's School of Cosmetology
OPE ID: 04120700
PRCN: 201120627407

APPENDIX G

Ineligible Disbursements (Non-Loan) - Cost of Funds and Administrative Cost Allowance

Name of Institution: Alden's School of Cosmetology

No.	Description/Name	Ineligible Disbrsmnt	Program	Disbursement Date	Return Paid Date	No. of Days	CVFR or Interest	Federal Share	To ED	To Inst Accounts
	A17 10-11	$2,775.00	Pell Grant	8/25/2010	4/12/2011	230	1.00%	$ 2,775.00	$ 17.49	$ -
	C1 09-10	$5,350.00	Pell Grant	6/30/2010	1/31/2012	580	1.00%	$ 5,350.00	$ 85.01	$ -
	C1 10-11	$3,700.00	Pell Grant	6/30/2011	1/31/2012	215	1.00%	$ 3,700.00	$ 21.79	
	C2 10-11	$9,250.00	Pell Grant	6/30/2011	1/31/2012	215	1.00%	$ 9,250.00	$ 54.49	$ -
	C3 09-10	$1,150.00	Pell Grant	6/30/2010	1/31/2012	580	1.00%	$ 1,150.00	$ 18.27	
	C3 10-11	$2,450.00	Pell Grant	6/30/2011	1/31/2012	215	1.00%	$ 2,450.00	$ 14.43	
	C4 10-11	$9,250.00	Pell Grant	6/30/2011	1/31/2012	215	1.00%	$ 9,250.00	$ 54.49	
	C5 10-11	$5,550.00	Pell Grant	6/30/2011	1/31/2012	215	1.00%	$ 5,550.00	$ 32.69	
	C5 11-12	$3,700.00	Pell Grant	1/31/2012	1/31/2012	0	1.00%	$ 3,700.00	$ -	
	C6 10-11	$7,400.00	Pell Grant	6/30/2011	1/31/2012	215	1.00%	$ 7,400.00	$ 43.59	
	C6 11-12	$1,850.00	Pell Grant	1/31/2012	1/31/2012	0	1.00%	$ 1,850.00	$ -	
	C7 10-11	$5,550.00	Pell Grant	6/30/2011	1/31/2012	215	1.00%	$ 5,550.00	$ 32.69	
	C7 11-12	$3,700.00	Pell Grant	1/31/2012	1/31/2012	0	1.00%	$ 3,700.00	$ -	
	C8 10-11	$5,550.00	Pell Grant	6/30/2011	1/31/2012	215	1.00%	$ 5,550.00	$ 32.69	
	C8 11-12	$3,700.00	Pell Grant	1/31/2012	1/31/2012	0	1.00%	$ 3,700.00	$ -	
	C9 09-10	$5,350.00	Pell Grant	6/30/2010	1/31/2012	580	1.00%	$ 5,350.00	$ 85.01	
	C9 09-10	$3,700.00	Pell Grant	6/30/2010	1/31/2012	580	1.00%	$ 3,700.00	$ 58.79	
	C10 09-10	$2,675.00	Pell Grant	6/30/2010	1/31/2012	580	1.00%	$ 2,675.00	$ 42.51	
	C10 10-11	$6,475.00	Pell Grant	6/30/2011	1/31/2012	215	1.00%	$ 6,475.00	$ 38.14	
	C11 09-10	$5,350.00	Pell Grant	6/30/2010	1/31/2012	580	1.00%	$ 5,350.00	$ 85.01	
	C11 10-11	$3,700.00	Pell Grant	6/30/2011	1/31/2012	215	1.00%	$ 3,700.00	$ 21.79	
	C12 10-11	$9,250.00	Pell Grant	6/30/2011	1/31/2012	215	1.00%	$ 9,250.00	$ 54.49	
	C13 09-10	$2,675.00	Pell Grant	6/30/2010	1/31/2012	580	1.00%	$ 2,675.00	$ 42.51	
	C13 10-11	$4,317.00	Pell Grant	6/30/2011	1/31/2012	215	1.00%	$ 4,317.00	$ 25.43	$ -
	C14 10-11	$7,400.00	Pell Grant	6/30/2011	1/31/2012	215	1.00%	$ 7,400.00	$ 43.59	
	C14 11-12	$1,850.00	Pell Grant	1/31/2012	1/31/2012	0	1.00%	$ 1,850.00	$ -	$ -

	Total	Federal Share
Total Ineligible	$123,667.00	
Pell	$123,667.00	$ 123,667.00

Interest Breakdown

Pell Grants	$ 904.91	$ -

Appendix H: FED-WIRE Instructions

DEPARTMENT OF EDUCATION
FED-WIRE EFT MESSAGE FORMAT & INSTRUCTIONS

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

Sender Name (Automatically inserted by the Federal Reserve Bank)

Treasury Department Name/CTR/
TREAS NYC / CTR /

BNF=ED / AC - 91020001 OBI=

Name / City / State:
②

DUNS / TIN:
③

FOR:
④

INSTRUCTIONS

A. Complete circled items 1-4 above as follows:

① Indicate amount including cents digits.

② Indicate Name, City, and State.

③ Indicate DUNS Number and Taxpayer Identification Number (TIN).

④ Enter the reason for the remittance: Bill Number / Document Number / Other.

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

Accounting Document – Prior Year Monetary Recovery (AD-PYMR)

Institution: Alden's School of Cosmetology

City, State: Baker, LA

PRCN: 120627407

TIN: 134265839

DUNS: 165550356

Reviewer: Kim Peeler Region: Dallas Date: 10/22/2012

Programs	Type	Amount	Funding Code	Object Class
Federal Pell Grant (Closed AY)	Principal	123,731	3220RNOYR	69017
	Interest	925	1435RNOYR	64020
FSEOG	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
FWS	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
ACG	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
National SMART	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
TOTAL (Pell-Closed AY, FSEOG, FWS, ACG, National SMART)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
Direct Loan and Direct Loan EAL	Principal		4253XNOYR	53020 or 53010
	Interest		4253XNOYR	53040
FFEL and FFEL EAL	Interest/ SA/EAL		4251XNOYR	53020
Federal Perkins	Principal		2915RNOYR	53054

Add rows if necessary			Amount			G5 Program Award # *
Negative Cash Balance (Pell, FWS, FSEOG, ACG, SMART, TEACH)	Program	Principal		3875FNOYR	69020	
	Program	Interest		1435RNOYR	64020	Sent to Treasury
DL Unsubstantiated / Excess Cash	Leave blank	Principal		3875FNOYR	69020	
	Leave blank	Interest		4253XNOYR	53040	Sent to DL Fund

Comments:
* Example of G5 Award # (P063P104306, first 5 digits = program, next 2 digits = award year, next 4 digits = code unique to school)

See FPRD Distribution Form for distribution information for this form and related program review documents.