



June 24, 2014

Mr. Lonnie Jensen
President
Bio-Chi Institute of Massage Therapy
1925 Geneva Street
Sioux City, IA 51103

UPS Tracking # *IZA879640190552265*

RE: **Final Program Review Determination**
OPE ID: 04089300
PRCN: 201220427767

Dear President Jensen:

The U.S. Department of Education's (Department's) School Participation Division—Kansas City issued a program review report on June 11, 2013, covering Bio-Chi Institute of Massage Therapy's (BCI) 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 2010-2011 and 2011-2012 award years. BCI's final response was received on December 25, 2013. A copy of the program review report (and related attachments) and BCI's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by BCI 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, and (4) close the review

Due to the serious nature of one or more of the enclosed findings, in the normal course, this FPRD would have been referred to the Department's Administrative Actions and Appeals Service Group (AAASG) for its consideration of possible adverse action (e.g. fine). Since BCI is no longer participating in the Title IV programs, this FPRD will not be referred at this time; however, should BCI apply for reinstatement in the future, in addition to meeting all other requirements, this matter will need to be addressed. Please note that the appeal instructions contained herein apply only to the appeal of the financial liabilities established in this final program review determination.

Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION

School Participation Division – Kansas City

1010 Walnut Street, Suite 336, Kansas City, MO 64106-2147

StudentAid.gov

The total liabilities due from the institution from this program review are **\$59,573.00**.

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, Appendices B and G also contain PII.

Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the June 11, 2013, program review report. If BCI 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 BCI receives this FPRD. An original and four copies of the information BCI 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

BCI'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 BCI's appeal will be those provided in 34 C.F.R. Part 668, Subpart II. **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).** rgrtrt

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 Kathy Feith at (816) 268-0406. 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); (b)(7)(C)

Ralph A. LaBosco
Division Director

Enclosure:

Protection of Personally Identifiable Information

Program Review Report (and appendices)

Final Program Review Determination Report (and appendices)

cc: Ms. Kathy Jensen, Chief Financial Officer
Ms. Carolyn Small, Iowa College Student Aid Commission

PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

Personally Identifiable Information (PII) being submitted to the Department must be protected. 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).

PII being submitted electronically or on media (e.g., CD-ROM, floppy disk, DVD) 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 WinZip 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, 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 files and media 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
- 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.

Prepared for

Bio-Chi Institute of Massage
Therapy

Federal Student Aid
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PRCN 201220427767

Prepared by

U.S. Department of Education

Federal Student Aid

School Participation Division – Kansas City

Final Program Review Determination

June 24, 2014

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A. Institutional Information

Bio-Chi Institute of Massage Therapy
1925 Geneva Street
Sioux City, IA 511003

Type: Proprietary

Highest Level of Offering: Non-Degree, One Year

Accrediting Agency: Accrediting Commission of Career Schools and Colleges (ACCSC)

Current Student Enrollment: 19 (2011-2012)

% of Students Receiving Title IV: 60% (2011-2012)

Title IV Participation (G5)

	<u>2011-2012</u>
Federal Pell Grant	\$ 59,093.00
William D. Ford Federal Direct Loan Subsidized	\$ 46,673.00
William D. Ford Federal Direct Loan Unsubsidized	\$ 57,331.00
William D. Ford Federal Direct Loan PLUS	\$ 1,000.00
Total	\$164,097.00

Default Rate FFEL/DL:	2011	10.2%
	2010	12.5 %
	2009	11.7 %

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Bio-Chi Institute of Massage Therapy (BCI) from January 9, 2012 to January 13, 2012. The review was conducted by Ms. Rhonda Puffer and Ms. Kathy Feith.

The focus of the review was to determine BCI's compliance with the statutes and federal regulations concerning BCI's administration of Title IV, HEA programs. The review consisted of, but was not limited to, an examination of BCI'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 2010-2011 and 2011-2012 (year to date) award years. The files were selected randomly from a statistical sample of the total population enrolled who received Title IV, HEA funds for that award year. The samples were drawn from BCI's Title IV, HEA aid recipient list submitted in response to the December 14, 2011 notice of visit letter sent by the Department. Appendix A lists the names and last four digits of Social Security numbers of the students whose files were examined during the program review. Additionally, 5 students from the 2010-2011 and 3 students from 2011-2012 award years were judgmentally selected to examine BCI's policy for documenting actual attendance, unofficial withdrawal, and Return of Title IV, HEA funds. A program review report was issued on June 11, 2013.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning BCI'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 BCI 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 (FPRD) letter.

C. Findings and Final Determinations

Resolved Findings

BCI failed to provide a complete response for Findings 1, 2, 6, 7, 8, 9, 10, 11, 12, 13, and 14. However, given that BCI lost its eligibility to participate in the Title IV, HEA programs effective July 1, 2013 and voluntarily withdrew from accreditation effective April 1, 2014; these findings may be considered closed by the Department. No additional response from BCI for the findings referenced above will be required; however, BCI is advised that all non-compliance issues referenced in the findings above must be addressed to the Department's satisfaction before any future application for reinstatement could be considered for approval. Findings requiring further action by BCI are discussed below.

Resolved Findings with Comments

The following program review findings have been resolved by the institution, and may be considered closed. These findings are included solely for the purpose of discussing resolution of the finding. No additional response from BCI is required relative to these findings.

Finding 15. *Failure to Distribute the Annual Security Report in Accordance with Federal Regulations*

Citation Summary: *The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Department's regulations require that all institutions that receive Title IV, HEA funds must publish a materially-complete Annual Security Report (ASR). To be materially-complete, an ASR must contain all of the statistical and policy disclosures described in 34 C.F.R. § 668.46(b). By October 1st of each year, the ASR must be actively distributed to current students and employees.*

The ASR must be actively distributed as a single document. Acceptable means of active delivery include U.S. Mail, hand delivery, or campus mail distribution to the individual or posting on the institution's website. If an institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all students and employees that includes a statement of the report's availability and its exact electronic address, a description of its contents, as well as an advisement that a paper copy will be provided upon request. 34 C.F.R. § 668.41(e)(1). The Department's regulations also require participating institutions to provide a notice to all prospective students and employees that includes a statement about the ASR's availability, its contents, and its exact electronic address if posted to a website. This

notice must also advise interested parties of their right to request a paper copy of the ASR and to have it furnished upon request. 34 C.F.R. § 668.41(e)(4)

Finally, each institution must also submit its crime statistics to the Department for inclusion in the Office of Postsecondary Education's "Campus Safety and Security Data Analysis Cutting Tool." This data must be submitted in the manner designated by the Secretary and in accordance with the timelines published in the Federal Register. 34 C.F.R. § 668.41(e)(5)

Noncompliance Summary: *BCI persistently failed to distribute its ASRs in accordance with Federal regulations. In its "Security Policy," BCI advised students to contact the local police department to obtain crime statistics. In interviews conducted by the program review team, BCI officials stated that no Clery-reportable crimes had occurred; however, this assertion even if true, does not negate the requirement to prepare and publish an accurate and complete ASR that includes all statistical and policy statements enumerated in 34 C.F.R. § 668.46(b) and to actively distribute it to current students and employees and notify prospective students and employees in accordance with 34 C.F.R. § 668.41.*

Failure to actively distribute the ASR to current students and employees in accordance with Federal regulations deprives the campus community of important security information that can empower its members to make informed decisions and play an active role in their own safety and security.

As a result of this violation, BCI was required to take immediate corrective action and distribute its 2012 ASR to all current students and employees in accordance with 34 C.F.R. § 668.41(e)(1). In addition, BCI was required to immediately prepare a clear and conspicuous notice and include it in the materials that are typically provided to or accessed by prospective students and employees. This notice must include a statement about the availability of the ASR, a summary of its contents, and its exact electronic address if it is posted to an internet or intranet site. This notice must also advise interested parties about how to obtain a paper copy of the ASR. A failure to provide such a notice to prospective students and employees constitutes an additional Clery Act violation and must be addressed immediately. See 34 C.F.R. § 668.41(e)(4) for additional information regarding this requirement.

BCI was also required to provide documentation to the Department evidencing its efforts to distribute the ASR and to notify prospective persons about the report's availability. BCI must also submit a certification statement attesting to the fact that the materials were distributed in accordance with the Clery Act and that the institution understands its Clery Act obligations and that it has taken all necessary corrective actions to ensure that this violation does not recur.

Furthermore, BCI was required to develop and implement policies and procedures as necessary to ensure that all future ASRs are prepared, published and distributed in accordance with Federal regulations. The institution must also review and revise any existing policies and procedures on ASR distribution and notification. BCI's new and revised policies must ensure that that all requirements of the Clery Act are met and that all deadlines are observed going forward. A copy of all new and revised policies and procedures were required to accompany the institution's response to this program review report.

As noted above, the exceptions identified in this finding constitute serious violations of the Clery Act that by their nature cannot be cured. BCI will be given another opportunity to finally bring its campus security operations into compliance with the Clery Act as required by its Program Participation Agreement (PPA). However, BCI is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures as a result.

Based on an evaluation of all available information including BCI's response, the Department will determine if additional actions will be required and will advise the institution accordingly in the FPRD.

BCI officials may wish to review the Department's "Handbook for Campus Safety and Security Reporting" (2011) during the preparation of its response and for detailed guidance on complying with the Clery Act. The handbook is available online at: <http://www2.ed.gov/admins/lead/safety/handbook.pdf>. The regulations governing the Clery Act can be found at 34 C.F.R. §§ 668.14, 668.41, 668.46, and 668.49.

BCI's Response: BCI provided a copy of its policies and procedures in relation to Clery Act compliance to program reviewers. Additionally, BCI institutional staff provided a copy of the most recently compiled ASR, including the 2012 calendar year.

Final Determination: As a result of the violation referenced above, BCI would have normally been required to review and revise its policies and procedures for preparing, publishing, and distributing its ASR. In addition, BCI would have been directed to use those new policies as a guide for developing a revised ASR that includes all of the consumer protection disclosures required by 34 C.F.R. §668.46(b) and to submit its draft ASR and policies to the Department for approval. Finally, BCI would have been required to distribute the new ASR to its current students and employees and provide evidence of that distribution to the Department.

However, as BCI ceased participation in the Title IV programs effective July 1, 2013, and voluntarily withdrew from accreditation effective April 1, 2014, no policy changes or enhancements to its ASR or its campus security operations will be required by the Department at this time. Notwithstanding this determination, BCI officials are reminded

that the exceptions identified in this finding constitute serious violations of the *Clery Act* that by their nature cannot be cured. As such, BCI is advised that these violations would have to be addressed to the Department's satisfaction before any future application for reinstatement could be considered for approval.

Finding 16. *Failure to Comply with Drug and Alcohol Abuse Prevention Program Requirements*

Citation Summary: *The Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations requires each participating institution of higher education (IHE) to certify that it has developed and implemented a drug and alcohol abuse education and prevention program. The program must be designed to prevent the unlawful possession, use, and distribution of drugs and alcohol on campus and at recognized events and activities.*

On an annual basis, the IHE must distribute written information about its drug and alcohol abuse prevention program (DAAPP) to all students, faculty, and staff. The distribution plan must make provisions for providing the material to students who enroll at a date after the initial distribution, and for employees who are hired at different times throughout the year. The information must include:

- *A written statement about its standards of conduct that prohibits the unlawful possession, use or distribution of illicit drugs and alcohol by students and employees;*
- *A written description of legal sanctions imposed under Federal, state and local laws for unlawful possession or distribution of illicit drugs and alcohol;*
- *A description of the health risks associated with the use of illicit drugs and alcohol abuse;*
- *A description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to students and employees; and,*
- *A statement that the IHE will impose disciplinary sanctions on students and employees for violations of the institution's codes of conduct and a description of such sanctions.*

In addition, each IHE must conduct a biennial review in order to measure the effectiveness of its drug prevention program, and to ensure consistent treatment in its enforcement of its disciplinary sanctions. The IHE must prepare a report of findings and maintain its biennial review report and supporting materials and make them available to the Department upon request. 34 C.F.R. §§ 86.3 and 86.100

Noncompliance Summary: *BCI violated multiple provisions of the DFSCA and the Department's Part 86 regulations. Specifically, the institution was unable to produce a*

copy of its DAAPP when the program review team requested it. During interviews conducted by the review team, BCI officials stated that no such program was currently in place and that the institution had never developed and implemented a DAAPP during its participation in the Title IV, HEA programs. BCI officials claimed that students who are determined to be under the influence of intoxicants are removed from class or the institution as appropriate; however, BCI does not have an official policy or protocol that governs such actions and no records of these disciplinary actions are maintained in the student's files nor are they included in the institution's crime statistics. BCI officials did not elaborate on the institution's policy regarding the treatment of employees determined to be in violation of Federal, state, or local drug and alcohol abuse laws while on duty.

As a consequence of the institution's failure to develop and implement a DAAPP, BCI also has failed to publish and distribute a DAAPP disclosure as required. The institution does not currently have a DAAPP disclosure or a formal policy in place to distribute it to all employees and students enrolled for academic credit. In fact, BCI officials conceded that the institution has never had such a policy dating back to its initial approval to participate in the Title IV, HEA programs.

Due to the fact that BCI does not have and has never had a DAAPP, BCI also has persistently failed to conduct a biennial review of the effectiveness of its DAAPP and of the consistency of sanctions imposed for violations of its disciplinary standards and codes of conduct. This violation also dates back to BCI's initial approval to participate in the Title IV, HEA programs.

Failure to comply with the DFSCA's DAAPP requirements deprives students and employees of important information regarding the educational, disciplinary, health, and legal consequences of illegal drug use and alcohol abuse. Failure to comply with the biennial review requirements also deprives the institution of important information about the effectiveness of its own drug and alcohol programs. Such failures may contribute to increased drug and alcohol abuse as well as an increase in drug and alcohol-related violent crime.

Required Action Summary: *BCI was required to take all necessary corrective actions to resolve these violations. At a minimum, BCI was required to do the following:*

- *Develop and implement a comprehensive DAAPP that includes all of the required elements found in the DFSCA and the Department's Part 86 regulations and publish a compliant DAAPP disclosure;*
- *Develop procedures for ensuring that the DAAPP disclosure is distributed to every student who is currently enrolled for academic credit and all employees (including part-time, intermittent, and as-needed personnel). When the new program materials are complete, BCI must submit a copy of its draft DAAPP and new distribution policy with its response to this program review report. Once the*

materials are approved by the Department, the institution will be required to distribute them in accordance with the Part 86 regulations, and provide documentation evidencing the distribution as well as a certification statement attesting to the fact that the materials were distributed in accordance with the DFSCA;

- *Conduct a biennial review to measure the effectiveness of its DAAPP. The institution must describe the research methods and data analysis tools that will be used to determine the effectiveness of the program and identify the responsible official(s) and office(s) that conducted the biennial review. Finally, BCI's biennial review report must be approved by the institution's chief executive and/or its Board. The biennial review must be completed by July 15, 2013 and the institution's report of findings must be submitted to the Department by July 31, 2013; and*
- *Establish policies and procedures to ensure that all subsequent biennial reviews are conducted in a timely manner and are fully documented and to take all other necessary action to ensure that this violation does not recur.*

As noted above, the exceptions identified in this finding constitute serious violations of the DFSCA that by their nature cannot be cured. BCI will be given an opportunity to develop and distribute an accurate and complete DAAPP disclosure and to finally bring its drug and alcohol programs into compliance with the DFSCA as required by its PPA. However, the institution is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures.

Based on an evaluation of all available information including BCI's response, the Department will determine if additional actions will be required and will advise the institution accordingly in the FPRD.

BCI's Response: BCI provided program reviewers information which relates to the dangers of drug abuse and as well as BCI's disciplinary sanctions for violations of the drug and alcohol statutes currently mandated by federal and state regulation; however, these facets of the DAAPP were the only components of this finding which were addressed. The institution maintains there is a zero tolerance policy related to the use of drugs and alcohol while students are at the institution.

Final Determination: BCI would have normally been required to develop and implement a substantive drug and alcohol abuse prevention program (DAAPP) that included all of the required elements set forth in the Drug-Free Schools and Communities Act (DFSCA) and the Department's Part 86 regulations. In addition, BCI would have been required to develop procedures for distributing the DAAPP disclosure to all current

students enrolled for academic credit and all current employees. Once the new program materials were complete, BCI would have been required to submit them to the Department for evaluation and approval and then distribute them in accordance with Part 86 regulations. Finally, BCI would have been required to conduct a biennial review to measure the effectiveness of its DAAPP and produce a detailed report of findings and recommendations for improvement.

However, as BCI ceased participation in the Title IV programs effective July 1, 2013, and voluntarily withdrew from accreditation effective April 1, 2014, no policy changes or enhancements to its drug and alcohol programs will be required by the Department at this time. Notwithstanding this determination, BCI officials are reminded that the exceptions identified in this finding constitute serious violations of the DFSCA that by their nature cannot be cured. As such, BCI is advised that these violations would have to be addressed to the Department's satisfaction before any future application for reinstatement could be considered for approval. There is no further action required at this time; however, if the institution were to ever apply for reinstatement, it would have to come into compliance with *Clery Act* and Part 86 provisions as a precondition of regaining eligibility.

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 BCI's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on June 11, 2013, is attached as Appendix C.

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. *Incorrect Federal Pell Grant Calculation*

Citation Summary: *An academic year for a program of study offered in credit hours must include:*

- *a minimum of 30 weeks of instructional time; and*
- *for an undergraduate educational program, an amount of instructional time whereby a full-time student is expected to complete at least 24 semester or trimester credit hours. 34 C.F.R. § 668.3*

An educational program that satisfies the requirements for proprietary institutions of higher education pursuant to 34 C.F.R. § 668.8 (d)(3)(i) thru (iv) qualifies as an eligible program only if the number of clock hours provided in the program does not exceed by more than 50 percent the minimum number of clock hours required for training in the recognized occupation for which the program prepares students, as established by the State in which the program is offered, if the State has established such a requirement, or as established by any Federal agency. 34 C.F.R. § 668.8(e)(1)(iii)

As of July 1, 2011, a program is considered to be a clock-hour program for purposes of the Title IV, HEA programs if a program is required to measure student progress in clock hours when:

- *Receiving Federal or State approval or licensure to offer the program; or*
- *Completing clock hours is a requirement for graduates to apply for licensure or the authorization to practice the occupation that the student is intending to pursue; or*
- *The credit hours awarded for the program are not in compliance with the definition of a credit hour in 34 C.F.R. §600.2; or*
- *The institution does not provide the clock hours that are the basis for the credit hours awarded for the program or each course in the program and, except as provided in 34 C.F.R. §668.4(e), requires attendance in the clock hours that are the basis for the credit hours awarded. 34 C.F.R. §668.8(k)(2)*

Noncompliance Summary: *As discussed in Finding 1, BCI awarded and disbursed Title IV, HEA funds in excess of the maximum program length as defined in 34 C.F.R. § 668.8(e)(1)(iii) and did not award or disburse Title IV, HEA funds based on rules established for programs eligible to award aid utilizing the clock-to-credit hour conversion rules, resulting in an over-award of Federal Pell Grant funds.*

Student #16 *serves as an example of a student awarded an incorrect amount of Federal Pell Grant funds. The student began attendance at BCI on March 10, 2010 and was eligible to receive Title IV, HEA funds for no more than the equivalent of 750 clock hours (25 credit hours). Based on an Expected Family Contribution (EFC) of 3175, the student was eligible for \$2,200.00 in Federal Pell Grant funds for the academic program. However, BCI awarded and disbursed \$3,950.00 in Federal Pell Grant funds—an over-award of \$1,750.00.*

*An additional example of a student incorrectly awarded Federal Pell Grant funds is ***Student #19.*** The student began attendance at BCI on August 30, 2010 and was eligible to receive Title IV, HEA funds for the equivalent of 900 clock hours (24 credit hours). Based on an EFC of 0, the student was eligible for \$5,550.00 in Federal Pell Grant funds for the academic program. However, BCI awarded and disbursed \$8,325.00 in Federal Pell Grant funds—an over-award of \$2,775.00.*

*A final example of a student awarded Federal Pell Grant funds incorrectly is **Student #26**. The student began attendance at BCI on September 14, 2009 and was eligible to receive Title IV, HEA funds for the equivalent of 750 clock hours (25 credit hours). Based on an EFC of 0, the student was eligible for \$5,350.00 in Federal Pell Grant funds for the academic program. However, BCI awarded and disbursed \$7,621.00 in Federal Pell Grant funds—an over-award of \$2,271.00.*

As discussed in Findings 1 and 2 above, as of July 1, 2011, to comply with 34 C.F.R. §668.8(k)(2), BCI was required to measure student progress in clock hours for Title IV, HEA purposes. BCI did not adequately structure its program or implement policies and procedures to ensure the institution correctly awarded and disbursed Title IV, HEA funds based on clock hour rules subsequent to July 1, 2011.

Required Action Summary: *In response to this report, BCI was required to identify each recipient of Federal Pell Grant funds for the 2010-2011, 2011-2012, and 2012-2013 (year to date) award years. BCI must prepare a spreadsheet listing all the students included in this file review and recalculate each student's Federal Pell Grant awards based on rules established for clock-hour programs which are allowed to convert the clock hours into the applicable number of credit hours. In cases where liabilities are identified as a result of the file review, BCI was required to list the liability amount. BCI must provide the following information in a spreadsheet format discussed in the PRR and provide this along with the required hard copy documentation requested.*

In addition, BCI was required to develop written policies and procedures for the administration of Federal Pell Grant funds based on clock hour rules and begin awarding and disbursing Federal Pell Grant funds based on applicable regulations immediately. A copy of these procedures must accompany BCI's response to this report.

BCI's Response: As required in the program review report, BCI provided a spreadsheet by program starting dates to detail all Pell Grant disbursements made by enrollment dates and award year, beginning with the November 14, 2009 starting class, which detailed enrolled students and the amount of Federal Pell Grant funds awarded.

In addition, BCI provided copies of its policies and procedures in relation to Federal Pell Grant calculation to program reviewers. In the policies, BCI describes its procedures in relation to determining Pell Grant eligibility as well as providing information regarding recordkeeping, award and disbursement procedures, and information regarding how revisions are managed when necessary.

Final Determination: The Department reviewed BCI's program review response and determined BCI failed to provide the required documentation to substantiate the Title IV, HEA funds provided. BCI provided a spreadsheet which indicated the students who received aid; however, no supporting documentation to indicate the student completed the requisite payment period was included as required in the PRR. BCI was granted two

extensions to provide its response to the Department; additionally, program reviewers corresponded with the institution subsequent to receiving the program review response to obtain the remaining items identified in the “required action” portion of the program review. Based on the final information submitted December 25, 2013, program reviewers accepted the final information from the institution and assumed this was all the information which could be provided to support any Title IV, HEA disbursements made.

To determine any outstanding liability, program reviewers examined the records obtained while on-site in January 2012 in conjunction with reviewing the spreadsheet provided by the institution. As BCI is considered a small institution, reviewers were able to copy documents for all students who attended or were in attendance as of the date of the program review. Based on these documents, reviewers were able to ascertain the amount of ineligible funds which were paid to students in excess of the eligible funds based on the length of the program offered by BCI. In all, 11 students were determined to have received more than one year of Federal Pell Grant funds; thus, these students were considered to be over-awarded.

Consequently, BCI is responsible to return **\$25,962.00** in Federal Pell Grant funds to the Department for the students referenced in Finding 3 as well as those discussed in Appendix B who received Title IV, HEA Pell Grant funds in excess of the amount allowed. Additionally, BCI is liable for the cost of funds associated with the improper use of Federal Pell Grant funds. The total cost of funds liability due to the Department as a result of the failure to return Pell Grant funds drawn improperly is **\$569.00** (\$568.58 in Federal Pell Grant interest, *rounded*). The interest charges were computed using the cost of funds for Federal Pell Grant Program published in the Federal Register by the Department of the Treasury, effective from the date of disbursement to the date of this determination. Detailed information about this cost of funds liability determination may be found in Appendix F.

BCI must notify all students in writing regarding payments made on their behalf. This notification must include the amount and the date of the payments.

Finding 4. *Incorrect Federal Direct Loan Calculation*

Citation Summary: *An academic year for a program of study offered in credit hours must include:*

- *a minimum of 30 weeks of instructional time; and*
- *for an undergraduate educational program, an amount of instructional time whereby a full-time student is expected to complete at least 24 semester or trimester credit hours. 34 C.F.R. § 668.3*

An educational program that satisfies the requirements for proprietary institutions of higher education pursuant to 34 C.F.R. § 668.8 (d)(3)(i) thru (iv) qualifies as an eligible

program only if the number of clock hours provided in the program does not exceed by more than 50 percent the minimum number of clock hours required for training in the recognized occupation for which the program prepares students, as established by the State in which the program is offered, if the State has established such a requirement, or as established by any Federal agency. 34 C.F.R. § 668.8(e)(1)(iii)

As of July 1, 2011, a program is considered to be a clock-hour program for purposes of the Title IV, HEA programs if a program is required to measure student progress in clock hours when:

- *Receiving Federal or State approval or licensure to offer the program; or*
- *Completing clock hours is a requirement for graduates to apply for licensure or the authorization to practice the occupation that the student is intending to pursue; or*
- *The credit hours awarded for the program are not in compliance with the definition of a credit hour in 34 C.F.R. §600.2; or*
- *The institution does not provide the clock hours that are the basis for the credit hours awarded for the program or each course in the program and, except as provided in 34 C.F.R. §668.4(e), requires attendance in the clock hours that are the basis for the credit hours awarded. 34 C.F.R. §668.8(k)(2)*

Noncompliance Summary: *As discussed in Finding 1, BCI awarded and disbursed Title IV, HEA funds in excess of the maximum program length as defined in 34 C.F.R. § 668.8(e)(1)(iii) and did not award or disburse Title IV, HEA funds based on rules established to award aid utilizing the clock-to-credit hour conversion rules, resulting in an over-award of Federal Direct Loan funds.*

Student #4 *serves as an example of a student awarded an incorrect amount of Federal Direct Loan funds. The student began attendance at BCI on August 30, 2010 and was eligible to receive Title IV, HEA funds for no more than the equivalent of 900 clock hours. The student was eligible for a Federal Direct Subsidized Loan of \$3,500.00, a Federal Direct Unsubsidized Loan of \$2,000.00, and a PLUS loan at BCI for the program.*

BCI awarded and disbursed \$5,938.00 in Federal Direct Subsidized Loan funds, \$3,083.00 in Federal Direct Unsubsidized Loan funds, and \$9,170.00 in PLUS loan funds to the student overall; thus, the student was over-awarded \$2,438.00 in Federal Direct Subsidized Loan funds and \$1,083.00 in Federal Direct Unsubsidized Loan funds for the program.

*An additional example of a student incorrectly awarded Federal Direct Loan funds is **Student #9**. The student began attendance at BCI on March 10, 2010 and was eligible to receive Title IV, HEA funds for the equivalent of 750 clock hours (25 credit hours). The*

student was eligible for a Federal Direct Subsidized Loan of \$3,500.00 and a Federal Direct Unsubsidized Loan of \$6,000.00 at BCI for the program.

BCI awarded and disbursed \$6,178.00 in Federal Direct Subsidized Loan funds and \$12,822.00 in Federal Direct Unsubsidized Loan funds to the student overall; thus, the student was over-awarded \$2,678.00 in Federal Direct Subsidized Loan funds and \$6,822.00 in Federal Direct Unsubsidized Loan funds for the program.

*A final example of a student incorrectly awarded Federal Direct Loan funds is **Student #23**. The student began attendance at BCI on July 20, 2009 and was eligible to receive Title IV, HEA funds for the equivalent of 750 clock hours (25 credit hours). The student was eligible for a Federal Direct Subsidized Loan of \$3,500.00 and a Federal Direct Unsubsidized Loan of \$6,000.00 at BCI for the program.*

BCI awarded and disbursed \$7,000.00 in Federal Direct Subsidized Loan funds and \$3,901.00 in Federal Direct Unsubsidized Loan funds to the student overall; thus, the student was over-awarded \$3,500.00 in Federal Direct Subsidized Loan funds for the program.

As discussed in Findings 1 and 2 above, as of July 1, 2011, to comply with 34 C.F.R. §668.8(k)(2), BCI was required to measure student progress in clock hours for Title IV, HEA purposes. BCI did not adequately structure its program or implement policies and procedures to ensure the institution correctly awarded and disbursed Title IV, HEA funds based on clock hour rules subsequent to July 1, 2011.

Required Action Summary: *In response to this report, BCI was required to identify each recipient of Federal Direct Loan funds for the 2010-2011, 2011-2012, and 2012-2013 (year to date) award years. BCI was required to prepare a spreadsheet listing all of the students included in this file review and recalculate each student's Federal Direct Loan awards based on rules established for clock-hour programs. In cases where liabilities were identified as a result of the file review, BCI was required to list the liability amount and provide the requested information in spreadsheet format as discussed in the program review report along with the required hard copy documentation*

In addition, BCI was required to develop written policies and procedures for the administration of Federal Direct Loan funds based on clock hour rules and begin awarding and disbursing Federal Direct Loan funds based on applicable regulations immediately and provide a copy of these procedures with its response to this report.

BCI's Response: *As required in the program review report, BCI provided a spreadsheet by program starting dates to detail all Direct Loan disbursements made by enrollment dates and award year, beginning with the November 14, 2009 starting class, which detailed enrolled students and the amount of Direct Loan funds awarded.*

BCI provided copies of its policies and procedures in relation to Direct Loan fund calculations to program reviewers. In the policies, BCI describes its procedures in relation to determining Direct Loan fund eligibility as well as providing information regarding recordkeeping, award and disbursement procedures, and information regarding how revisions are managed when necessary.

Final Determination: The Department reviewed BCI's program review response and determined BCI failed to provide all required documentation to substantiate the Title IV, HEA funds provided. BCI provided a spreadsheet which indicated the students who received aid; however, no supporting documentation to indicate the student completed the requisite payment period was included as required in the PRR. BCI was granted two extensions to provide its response to the Department; additionally, program reviewers corresponded with the institution subsequent to receiving the program review response to obtain the remaining items identified in the "required action" portion of the program review. Based on the final information submitted December 25, 2013, program reviewers accepted the final information from the institution and assumed this was all the information which could be provided to support any Title IV, HEA disbursements made.

To determine any outstanding liability, program reviewers examined the records obtained while on-site in January 2012 in conjunction with reviewing the spreadsheet provided by the institution. As BCI is considered a small institution, reviewers were able to copy documents for all students who attended or were in attendance as of the date of the program review. Using these documents, reviewers were able to ascertain the amount of funds paid to students in excess of the one year of loan funds allowed to be disbursed by BCI. In all, 13 students were determined to have received more than year of Direct Loan funds; thus, these students were considered to be over-awarded.

Consequently, BCI improperly awarded and disbursed **\$62,550.00** in Direct Loan funds to students during the 2009-2010, 2010-2011 and 2011-2012 award years. The estimated actual loss to the Department that has resulted or will result from those ineligible loans is based on the most recent sector default rate available for institutions such as BCI. As a result, the estimated actual loss that BCI must pay to the Department for these ineligible loans is **\$2,393.00** (\$2,393.22, rounded). A copy of this calculation is included as Appendix E.

Finding 5. Verification Not Documented/Incomplete

Citation Summary: *The purpose of verification is to ensure accuracy in determining a student's eligibility for Title IV, HEA program funds. If a student is selected for verification, an institution is responsible for confirming information reported on the student's application for Federal student aid, as well as resolving any conflicting information that presents itself regarding the application. The five required data elements that must be verified are: (1) household size; (2) number enrolled in college; (3)*

*adjusted gross income (AGI); (4) U.S. income tax paid; and (5) other untaxed income and benefits. Supporting documentation collected from the student or parents is compared to the information that was reported on the student's **Institutional Student Information Report (ISIR)**. An institution must retain in the student's file any verification documentation it collects to serve as evidence that it completed the verification process. 34 C.F.R. §§ 668.16(f), 668.24(c)(1)(i), and 668.56; 2011-2012 Application and Verification Guide.*

Noncompliance Summary: *In seven instances, BCI failed to complete the requirements of the Department's verification process.*

Student #6: *The student was selected for verification by the Central Processing System (CPS) and was disbursed Federal Direct Subsidized Loan funds based on completed verification of Transaction 03 (0 EFC) of the 2010-2011 ISIR (the student was paid Federal Pell Grant from the 2009-2010 ISIR). The student's household size, number in college, Adjusted Gross Income (AGI), and taxes paid were properly verified, however, BCI failed to collect a signed copy of the student's tax return, which is required to complete the verification process. This student is also cited in Finding 6.*

Student #16: *The student was selected for verification by CPS and was disbursed Federal Pell Grant and Federal Direct Subsidized Loan funds based on completed verification of Transaction 02 (2095 EFC) of the 2010-2011 ISIR. The student's number in college, AGI, and taxes paid were properly verified; however, the student listed one individual as living in the household on the Institutional Verification Form (IVF) while indicating two individuals as living in the student's household on the ISIR. As conflicting information does affect the EFC, BCI is required to obtain clarification on any outstanding discrepancies prior to processing Title IV, HEA funds. This student is also cited in Finding 3.*

Student #17: *The student was selected for verification by BCI and was disbursed Federal Direct Subsidized Loan funds based on completed verification of Transaction 03 (0 EFC) of the 2010-2011 ISIR. The student's household size, number in college, and AGI were properly verified; however, BCI failed to collect a complete signed copy of the student's tax return, only collecting the front page with the AGI without collecting the second page which includes the tax paid amount in addition to any potential offset credits, including Education Credit and taxpayer signature. As the signature on the tax form is a required part of the verification process, BCI was obligated to obtain this page, even though the institution, rather than CPS, selected the student to be verified.*

Student #18: *The student was selected for verification by CPS and was disbursed Federal Pell Grant and Federal Direct Subsidized Loan funds based on completed verification of Transaction 01 (736 EFC) of the 2010-2011 ISIR. The student's household size, number in college, AGI, and taxes paid were properly verified; however, BCI failed to collect a signed copy of the student's tax return, which is required to*

complete the verification process. This student was also selected for verification by CPS and disbursed Federal Pell Grant funds based on completed verification of Transaction 02 (992 EFC) of the 2011-2012 ISIR. The AGI and taxes paid were properly verified; however, BCI failed to verify the number in household, number in college, and to ensure the inclusion of the Making Work Pay Credit on the ISIR. As all the elements which were omitted from the verification review are required to ensure proper verification, BCI is required to clarify any conflicting information prior to processing Title IV, IIEA funds.

Student #35: *The student was selected for verification by BCI and was disbursed Federal Direct Subsidized Loan funds based on completed verification of Transaction 04 (14463 EFC) of the 2011-2012 ISIR. The student's household size, number in college, AGI, and taxes paid were properly verified; however, BCI failed to verify the Making Work Pay Credit and ensure the appropriate inclusion on the ISIR.*

Student #37: *The student was selected for verification by CPS and was disbursed Federal Pell Grant and Federal Direct Subsidized Loan funds based on completed verification of Transaction 02 (0 EFC) of the 2011-2012 ISIR. The student's household size, number in college, AGI, and taxes paid were properly verified; however, BCI failed to verify the Making Work Pay Credit and ensure the appropriate inclusion on the ISIR.*

Student #38: *The student was selected for verification by CPS and was disbursed Federal Pell Grant and Federal Direct Subsidized Loan based on completed verification of Transaction 01 (3498 EFC) of the 2011-2012 ISIR. The student's household size, AGI, and taxes paid were properly verified; however, BCI failed to ensure the tax documents for the student as well as the parent were appropriately signed. In addition, BCI did not properly verify the number of students attending college in the household. The student initially indicated there would be two family members in college; however, the student was including the parent in the college attendees. Parents are not considered as students for FAFSA purposes for dependent students. In addition, BCI did not verify the Education Credit and the Making Work Pay Credits claimed on lines 49 and 63 respectively on the 1040 tax return.*

Required Action Summary: *In response to this report, BCI was required to resolve the verification deficiencies for the above-referenced students, obtaining the documentation necessary to complete the process. If the resolution of the issue involves changes to the student's income, or the addition of parental income not previously reported, BCI must attempt to collect the required tax returns or other income-related information and recalculate the student's Title IV, IIEA eligibility accordingly. If BCI is unable to properly complete the verification process for any or all of the students, the institution may be held liable for all Title IV, IIEA funds disbursed to those students in the relevant award years.*

In addition, BCI was required to review the student files of all Title IV, HFA recipients in the 2010-2011, 2011-2012, and 2012-2013 (year to date) award years. For any student

who was selected for verification, BCI was required to provide the information requested in spreadsheet format, along with the required hard copy documentation listed in the program review report.

Additionally, BCI was required to review and revise its policies and procedures in relation to the verification process and provide copies to the Department as part of its response to this report.

BCI's Response: BCI provided copies of its policies and procedures in relation to the verification process to program reviewers. In the policies, BCI describes the verification process as a whole, the institution's option to select students based on information which could be considered discrepant, and any exclusion to the verification process based on Department guidance issued in the FSA Handbook.

As required in the program review report, BCI provided a spreadsheet by program starting dates to detail students selected for verification by enrollment dates and award year, beginning with the November 14, 2009 starting class.

Final Determination: The Department reviewed BCI's program review response and determined BCI failed to provide all required documentation to substantiate the Title IV, HEA funds provided to students. BCI provided a spreadsheet which indicated the students who received aid; however, no supporting documentation to indicate verification was completed accurately was included as required in the PRR. BCI was granted two extensions to provide its response to the Department; additionally, program reviewers corresponded with the institution subsequent to receiving the program review response to obtain the remaining items identified in the "required action" portion of the program review. Based on the final information submitted December 25, 2013, program reviewers accepted the final information from the institution and assumed this was all the information which could be provided to support any Title IV, HEA disbursements made.

To determine any outstanding liability, program reviewers examined the records obtained while on-site in January 2012 in conjunction with the spreadsheet provided by BCI which indicated the students who were selected for verification. As BCI is considered a small institution, reviewers were able to copy documents for all students who attended or were in attendance as of the date of the program review. Based on these documents, reviewers were able to ascertain the amount of ineligible funds which were paid to students whose verification process was not completed as required by regulation. In instances where documents were available but incorrect information was used, program reviewers performed hand EFC calculations to determine how much in Title IV, HEA funds were paid improperly. In instances where BCI failed to obtain all required documentation or where documentation was unsigned, program reviewers assessed full liability based on the funds disbursed.

Overall, BCI is responsible to return **\$27,198.00** in Federal Pell Grant funds to the Department for the students above, as well as detailed in Appendix B who received Title IV, HEA funds without verification being completed accurately. Additionally, BCI is liable for the cost of funds associated with the improper use of Federal Pell Grant funds. The total cost of funds liability due to the Department as a result of the failure to return Pell Grant funds drawn improperly is **\$826.00** (\$826.13 in Federal Pell Grant interest, *rounded*). The interest charges were computed using the cost of funds for Federal Pell Grant Program published in the Federal Register by the Department of the Treasury, effective from the date of disbursement to the date of this determination. Detailed information about this cost of funds liability determination may be found in Appendix F.

Additionally, BCI improperly awarded and disbursed **\$73,928.00** in Direct Loan funds to students during the 2009-2010, 2010-2011, and 2011-2012 award years. The estimated actual loss to the Department that has resulted or will result from those ineligible loans is based on the most recent sector default rate available for institutions such as BCI. As a result, the estimated actual loss that BCI must pay to the Department for these ineligible loans is **\$2,625.00** (\$2,625.14, *rounded*). A copy of this calculation is included as Appendix E.

BCI must notify all students in writing regarding payments made on their behalf. This notification must include the amount and the date of the payments.

D. Summary of Liabilities

The total amount calculated as liabilities from the findings in the program review determination is as follows. The payment instructions in Section E reflect unduplicated liabilities.

Liabilities	Pell (Closed Award Year)	EALF DL	
Finding 3	\$25,962.00		
Finding 4		\$2,393.00	
Finding 5	\$27,198.00	\$2,625.00	
Subtotal	\$53,160.00	\$5,018.00	
Interest/SA	\$1,395.00		
ACA			
Subtotal	\$1,395.00		
TOTAL	\$54,555.00	\$5,018.00	
Payable To:			Totals
Department	\$54,555.00	\$5,018.00	\$59,573.00

Estimated Actual Loss (EAL):

In lieu of requiring the institution to assume the risk of default by purchasing the ineligible loan from the holder, the Department has asserted a liability not for the loan amount, but rather for the estimated actual or potential loss that the government may incur with respect to the ineligible loan or loan amount. The estimated actual loss to the Department that has resulted or will result from those ineligible loans is based on BCI's most recent cohort default rate available.

The total amount of Direct Loan that **BCI** improperly disbursed during the **2009-2010, 2010-2011, and 2011-2012** award years for Findings 4 and 5 are \$136,478.00. The total estimated actual loss that BCI must pay to the Department for the ineligible loans is **\$5,018.00**. Copies of the results of those calculations are included in Appendix E.

E. Payment Instructions

1. Liabilities Owed to the Department

BCI owes to the Department **\$59,573.00**. 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. Instead, the school must first make any required adjustments in COD as required by the applicable finding(s) and Section II – Instructions by Title IV, HEA Program (below), remit payment, and upon receipt of payment the Department will apply the funds to the appropriate G5 award (if necessary).

The following identification data must be provided with the payment:

Amount: **\$59,573.00**
DUNS: 064869600
TIN: 421509364
Program Review Control Number: **201220727767**

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. BCI 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 ask to speak to BCI'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, BCI 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 BCI from the Federal Government. **BCI may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt, BCI 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.

Direct Loan Estimated Actual Loss

Findings: 4 and 5

Appendix: A, B, and E

DL Estimated Actual Loss	
Amount	Award Year
\$ 483.00	2009-2010
\$1,837.00	2010-2011
\$2,698.00	2011-2012
Total	
\$5,018.00	

BCI must pay the amount reflected above in Direct Loan estimated loss liabilities for the award years reflected above. The liabilities will be applied to the general Direct Loan fund. This amount is also reflected in the total amount owed to the Department in Section 1 above.

4. Liabilities Owed to the Department in the case of Title IV Grants

Pell Grant – Closed Award Year

Findings: 3 and 5

Appendices: A, B, and F

BCI must repay:

Pell Grant Funds—Closed Award Year (Rounded by Year)			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
\$ 10,702.00	\$ 483.00	Federal Pell Grant Program	2009-2010
\$29,620.00	\$697.00	Federal Pell Grant Program	2010-2011
\$12,838.00	\$215.00	Federal Pell Grant Program	2011-2012
Total Principal	Total Interest		
\$53,160.00	\$1,395.00		

The disbursement record for each student identified in the appendices to the applicable findings must be adjusted in the Common Origination and Disbursement (COD) system based on the recalculated amount identified in the appendices.

Adjustments in COD must be completed prior to remitting payment to the Department. Payment cannot be accepted via G5. Once the Department receives payment via check, the Department will apply the principal payment to the applicable G5 award. The interest will be applied to the general program account.

A copy of the adjustment to each student’s COD record must be sent to Kathy Feith **within 45 days of the date of this letter.**

Prepared for
Bio-Chi Institute of Massage Therapy

Federal Student Aid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

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OPE ID 04089300
PRCN 201220727767

Prepared by
U.S. Department of Education
Federal Student Aid
School Participation Division-Kansas City

Program Review Report

June 11, 2013

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A. Institutional Information

Bio-Chi Institute of Massage Therapy
1925 Geneva Street
Sioux City, IA 511003

Type: Proprietary

Highest Level of Offering: Non-Degree, One Year

Accrediting Agency: Accrediting Commission of Career Schools and Colleges (ACCSC)

Current Student Enrollment: 19 (2011-2012)

% of Students Receiving Title IV: 60% (2011-2012)

Title IV Participation (G5)

	<u>2011-2012</u>
Federal Pell Grant	\$ 59,093.00
William D. Ford Federal Direct Loan Subsidized	\$ 46,673.00
William D. Ford Federal Direct Loan Unsubsidized	\$ 57,331.00
William D. Ford Federal Direct Loan PLUS	\$ 1,000.00
Total	\$164,097.00

Default Rate FFEL/DL.:	2010	12.5 %
	2009	11.7 %
	2008	25.0 %

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Bio-Chi Institute of Massage Therapy (BCI) from January 9, 2012 to January 13, 2012. The review was conducted by Ms. Rhonda Puffer and Ms. Kathy Feith.

The focus of the review was to determine BCI's compliance with the statutes and federal regulations concerning BCI's administration of Title IV, HEA programs. The review consisted of, but was not limited to, an examination of BCI'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 2010-2011 and 2011-2012 (year to date) award years. The files were selected randomly from a statistical sample of the total population enrolled who received Title IV, HEA funds for that award year. The samples were drawn from BCI's Title IV, HEA aid recipient list submitted in response to the December 14, 2011 notice of visit letter sent by the Department. Appendix A lists the names and last four digits of Social Security numbers of the students whose files were examined during the program review.

Additionally, 5 students from the 2010-2011 and 3 students from 2011-2012 award years were judgmentally selected to examine BCI's policy for documenting actual attendance, unofficial withdrawal, and Return of Title IV, HEA funds.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning BCI'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 BCI 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 (FPRD) letter.

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 BCI to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1. Incorrect Determination of Academic Calendar

Citation: An educational program that satisfies the requirements for proprietary institutions of higher education pursuant to 34 C.F.R. § 668.8 (d)(3)(i) thru (iv) qualifies as an eligible program only if the number of clock hours provided in the program does not exceed by more than 50 percent the minimum number of clock hours required for training in the recognized occupation for which the program prepares students, as established by the State in which the program is offered, if the State has established such a requirement, or as established by any Federal agency. 34 C.F.R. § 668.8(e)(1)(iii)

As of July 1, 2011, a program is considered to be a clock-hour program for purposes of the Title IV, HEA programs if, a program is required to measure student progress in clock hours when:

- Receiving Federal or State approval or licensure to offer the program; or
- Completing clock hours is a requirement for graduates to apply for licensure or the authorization to practice the occupation that the student is intending to pursue; or
- The credit hours awarded for the program are not in compliance with the definition of a credit hour in 34 C.F.R § 600.2; or
- The institution does not provide the clock hours that are the basis for the credit hours awarded for the program or each course in the program and, except as provided in 34 C.F.R. § 668.4(e), requires attendance in the clock hours that are the basis for the credit hours awarded. 34 C.F.R. § 668.8(k)(2)

Iowa statutes require the Iowa Board of Public Health to establish rules pursuant to Chapter 17A establishing a procedure for licensing of massage therapist. As of July 1, 2011, licensure requirements shall include completion of a curriculum of massage education at a school approved by the board which requires for admission a diploma from an accredited high school or the equivalent and requires completion of at least 600 clock hours of supervised academic instruction. Prior to July 1, 2011, licensure requirements required completion of at least 500 clock hours of supervised academic instruction. Iowa Code of Regulations 152.C.3.1.a.

For Title IV, HEA purposes, the definition of a clock hour is defined as a period of time consisting of—

- A 50 to 60-minute class, lecture, or recitation in a 60-minute period; or
- A 50 to 60-minute faculty-supervised laboratory, shop training, or internship in a 60-minute period; or
- Sixty minutes of preparation in a correspondence course. 34 C.F.R § 600.2

An academic year for a program of study offered in clock hours must include—

- A minimum of 26 weeks of instructional time; and
- For an undergraduate educational program, an amount of instructional time whereby a full-time student is expected to complete at least 900 clock hours. 34 C.F.R § 668.3(a)

Noncompliance: BCI's campus is located in Sioux City, Iowa. As stated above, the Iowa Code of Regulations required a minimum of 500 clock hours (or the equivalent) of supervised instruction at an approved school to apply for licensure as a massage therapist prior to July 1, 2011 and a minimum of 600 clock hours (or the equivalent) of supervised instruction subsequent to July 1, 2011.

Based on these requirements, the maximum length of a massage therapy program in the State of Iowa prior to July 1, 2011 was no more than 750 clock hours (500 * 150%). Subsequent to July 1, 2011, the maximum length of a massage therapy program is limited to no more than 900 clock hours (600 * 150%). BCI awarded and disbursed Title IV, HEA funds for students enrolled in massage therapy programs in excess of the maximum program length as defined in 34 C.F.R. § 668.8(e)(1)(iii).

In addition, as of July 1, 2011, to comply with 34 C.F.R § 668.8 (k)(2), BCI was required to measure student progress in clock hours for Title IV, HEA purposes. The fact that the Iowa Board of Public Health or ACCSC allow BCI to convert clock hours to credit hours for academic purposes has no bearing on the requirements to award and disburse Title IV, HEA funds based on clock hours for institutions who are required to measure student progress in clock hours pursuant to 34 C.F.R. § 668.8(k)(2)(i)(A). BCI did not update its academic calendar as required for the administration of Title IV, HEA programs for an institution required to define its programs in clock hours by applicable State statutes. As a result, BCI did not adequately structure its program to ensure the institution correctly awarded and disbursed Title IV, HEA funds subsequent to July 1, 2011.

To correctly award and disburse Title IV, HEA funds based on clock hour rules, an institution must have a mechanism for tracking the number of clock hours a student successfully completes. A student cannot progress to a subsequent payment period until the student successfully completes one-half of the clock hours and one-half of the weeks in an academic year. At the time of the on-site program review, BCI did not have a mechanism in place to track or measure the amount of time students were engaged in academically related activity as required for clock hour programs or to ensure the academic equivalent in semester hours was completed.

Required Action: BCI must revise the institution's academic calendar on file with the Department. The change must be submitted using the Department's electronic application located on the Application for Approval to Participate in the Federal Student Financial Aid Programs website at www.eligcert.ed.gov. Specifically, BCI must remove the number of credit hours reported in question 27 of the application and update the number of clock hours in the program to no more than 900 clock hours, removing the semester hour component altogether. An acknowledgment that the change has been submitted must accompany BCI's response to this report.

Additionally, as BCI is limited to only disbursing Title IV, HEA funds for a 900 clock hour program, the institution must revise its enrollment agreements with each student to reflect the 900 hour program. Any student who chooses to attend the enhanced program (1250 hours) must complete an additional enrollment agreement for the additional hours; the agreement must reflect the 350 remaining hours are not eligible for Title IV, HEA funds. BCI must provide a copy of the revised agreements with its response to this program review report. BCI must also provide assurances to the Department that 100% of all current students have completed the revised agreements. This documentation must be submitted to Kathy Feith within 30 days of receipt of this report. Upon acceptance by the Department, this documentation will be used to complete the required file reviews in Findings 3 and 4.

Finding 2. Failure to Provide Attendance Records to Substantiate Completion of Program

Citation: As demonstration an institution is administratively capable, it must maintain, in addition to program and fiscal records, records that substantiate the eligibility of its students Title IV, HEA funds. 34 C.F.R. § 668.24

Additionally, in order to participate in any Title IV, HEA program, an institution must establish procedures and maintain records necessary to ensure proper administration of Title IV, HEA funds including the state agency that legally authorizes the institution to provide postsecondary education. 34 C.F.R. § 668.14

Pursuant to the administrative rules for the Iowa Code of Regulations (645-132.6(152C)) governing massage therapy programs, records documenting each student's completion of the curriculum shall be maintained for two years following the student's graduation date.

An approved curriculum shall include but not be limited to the following content areas:

- 1) Fundamentals of massage therapy;
- 2) Clinical application of massage and bodywork therapies;
- 3) Client communication theory and practice;
- 4) Health care referral theory and practice;
- 5) Anatomy and physiology;

- 6) Kinesiology;
- 7) Pathology and skills in infection control, injury prevention, and sanitation;
- 8) Iowa law and ethics;
- 9) Business management, including legal and financial aspects, documentation, and record maintenance; and
- 10) Wellness and healthy lifestyle theory and practice in such areas as hydrotherapy, hot and cold applications, spa techniques, nutrition, herbal studies, wellness models, somatic movement, and energy work. 645 -132.3(152C).

The school must provide clinical practicum hours at the school's primary location or an event sponsored by the school. At all times when the student delivers physical contact with the public or other students, a clinical instructor/supervisor who is an Iowa-licensed massage therapist shall be personally in attendance.

Students shall complete at least 200 hours of coursework in the content areas of fundamentals of massage therapy and assessment that includes indications and contraindications for treatment prior to providing services to the public and beginning the clinical practicum. Included in these 200 hours will be a minimum of 100 hours in anatomy and physiology, which shall include the structure and function of the human body and common pathologies. 645—132.1 thru .4(152C)

In October 2010, the Department issued regulations that modified the definition of institutions required to take attendance. The Department now considers that an institution is required to take attendance not only when an institution is required to take attendance by an outside entity (such as the institution's accrediting agency or a state agency) that has a requirement that the institution take attendance, but also when:

- the institution itself has a requirement that its instructors take attendance or
- the institution or an outside entity has a requirement that can only be met by taking attendance or a comparable process, including but not limited to requiring that students in a program demonstrate attendance in the classes of that program or a portion of that program. *2011-2012 Federal Student Aid Handbook*

For institutions that are required to measure the clock hours a student completes in a program, the Department believes that this is, in substance, a requirement for those institutions to take attendance for those programs since they satisfy both the requirement of determining that a student is present and that the student is participating in a core academic activity. *2011-2012 Federal Student Aid Handbook*

Noncompliance: Although BCI's refund policy as described in student enrollment contracts indicates the institution maintains detailed attendance records, BCI was unable to produce these attendance records during the on-site program review. BCI indicated that instructors are allowed to establish and maintain attendance policies for individual

courses of study. When speaking with ACCSC personnel on January 9, 2012, ACCSC staff indicated that while BCI was allowed to establish its own attendance policy, students are expected to complete the number of hours in the program.

Massage therapy curriculum is very specific based on requirements needed to fulfill individual State and national standards. To ensure students are prepared for the discipline, institutions are required to have a specific number of contact hours for each component of the curriculum. In addition to certifying program completion with the Iowa Board of Public Health, BCI also certified hours of completion for students seeking licensure in the states of Nebraska and South Dakota. The table below reflects the number of hours required for State licensure by curriculum component and the number of clock hours BCI submitted to the State of South Dakota as completed by the student.

Student #	Hours Required by State for Licensure	Required Coursework	Hours Certified as Completed by BCI
2	125 minimum hours required	Human Anatomy, Physiology, and Kinesiology	230 hours completed
	40 minimum hours required	Clinical Pathology and recognition of various conditions	100 hours completed
	200 minimum hours required	Massage/Bodywork Theory	530 hours completed
	125 minimum hours required	Adjunct techniques & methods that theoretically complete a massage program	270 hours completed
	10 minimum hours total (to include 6 clock hours of ethics)	Business Practices and Professionalism	45 hours completed in total; 15 hours of ethics completed
16	125 minimum hours required	Human Anatomy, Physiology, and Kinesiology	135 hours completed
	40 minimum hours required	Clinical Pathology and recognition of various conditions	105 hours completed
	200 minimum hours required	Massage/Bodywork Theory	265 hours completed
	125 minimum hours required	Adjunct techniques & methods that theoretically complete a massage program	290 hours completed
	10 minimum hours total (to include 6 clock hours of ethics)	Business Practices and Professionalism	30 hours completed in total; 15 hours of ethics completed
25	125 minimum hours required	Human Anatomy, Physiology, and Kinesiology	230 hours completed
	40 minimum hours required	Clinical Pathology and recognition of various conditions	100 hours completed
	200 minimum hours required	Massage/Bodywork Theory	530 hours completed
	125 minimum hours required	Adjunct techniques & methods that theoretically complete a	200 hours completed

	10 minimum hours total including six clock hours of ethics)	massage program Business Practices and Professionalism	45 hours completed in total; 15 hours of ethics completed
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Program reviewers spoke with Nebraska Department of Health and Human Services Licensure personnel to determine the requirements for students who are seeking to be licensed in Nebraska. License specialists indicated students who are seeking to obtain licensure from Nebraska must demonstrate they have completed 1,000 clock hours; to assert this, BCI provides copies of student transcripts to the Nebraska licensing board which show students have completed the requisite coursework; however, as BCI does not maintain attendance documentation there is no definitive way to ensure students completed the mandated hours prescribed.

Program reviewers examined Iowa Department of Public Health Professional Licensure Statutes to determine the required coursework. A review of 645-1305.(152C), indicates curriculum can be approved if the institution can demonstrate it requires the completion of at least 500 hours of instructor-supervised, in-classroom academic instruction. The curriculum must include 100 hours of anatomy and physiology and 400 hours of other subjects relating directly to the development of skills, knowledge and attitudes necessary to render competent professional massage therapy to the public including basic first aid and cardiopulmonary resuscitation (CPR). It should be noted Iowa adjusted its required massage therapy hours to 600 hours effective July 1, 2011.

A review of the application completed by students who are seeking licensure in Iowa reflects a portion which is to be completed by the academic institution. The school is required to provide the documents as well as certify via signature the following statements:

1. The school has at least 600 hours of instructor-supervised, in-classroom academic instruction;
2. Student clinic hours-supervised at school site do not exceed 100 hours (120 hours for a 600 hour program) for a 500 hour program;
3. The total program hours and total clinical hours;
4. Students are required to complete at least 200 hours of coursework in the content areas of fundamentals of massage therapy and assessment that includes indications and contraindications for treatment prior to providing services to the public and beginning the clinical practicum. Included in this 200 hours is a minimum 100 hours in anatomy and physiology, which shall include the structure and function of the human body and common pathologies.

An additional review of the student application requires, in question 37, a school to document by course the name and number of hours of each course, the curriculum area of course. The school not only documents this for each student but also to obtain curriculum approval for the institution as a whole. A review of the Curriculum Approval

Application for the Iowa Board of Public Health reflects schools are required to affirm and attest the following:

1. The school has at least 600 hours of instructor-supervised, in-classroom academic instruction;
2. Student clinic hours supervised at school site do not exceed 120 hours for a 600 hour program;
3. Students are required to complete at least 200 hours of coursework in the content areas of fundamentals of massage therapy and assessment that includes indications and contraindications for treatment prior to providing services to the public and beginning the clinical practicum. Included in this 200 hours is a minimum of 100 hours in anatomy and physiology, which shall include the structure and function of the human body and common pathologies.

Following a review of student files and the institution's coursework, program reviewers determined that BCI does not have a mechanism in place to track or measure the amount of time students are engaged in academically related activity as required for clock hour programs or to support the hours BCI certified as completed with the applicable agencies in Iowa, Nebraska, and South Dakota.

Additionally, in discussions with BCI owners, program reviewers were informed students who could demonstrate a mastery of the curriculum were allowed to miss scheduled coursework and were not required to make up the hours missed.

Required Action: With its response to this report, BCI must provide an explanation regarding how the institution determined the number of hours it certified for completion for the students identified above and provide supporting documentation to validate the hours submitted. The institution must also develop and submit procedures that outline how the institution will track and monitor student attendance in compliance with applicable regulations

Finding 3. Incorrect Federal Pell Grant Calculation

Citation: An academic year for a program of study offered in credit hours must include:

- a minimum of 30 weeks of instructional time; and
- for an undergraduate educational program, an amount of instructional time whereby a full-time student is expected to complete at least 24 semester or trimester credit hours.

34 C.F.R § 668.3

An educational program that satisfies the requirements for proprietary institutions of higher education pursuant to 34 C.F.R. § 668.8 (d)(3)(i) thru (iv) qualifies as an eligible

program only if the number of clock hours provided in the program does not exceed by more than 50 percent the minimum number of clock hours required for training in the recognized occupation for which the program prepares students, as established by the State in which the program is offered, if the State has established such a requirement, or as established by any Federal agency. 34 C.F.R. § 668.8(e)(1)(iii)

As of July 1, 2011, a program is considered to be a clock-hour program for purposes of the Title IV, HEA programs if a program is required to measure student progress in clock hours when:

- Receiving Federal or State approval or licensure to offer the program; or
- Completing clock hours is a requirement for graduates to apply for licensure or the authorization to practice the occupation that the student is intending to pursue; or
- The credit hours awarded for the program are not in compliance with the definition of a credit hour in 34 C.F.R. §600.2; or
- The institution does not provide the clock hours that are the basis for the credit hours awarded for the program or each course in the program and, except as provided in 34 C.F.R. §668.4(e), requires attendance in the clock hours that are the basis for the credit hours awarded. 34 C.F.R. §668.8(k)(2)

Noncompliance: As discussed in Finding 1 above, BCI awarded and disbursed Title IV, HEA funds in excess of the maximum program length as defined in 34 C.F.R. § 668.8(c)(1)(iii) and did not award or disburse Title IV, HEA funds based on rules established for programs eligible to award aid utilizing the clock-to-credit hour conversion rules, resulting in an over-award of Federal Pell Grant funds.

Student #16 serves as an example of a student awarded an incorrect amount of Federal Pell Grant funds. The student began attendance at BCI on March 10, 2010 and was eligible to receive Title IV, HEA funds for no more than the equivalent of 750 clock hours (25 credit hours). Based on an Expected Family Contribution (EFC) of 3175, the student was eligible for \$2,200.00 in Federal Pell Grant funds for the academic program. However, BCI awarded and disbursed \$3,950.00 in Federal Pell Grant funds—an over-award of \$1,750.00.

An additional example of a student incorrectly awarded Federal Pell Grant funds is **Student #19**. The student began attendance at BCI on August 30, 2010 and was eligible to receive Title IV, HEA funds for the equivalent of 900 clock hours (24 credit hours). Based on an EFC of 0, the student was eligible for \$5,550.00 in Federal Pell Grant funds for the academic program. However, BCI awarded and disbursed \$8,325.00 in Federal Pell Grant funds—an over-award of \$2,775.00.

A final example of a student awarded Federal Pell Grant funds incorrectly is **Student #26**. The student began attendance at BCI on September 14, 2009 and was eligible to receive

Title IV, HEA funds for the equivalent of 750 clock hours (25 credit hours). Based on an EFC of 0, the student was eligible for \$5,350.00 in Federal Pell Grant funds for the academic program. However, BCI awarded and disbursed \$7,621.00 in Federal Pell Grant funds - an over-award of \$2,271.00.

As discussed in Findings 1 and 2 above, as of July 1, 2011, to comply with 34 C.F.R. §668.8(k)(2), BCI was required to measure student progress in clock hours for Title IV, HEA purposes. BCI did not adequately structure its program or implement policies and procedures to ensure the institution correctly awarded and disbursed Title IV, HEA funds based on clock hour rules subsequent to July 1, 2011.

Required Action: In response to this report, BCI must identify each recipient of Federal Pell Grant funds for the 2010-2011, 2011-2012, and 2012-2013 (year to date) award years. BCI must prepare a spreadsheet listing all the students included in this file review and recalculate each student's Federal Pell Grant awards based on rules established for clock-hour programs which are allowed to convert the clock hours into the applicable number of credit hours. In cases where liabilities are identified as a result of the file review, BCI must list the liability amount. BCI must provide the following information in a spreadsheet format, along with the required hard copy documentation listed below:

- (1) Award year;
- (2) Student's first and last name;
- (3) Social Security number (last four digits only);
- (4) Dates of enrollment in the Massage Therapy Program;
- (5) Actual Amount of Federal Pell Grant funds disbursed for the program;
- (6) Date of Federal Pell Grant disbursements;
- (7) Amount of Federal Pell Grant funds that should have been disbursed for the program;
- (8) Difference between the amount of Federal Pell Grant funds disbursed and the amount of Federal Pell Grant funds that should have been disbursed;
- (9) Legible copies of COD screen shots reflecting Title IV, HEA disbursements and returns.

The Federal Pell Grant funds recalculation spreadsheet discussed above should be compiled in the following format:

Award year	Student last name, first name	Last 4 SSN	Dates of Enrollment	Amount of Federal Pell Disbursed	Date of Disbursements	Amount of Federal Pell that Should Have Been Disbursed	Difference
2010-2011	***1	***	03-10-2010	\$3,950.00		\$2,000.00	\$1,950.00
2010-2011	***2	***	08-30-2010	\$8,325.00		\$5,550.00	\$2,775.00

In addition, BCI must develop written policies and procedures for the administration of Federal Pell Grant funds based on clock hour rules and begin awarding and disbursing Federal Pell Grant funds based on applicable regulations immediately. A copy of these procedures must accompany BCI's response to this report.

Hard copy and electronic files containing PII must be safeguarded as described in the enclosure to the cover letter of this report.

Instructions for repayment of any liabilities will be provided in the FPRD letter. The institution must not repay any funds owed to the Department until the FPRD is issued.

Finding 4. Incorrect Federal Direct Loan Calculation

Citation: An academic year for a program of study offered in credit hours must include:

- a minimum of 30 weeks of instructional time; and
- for an undergraduate educational program, an amount of instructional time whereby a full-time student is expected to complete at least 24 semester or trimester credit hours.

34 C.F.R. § 668.3

An educational program that satisfies the requirements for proprietary institutions of higher education pursuant to 34 C.F.R. § 668.8 (d)(3)(i) thru (iv) qualifies as an eligible program only if the number of clock hours provided in the program does not exceed by more than 50 percent the minimum number of clock hours required for training in the recognized occupation for which the program prepares students, as established by the State in which the program is offered, if the State has established such a requirement, or as established by any Federal agency. 34 C.F.R. § 668.8(c)(1)(iii)

As of July 1, 2011, a program is considered to be a clock-hour program for purposes of the Title IV, HEA programs if a program is required to measure student progress in clock hours when:

- Receiving Federal or State approval or licensure to offer the program; or
- Completing clock hours is a requirement for graduates to apply for licensure or the authorization to practice the occupation that the student is intending to pursue; or
- The credit hours awarded for the program are not in compliance with the definition of a credit hour in 34 C.F.R. §600.2; or
- The institution does not provide the clock hours that are the basis for the credit hours awarded for the program or each course in the program and, except as provided in 34 C.F.R. §668.4(e), requires attendance in the clock hours that are the basis for the credit hours awarded. 34 C.F.R. §668.8(k)(2)

Noncompliance: As discussed in Finding 1 above, BCI awarded and disbursed Title IV, HEA funds in excess of the maximum program length as defined in 34 C.F.R. § 668.8(c)(1)(iii) and did not award or disburse Title IV, HEA funds based on rules established to award aid utilizing the clock-to-credit hour conversion rules, resulting in an over-award of Federal Direct Loan funds.

Student #4 serves as an example of a student awarded an incorrect amount of Federal Direct Loan funds. The student began attendance at BCI on August 30, 2010 and was eligible to receive Title IV, HEA funds for no more than the equivalent of 900 clock hours. The student was eligible for a Federal Direct Subsidized Loan of \$3,500.00, a Federal Direct Unsubsidized Loan of \$2,000.00, and a PLUS loan at BCI for the program.

BCI awarded and disbursed \$5,938.00 in Federal Direct Subsidized Loan funds, \$3,083.00 in Federal Direct Unsubsidized Loan funds, and \$9,170.00 in PLUS loan funds to the student overall; thus, the student was over-awarded \$2,438.00 in Federal Direct Subsidized Loan funds and \$1,083.00 in Federal Direct Unsubsidized Loan funds for the program.

An additional example of a student incorrectly awarded Federal Direct Loan funds is **Student #9**. The student began attendance at BCI on March 10, 2010 and was eligible to receive Title IV, HEA funds for the equivalent of 750 clock hours (25 credit hours). The student was eligible for a Federal Direct Subsidized Loan of \$3,500.00 and a Federal Direct Unsubsidized Loan of \$6,000.00 at BCI for the program.

BCI awarded and disbursed \$6,178.00 in Federal Direct Subsidized Loan funds and \$12,822.00 in Federal Direct Unsubsidized Loan funds to the student overall; thus, the student was over-awarded \$2,678.00 in Federal Direct Subsidized Loan funds and \$6,822.00 in Federal Direct Unsubsidized Loan funds for the program.

A final example of a student incorrectly awarded Federal Direct Loan funds is **Student #23**. The student began attendance at BCI on July 20, 2009 and was eligible to receive Title IV, HEA funds for the equivalent of 750 clock hours (25 credit hours). The student was eligible for a Federal Direct Subsidized Loan of \$3,500.00 and a Federal Direct Unsubsidized Loan of \$6,000.00 at BCI for the program.

BCI awarded and disbursed \$7,000.00 in Federal Direct Subsidized Loan funds and \$3,901.00 in Federal Direct Unsubsidized Loan funds to the student overall; thus, the student was over-awarded \$3,500.00 in Federal Direct Subsidized Loan funds for the program.

As discussed in Findings 1 and 2 above, as of July 1, 2011, to comply with 34 C.F.R. §668.8(k)(2), BCI was required to measure student progress in clock hours for Title IV, HEA purposes. BCI did not adequately structure its program or implement policies and

procedures to ensure the institution correctly awarded and disbursed Title IV, HEA funds based on clock hour rules subsequent to July 1, 2011.

Required Action: In response to this report, BCI must identify each recipient of Federal Direct Loan funds for the 2010-2011, 2011-2012, and 2012-2013 (year to date) award years. BCI must prepare a spreadsheet listing all of the students included in this file review and recalculate each student's Federal Direct Loan awards based on rules established for clock-hour programs. In cases where liabilities are identified as a result of the file review, BCI must list the liability amount. BCI must provide the following information in spreadsheet format, along with the required hard copy documentation listed below:

- (1) Award year;
- (2) Student's first and last name;
- (3) Social Security number (last four digits only);
- (4) Dates of enrollment in Massage Therapy Program;
- (5) Actual Amount of Federal Direct Subsidized Loan funds disbursed;
- (6) Date of Federal Direct Subsidized Loan disbursement;
- (7) Amount of Federal Direct Subsidized Loan funds that should have been disbursed for the program;
- (8) Difference between the amount of Federal Direct Subsidized Loan funds disbursed and the amount of Federal Direct Subsidized Loan funds that should have been disbursed;
- (9) Actual Amount of Federal Direct Unsubsidized Loan funds disbursed;
- (10) Date of Federal Direct Unsubsidized Loan disbursement;
- (11) Amount of Federal Direct Unsubsidized Loan funds that should have been disbursed for the program;
- (12) Difference between the amount of Federal Direct Unsubsidized Loan funds disbursed and the amount of Federal Direct Unsubsidized Loan funds that should have been disbursed;
- (13) Legible copies of COD screen shots reflecting Title IV, HEA disbursements and returns.

The Federal Direct Loan funds Recalculation spreadsheet discussed above should be compiled in the following format:

Award year	Student's last name, first name	Last 4 SSN	Dates of Enrollment	Amount of Federal Direct Subsidized Loan funds Disbursed	Date of Disbursement	Amount of Federal Direct Subsidized Loan funds that Should Have Been Disbursed	Difference	Amount of Federal Direct Un-Subsidized Loan Disbursed	Date of Disbursement	Amount of Federal Direct Un-Subsidized Loan funds that Should Have Been Disbursed	Difference
2010-2011	****	****	08-30-2010	\$5,938.00		\$3,500.00	\$2,438.00	\$3,083.00		\$2,000.00	\$1,083.00
			01-01-2011	\$6,178.00		\$3,500.00	\$2,678.00	\$9,900.00		\$6,000.00	\$3,900.00

In addition, BCI must develop written policies and procedures for the administration of Federal Direct Loan funds based on clock hour rules and begin awarding and disbursing Federal Direct Loan funds based on applicable regulations immediately. A copy of these procedures must accompany BCI's response to this report.

Hard copy and electronic files containing PII must be safeguarded as described in the enclosure to the cover letter of this report.

Instructions for repayment of any liabilities will be provided in the FPRD letter. The institution must not repay any funds owed to the Department until the FPRD is issued.

Finding 5. Verification Not Documented/Incomplete

Citation: The purpose of verification is to ensure accuracy in determining a student's eligibility for Title IV, HEA program funds. If a student is selected for verification, an institution is responsible for confirming information reported on the student's application for Federal student aid, as well as resolving any conflicting information that presents itself regarding the application. The five required data elements that must be verified are: (1) household size; (2) number enrolled in college; (3) adjusted gross income (AGI); (4) U.S. income tax paid; and (5) other untaxed income and benefits. Supporting documentation collected from the student or parents is compared to the information that was reported on the student's **Institutional Student Information Report (ISIR)**. An institution must retain in the student's file any verification documentation it collects to serve as evidence that it completed the verification process. 34 C.F.R. §§ 668.16(f), 668.24(c)(1)(i), and 668.56; *2011-2012 Application and Verification Guide*.

Noncompliance: In seven instances, BCI failed to complete the requirements of the Department's verification process.

Student #6: The student was selected for verification by the Central Processing System (CPS) and was disbursed Federal Direct Subsidized Loan funds based on completed verification of Transaction 03 (0 EFC) of the 2010-2011 ISIR (the student was paid Federal Pell Grant from the 2009-2010 ISIR). The student's household size, number in college, Adjusted Gross Income (AGI), and taxes paid were properly verified; however, BCI failed to collect a signed copy of the student's tax return, which is required to complete the verification process. This student is also cited in Finding 6.

Student #16: The student was selected for verification by CPS and was disbursed Federal Pell Grant and Federal Direct Subsidized Loan funds based on completed verification of Transaction 02 (2095 EFC) of the 2010-2011 ISIR. The student's number in college, AGI, and taxes paid were properly verified; however, the student listed one individual as living in the household on the Institutional Verification Form (IVF) while indicating two individuals as living in the student's household on the ISIR. As conflicting information does affect the EFC, BCI is required to obtain clarification on any outstanding discrepancies prior to processing Title IV, HEA funds. This student is also cited in Finding 3.

Student #17: The student was selected for verification by BCI and was disbursed Federal Direct Subsidized Loan funds based on completed verification of Transaction 03 (0 EFC) of the 2010-2011 ISIR. The student's household size, number in college, and AGI were properly verified; however, BCI failed to collect a complete signed copy of the student's tax return, only collecting the front page with the AGI without collecting the second page which includes the tax paid amount in addition to any potential offset credits, including Education Credit and taxpayer signature. As the signature on the tax form is a required part of the verification process, BCI was obligated to obtain this page, even though the institution, rather than CPS, selected the student to be verified.

Student #18: The student was selected for verification by CPS and was disbursed Federal Pell Grant and Federal Direct Subsidized Loan funds based on completed verification of Transaction 01 (736 EFC) of the 2010-2011 ISIR. The student's household size, number in college, AGI, and taxes paid were properly verified; however, BCI failed to collect a signed copy of the student's tax return, which is required to complete the verification process. This student was also selected for verification by CPS and disbursed Federal Pell Grant funds based on completed verification of Transaction 02 (992 EFC) of the 2011-2012 ISIR. The AGI and taxes paid were properly verified; however, BCI failed to verify the number in household, number in college, and to ensure the inclusion of the Making Work Pay Credit on the ISIR. As all the elements which were omitted from the verification review are required to ensure proper verification, BCI is required to clarify any conflicting information prior to processing Title IV, HEA funds.

Student #35: The student was selected for verification by BCI and was disbursed Federal Direct Subsidized Loan funds based on completed verification of Transaction 04 (14463 EFC) of the 2011-2012 ISIR. The student's household size, number in college,

AGI, and taxes paid were properly verified; however, BCI failed to verify the Making Work Pay Credit and ensure the appropriate inclusion on the ISIR.

Student #37: The student was selected for verification by CPS and was disbursed Federal Pell Grant and Federal Direct Subsidized Loan funds based on completed verification of Transaction 02 (0 EFC) of the 2011-2012 ISIR. The student's household size, number in college, AGI, and taxes paid were properly verified; however, BCI failed to verify the Making Work Pay Credit and ensure the appropriate inclusion on the ISIR.

Student #38: The student was selected for verification by CPS and was disbursed Federal Pell Grant and Federal Direct Subsidized Loan based on completed verification of Transaction 01 (3498 EFC) of the 2011-2012 ISIR. The student's household size, AGI, and taxes paid were properly verified; however, BCI failed to ensure the tax documents for the student as well as the parent were appropriately signed. In addition, BCI did not properly verify the number of students attending college in the household. The student initially indicated there would be two family members in college; however, the student was including the parent in the college attendees. Parents are not considered as students for FAFSA purposes for dependent students. In addition, BCI did not verify the Education Credit and the Making Work Pay Credits claimed on lines 49 and 63 respectively on the 1040 tax return.

Required Action: In response to this report, BCI must resolve the verification deficiencies for the above-referenced students, obtaining the documentation necessary to complete the process. If the resolution of the issue involves changes to the student's income, or the addition of parental income not previously reported, BCI must attempt to collect the required tax returns or other income-related information and recalculate the student's Title IV, HEA eligibility accordingly. If BCI is unable to properly complete the verification process for any or all of the students, the institution may be held liable for all Title IV, HEA funds disbursed to those students in the relevant award years.

In addition, BCI must review the student files of all Title IV, HEA recipients in the 2010-2011, 2011-2012, and 2012-2013 (year to date) award years. For any student who was selected for verification, BCI must provide the following information in spreadsheet format, along with the required hard copy documentation listed below:

1. Student's first and last name;
2. Social Security number (last four digits only);
3. Award year;
4. Date of Disbursement;
5. Amount of Disbursement;
6. Title IV, HEA program;
7. Indication of whether verification was completed for student (Y/N);
8. Indication of whether initial verification was accurate (Y/N);
9. Indication of whether recalculation was performed (Y/N);

10. Adjusted award based on recalculation;
11. Original EFC;
12. Recalculated EFC;
13. Revised award after recalculation;
14. Difference between original and revised award;
15. Legible copy of recalculation of student's Title IV, HEA eligibility, if applicable;
16. Legible copy of student's original account card;
17. Legible copy of all transactions of the student's ISIR; and
18. Legible copy of student's verification worksheet and all documentation used by BCI to complete the verification process.

The spreadsheet discussed above should be compiled in an Excel spreadsheet and submitted in CD-ROM format in the following manner:

Last Name, First Name	Last 4 SSN	Award Year	Date of Disbursement	Amount of Disbursement	Title IV Program	Verification Complete (Y/N)
***		2010-2011	03-15-2010	\$2675.00	Pell	Y
				\$1742.00	Sub	Y

Verification Accurate (Y/N)	Recalc Performed (Y/N)	Original EFC	Recalculated EFC	Revised Award Amount	Difference between Original and Revised Award

The required information listed in items 15, 16, 17, and 18 above must be presented in hard copy format.

Additionally, BCI must review and revise its policies and procedures in relation to the verification process and provide copies to the Department as part of its response to this report.

Hard copy and electronic files containing PII must be safeguarded as described in the enclosure to the cover letter of this report. Instructions for repayment of any liabilities will be provided in the FPRD letter. The institution must not repay any funds owed to the Department until the FPRD is issued.

Finding 6. Conflicting Information—Failure to Resolve Caution Code on ISIR

Citation: Federal regulations require an institution to develop and apply adequate systems to identify and resolve discrepancies in the information that the institution receives from different sources with respect to a student’s application for financial aid under Title IV, HEA programs. In determining whether an institution’s system is adequate, the Department considers whether the institution obtains and reviews any other information normally available to the institution regarding a student’s citizenship, previous educational experience, documentation of the student’s social security number, or other factors relating to the student’s eligibility for funds under the Title IV, HEA programs. 34 C.F.R. §§ 668.16(f), (f)(3)

Federal regulations also require an institution to establish and maintain records required by the general provisions regulations and the individual Title IV, HEA program regulations. In order to comply with the Department’s record retention requirements, an institution must maintain documentation of each student’s or parent borrower’s eligibility for Title IV, HEA program funds. 34 C.F.R. §§ 668.16(d), 668.24(c)(1)(iii)

Noncompliance: In one instance, BCI failed to resolve a CPS identified “C” Flag related to a student’s eligibility for Title IV, HEA program funds.

Student #6: The student began attendance at BCI on November 3, 2009. A review of Transaction 03 of the student’s 2010-2011 ISIR was returned to BCI by the CPS with a “C” Flag. A review of the comments provided by CPS indicates the following comment regarding the student’s status: “The student has “one or more student loans in an active bankruptcy status and must contact the financial aid office at their school before they can receive additional student loans.” Reviewers asked the Financial Aid Administrator (FAA) at BCI to explain the process regarding how this caution flag was resolved to ensure the student was eligible to receive Title IV, HEA funds at the time of disbursement. The FAA responded there was no process in place at the institution-- students automatically received their funds without resolving the issues referenced in the ISIR.

The student is also cited in Finding 5.

Required Action: In response to this report, BCI must obtain, and submit to the Department, documentation that the student resolved the issue regarding the active bankruptcy identified by the “C” flag on the student’s ISIR. Copies of any necessary supporting documentation to establish and support the student’s claim or to resolve the discrepancy must accompany BCI’s response to this report.

In addition, as BCI indicated a systemic failure in resolving “C” flags, BCI must review all ISIRs received and processed for the 2010-2011, 2011-2012, and 2012-2013 (year to date) to ensure all Title IV, HEA recipients are eligible for funds based on the established

parameters. If, as part of this review, BCI identifies any students whose ISIRs have been identified by a "C" Flag by CPS, the institution must identify the students and ensure any required documentation is provided as part of its response to this report. If BCI fails to obtain documentation resolving the discrepancy and establishing student eligibility for Title IV, HEA funds, the institution will be liable for all Title IV, HEA funds disbursed to that student. Instructions for payment of any liability will be provided in the FPRD letter. The institution must not repay any funds owed to the Department until the FPRD is issued.

Additionally, BCI must establish procedures which ensure that inconsistent information and CPS-generated "C" flags will be identified and resolved prior to the disbursement of Title IV, HEA funds. A copy of these procedures must accompany BCI's response to this report.

Finding 7. Incomplete Audit Trail

Citation: An institution shall account for the receipt and expenditure of Title IV, HEA program funds in accordance with generally accepted accounting principles (GAAP). An institution shall establish and maintain on a current basis financial records that reflect each Title IV, HEA program transaction, and general ledger control accounts and related subsidiary accounts that identify each Title IV, HEA program transaction and separate those transactions from all other institutional financial activity. 34 C.F.R. § 668.24(b)

The fiscal records that a school must maintain include, but are not limited to:

1. Records of all Title IV, HEA program transactions;
2. Bank statements for all account containing Title IV, HEA funds;
3. Records of student accounts, including each student's institutional charges, cash payments, Title IV, HEA payments, cash disbursements, refunds, returns, and overpayments required for each enrollment period;
4. General ledger (control accounts) and related subsidiary ledgers that identify each Title IV, HEA program transaction (Title IV, HEA transactions must be separate from the school's other financial transactions);
5. Records that support data appearing on required reports, such as Federal Pell Grant Statements of Accounts, G5 cash requests and quarterly or monthly reports, monthly Title IV, HEA program reconciliation reports, Audit reports and school responses, state grant and scholarship award rosters and reports, and well as Accrediting and licensing agency reports. 34 C.F.R. § 668.164(b); *The Blue Book*, October 2005

Under the Standard Direct Loan origination option, the school performs the following functions: creates a loan origination record, transmits the record to the Servicer, receives funds electronically, disburses funds, creates a disbursement record, transmits the

disbursement record to the Servicer, and reconciles on a monthly basis. 34 C.F.R. §685.102(b)

Institutions are required to ensure the capability to administer Title IV, HEA programs with adequate checks and balances in their system of internal controls.
34 C.F.R. § 668.16(c)(1)

Noncompliance: BCI failed to create a complete and accurate audit trail for the administration of Title IV, HEA funds in three respects:

1. BCI maintains two separate financial documents for each student. The first document, maintained in the Business Office files, resembles a student ledger card is entitled "BCI Central Account". The second document maintained in the Financial Aid file is solely utilized for financial aid purposes. The financial aid document is entitled "Student Payment Ledger" and is utilized to document all Title IV, HEA funds which are disbursed to the student. This information includes payment date, payment amount, and check number. The program reviewers documented a number of discrepancies between the documents utilized by BCI. For example, the payment ledger for Student 34 reflects \$2,775.00 in Pell Grant funds, \$1,742.00 in Direct Subsidized Loan funds, and \$2,985.00 in Direct Unsubsidized Loan funds were disbursed on 09/14/2011 and 11/15/2011 respectively. There is a subsequent entry which reflects a "Pell Refund" in the amount of \$694.00 was made on 11/30/2011. However, a review of transactional sequence recorded on the BCI Central Account documentation, marked as including all transactions which occurred from 01/01/2011 through 01/09/2012, reflects the "Pell Refund" transaction was conducted on 12/05/2011. There is no clear description indicating whether the "Pell Refund" was a credit balance paid to the student or to be paid to the Department. The inaccurate coding of "Pell Refund" was also coded on the fiscal documents for Student 33 with the same overall outcome.
2. BCI failed to include returned Title IV, HEA funds for students whose disbursements were reduced. For example, a comparison of BCI records and COD records uncovered several student-related discrepancies. For example, a review of Student 33's file documents, including the BCI Central Account ledger and the Student Payment ledger reflects BCI disbursed \$2775.00 in Federal Pell Grant funds, \$1742.00 in Direct Subsidized Loan funds, and \$2,985.00 in Direct Unsubsidized loan funds on 09/14/2011 and 10/24/2011 respectively. A more in-depth review of COD indicates two additional transactions were processed via COD but not reflected on the BCI Central Account Ledger or the Student Payment Ledger. BCI returned \$430.00 in Direct Subsidized Loan funds and \$735.00 in Direct Unsubsidized Loan funds on 12/08/2011. BCI did ultimately re-request and draw the return funds back through G5 and update disbursement records accordingly; however, the returned Title IV, HEA funds are not detailed

in school records, making it appear for all practical purposes that BCI is awarding the student in excess of the actually drawn funds.

3. BCI could not demonstrate it was reconciling individual student account transactions with the general ledger, COD, G5, and its third party servicer on a monthly basis.

Required Action: BCI must develop and implement a process to ensure all Title IV, HEA funds are correctly applied to each student account and ensure all documentation for each student is accurate, including the dates of Title IV, HEA disbursements, dates and amounts of credit balances or other transactions which are posted to the account. Additionally, BCI must ensure the correct identification of each transaction is represented on the ledger. BCI must submit written assurances to the Department regarding how it will properly maintain student records in compliance with federal regulations, along with copies of revised student account cards for the students referenced above that show a complete, unified account history for the student's complete academic history at BCI. BCI must review and revise its internal policies and procedures to ensure the institution appropriately reconciles Title IV, HEA accounts in the future. A copy of these procedures must accompany BCI's response to this report. In addition, BCI must provide documentation that demonstrates student account cards have been reconciled with the general ledger, COD, and G5 for the fiscal year ending 12/31/2011 and 12/31/2012 and a copy of the monthly reconciliation completed for the month ending 05/30/2013.

Finding 8. Inadequate Monitoring of Title IV, HEA Credit Balances

Citation: Federal regulations require that, to begin and to continue to participate in any Title IV, HEA program, an institution shall demonstrate to the Secretary that it is capable of adequately administering the program. To establish this administrative capability, an institution must, among other factors, maintain written procedures for or written information indicating the responsibilities of the various offices within the institution's organization with respect to the approval, disbursement and delivery of Title IV, HEA program assistance and the preparation and submission of reports to the Secretary. 34 C.F.R. § 668.16(b)(4)

Notwithstanding any State law (such as a law that allows funds to escheat to the State), an institution must return to the Secretary, lender, or guaranty agency, any Title IV, HEA program funds, except FWS program funds, that it attempts to disburse directly to a student or parent but the student or parent does not receive or negotiate those funds. For FWS program funds, the institution is required to return only the Federal portion of the payroll disbursement.

If an institution attempts to disburse the funds by check and the check is not cashed, the institution must return the funds no later than 240 days after the date it issued that check. If a check is returned to the institution, or an EFT is rejected, the institution may make

additional attempts to disburse the funds, provided that those attempts are made not later than 45 days after the funds were returned or rejected. In cases where the institution does not make another attempt, the funds must be returned before the end of this 45-day period. In cases where the institution makes further attempts, the institution must cease any additional disbursement attempts and return the funds no later than 240 days after the date it issued the check. 34 C.F.R. § 668.164(h)

Noncompliance: BCI failed to devise and implement comprehensive written procedures concerning its oversight of Title IV, HEA credit balances.

Specifically, BCI has not developed and implemented procedures for routinely reviewing its Title IV, HEA sub-ledgers to identify and return all un-negotiated Title IV, HEA credit balance checks to the Department no later than 240 days after the date it issued the check.

As discussed in Finding 11, although BCI did not uncover any un-negotiated checks paid to students, systemically BCI was maintaining Title IV, HEA credit balances on accounts longer than allowed. By not having a process in place to properly provide credit balances to the students within the requisite timeframe, BCI was out of compliance with Title IV, HEA regulations

Required Action: BCI must develop and implement written policies and procedures that ensure its un-negotiated check account is monitored routinely to identify all Title IV, HEA credit balances and return them to the Department within the appropriate timeframes. Additionally, BCI must ensure its policies regarding outstanding credit balances includes a process by which credit balances are returned to students within the required timeframe. A detailed discussion of these policies and procedures must accompany BCI's response to this report.

Finding 9. Failure to Maintain Cost of Attendance (COA) Documentation

Citation: Federal law defines the term “cost of attendance” as—

- (1) tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study;
- (2) an allowance for books, supplies, transportation, and miscellaneous personal expenses, including a reasonable allowance for the documented rental or purchase of a personal computer, for a student attending the institution on at least a half-time basis, as determined by the institution;
- (3) an allowance (as determined by the institution) for room and board costs incurred by the student which—

- (a) shall be an allowance determined by the institution for a student without dependents residing at home with parents;
 - (b) for students without dependents residing in institutionally owned or operated housing, shall be a standard allowance determined by the institution based on the amount normally assessed most of its residents for room and board; and
 - (c) for all other students shall be an allowance based on the expenses reasonably incurred by such students for room and board;
- (4) for less than half-time students (as determined by the institution) tuition and fees and an allowance for only books, supplies, and transportation (as determined by the institution) and dependent care expenses;
 - (5) for a student engaged in a program of study by correspondence, only tuition and fees and, if required, books and supplies, travel, and room and board costs incurred specifically in fulfilling a required period of residential training;
 - (6) for incarcerated students only tuition and fees and, if required, books and supplies;
 - (7) for a student enrolled in an academic program in a program of study abroad approved for credit by the student's home institution, reasonable costs associated with such study (as determined by the institution at which such student is enrolled);
 - (8) for a student with one or more dependents, an allowance based on the estimated actual expenses incurred for such dependent care, based on the number and age of such dependents, except that—
 - (a) such allowance shall not exceed the reasonable cost in the community in which such student resides for the kind of care provided; and
 - (b) the period for which dependent care is required includes, but is not limited to, class-time, study-time, field work, internships, and commuting time;
 - (9) for a student with a disability, an allowance (as determined by the institution) for those expenses related to the student's disability, including special services, personal assistance, transportation, equipment, and supplies that are reasonably incurred and not provided for by other assisting agencies;
 - (10) for a student receiving all or part of the student's instruction by means of telecommunications technology, no distinction shall be made with respect to the mode of instruction in determining costs;
 - (11) for a student engaged in a work experience under a cooperative education program, an allowance for reasonable costs associated with such employment (as determined by the institution); and
 - (12) for a student who receives a loan under this or any other Federal law, or, at the option of the institution, a conventional student loan incurred by the student to cover a student's cost of attendance at the institution, an allowance for the actual cost of any loan fee, origination fee, or insurance premium charged to such student or such parent on such loan, or the average cost of any such fee or

premium charged by the Secretary, lender, or guaranty agency making or insuring such loan, as the case may be. SEC. 472, 20 U.S.C. 1087

Federal regulations state that an institution shall establish and maintain, on a current basis, all documentation relating to its administration of the Title IV, HEA programs in accordance with all applicable requirements. 34 C.F.R. § 668.23

In addition, all institutions participating in Title IV, HEA student financial aid programs must make available to prospective and enrolled students, through appropriate publications, mailings, or electronic media, information about the price of attendance, including tuition and fees, books and supplies, room and board, transportation costs, and any additional costs for a program in which the student is enrolled or expresses an interest. HEA Sec. 485(a)(1)-(2); 34 C.F.R. §668.41(a)-(d); 34 C.F.R. §668.43

Noncompliance: BCI failed to maintain documentation to support the components of its cost of attendance determinations used to determine students' Title IV, HEA budgets for the 2010-2011 and 2011-2012 award year.

BCI utilized an actual cost allowance for tuition, fees, and books based on anticipated costs each payment period and included an allowance for other indirect components when computing indirect costs for students. BCI was unable to provide documentation to substantiate how the institution calculated the allowance for the indirect components established in the COA budgets. Although BCI had a cost allowance sheet which outlined actual direct cost for tuition and fees, the COA information reflected on each student's award letter differed and did not compute to the actual cost of the program reflected on the student's enrollment agreement.

Finally, BCI did not make available to prospective and enrolled students, through appropriate publications, mailings, or electronic media, information about the price of attendance, including tuition and fees, books and supplies, room and board, transportation costs, and any additional costs for a program in which the student is enrolled or expresses an interest.

Required Action: BCI must devise and implement procedures to ensure that, in the future, it maintains adequate documentation to support cost of attendance determinations. The procedures must require cost of attendance figures be periodically reviewed and, as necessary, updated. Finally, the cost of attendance must be published as part of the consumer information available to all prospective and enrolled students. A copy of these procedures must accompany BCI's response to this report.

Finding 10. National Student Loan Data System (NSLDS) Reporting Incorrect/Untimely

Citation: Federal regulations state that a school shall—

- (1) Upon receipt of a student status confirmation report from the Secretary, complete and return that report to the Secretary within 30 days of receipt; and
- (2) Unless it expects to submit its next student status confirmation report to the Secretary within the next 60 days, notify the Secretary within 30 days if it discovers that a Direct or FFEL Subsidized, Unsubsidized, or PLUS Loan, or a has been made to or on behalf of a student who—
 - (a) Enrolled at that school but has ceased to be enrolled on at least a half-time basis;
 - (b) Has been accepted for enrollment at that school but failed to enroll on at least a half-time basis for the period for which the loan was intended; or
 - (c) Has changed his or her permanent address.
- (3) The Secretary provides student status confirmation reports to a school at least semi-annually.
- (4) The Secretary may provide the student status confirmation report in either paper or electronic format. 34 C.F.R. §§ 682.610; 685.309

The Secretary provides student status confirmation reports to a school at least semi-annually. At scheduled times during the year, not less than semiannually, NSLDS sends Roster files electronically to the institution (or its designated servicer) through its SAIG mailbox. The file includes all of the institution's students who are identified in NSLDS as Stafford (Direct and FFEL) borrowers (or the beneficiaries of a PLUS loan). The file is not necessarily connected to loans made at the institution—the institution must also report information for students who received some or all of their Title IV, HEA loan funds at other schools but are currently attending the reporting institution.

The institution (or servicer) must certify the information and return the Roster file within 30 days of receiving it. The institution may also go to www.nslsfaq.ed.gov and update information for students online. The institution is required to report changes in the student's enrollment status, the effective date of the status and an anticipated completion date. Changes in enrollment to less-than-half-time, graduated, or withdrawn must be reported within 30 days. However, if a Roster file is expected within 60 days, the institution may provide the data on that roster file. *2010-2011 & 2011-2012 Federal Student Aid Handbook*

Student enrollment information is extremely important, because it is used to determine if the student is still considered in school, must be moved into repayment, or is eligible for an in-school deferment. For students moving into repayment, the out of school status effective date determines when the grace period begins and how soon a student must begin repaying loan funds. *2010-2011 & 2011-2012 Federal Student Aid Handbook, Volume 2, Chapter 3*

Noncompliance: In more than 20 instances, BCI failed to report correct enrollment status information, ranging from incorrect enrollment status to incorrect enrollment

history information. For example, BCI indicated **Students # 27, #28, #30, #31, #33, #34, #35, and #38** began coursework on December 2, 2011 in their NSLDS reporting, even though enrollment agreements as well as academic transcripts provided to program reviewers clearly demonstrated students began coursework on September 14, 2011. For **Students #32 and #37**, the students began coursework on September 14, 2011 while NSLDS records demonstrate enrollment began October 5, 2011. In reviewing information for **Student #1** and **Student #6**, BCI was delinquent in its enrollment reporting to NSLDS. A review of both student's records reflect the student's non-attendance was not updated appropriately as **Student #1** ceased attendance in August 2010 but was not updated in NSLDS to reflect this status until April 2011. **Student #6** was initially reported as enrolled December 2009, although enrollment records reflect the student began attendance in November 2009. In addition, **Student #6** graduated from BCI on April 30, 2011, although NSLDS records reflect BCI marked the student as "withdrawn" effective April 11, 2011. BCI corrected the student's record on October 2011 to reflect the student's graduated status as of April 30, 2011. BCI also had similar errors for Students **#9, #10, #14, #16, #17, #18, and #37**.

Required Action: BCI must review the enrollment status of all students who were enrolled at the institution in the 2010-2011, 2011-2012, and 2012-2013 (year to date) award years and verify the listed enrollment status is current, or update the enrollment status to bring it current. BCI is also required to review its procedures for reporting enrollment status changes to NSLDS and, as necessary, revise them. A discussion of the results of BCI's review of its 2010-2011, 2011-2012, and 2012-2013 enrollment status reporting and its NSLDS reporting procedures should accompany its response to this report.

Finding 11. Improper Authorization to Hold Title IV, HEA Program Credit Balances and Failure to Pay Credit Balances Due Students

Citation: According to federal regulations, whenever an institution disburses Title IV, HEA program funds by crediting a student's account and the total amount of all Title IV, HEA program funds credited exceeds the amount of tuition and fees, room and board, and other authorized charges the institution assessed the student, the institution must pay the resulting credit balance to the student or parent as soon as possible, but no later than 14 days after the credit balance had occurred if the credit balance occurred after the first day of class of a payment period; or no later than 14 days after the first day of class if the credit balance occurred on or before the first day of class of that payment period. 34 C.F.R. § 668.164(e)

However, an institution may hold, on behalf of a student, any Title IV, HEA program funds that would otherwise be paid directly to the student, if the institution obtains a written authorization from the student. 34 C.F.R. § 668.165(b)(1). In obtaining such authorization, the institution:

- may not require or coerce the student to provide the authorization;

- must allow the student to cancel or modify the authorization at any time; and
 - must clearly explain how it will hold those funds on behalf of the student.
- 34 C.F.R. § 668.165(b)(2)

If an institution holds excess student funds, the institution must:

- identify the amount of funds it holds for each student in a subsidiary ledger account designed for that purpose;
- maintain cash in its bank account at all times at least equal to the amount of funds the institution holds for the student; and
- notwithstanding any authorization obtained by the institution under this paragraph, pay any remaining balance on loan funds by the end of the loan period and any remaining other Title IV, HEA program funds by the end of the last payment period in the award year for which they were awarded. 34 C.F.R. § 668.165(b)(5)

Noncompliance: BCI utilized an improper credit balance authorization form and did not ensure outstanding credit balances were paid timely according to Title IV, HEA regulation.

BCI, as a part of the admissions process, collects a “Student Authorization” from all students. The form gives students three options: 1) BCI is given permission to “Credit Title IV Funds to Additional Charges” 2) BCI is given permission to “Hold Title IV Funds for Additional Charges”, and 3) BCI is given permission to “Return Loan and Grant Money to Title IV” in the event the student withdraws or is terminated. The authorization, in its current form, does not comply with the regulatory requirements. The form does not inform the student that he or she is entitled to receive a credit balance within 14 days of disbursement of the funds to the student’s account or within 14 days of the student revoking an authorization to hold the funds. In addition, as currently written, the form does not indicate the institution is required to disburse any remaining credit balance to the student at the end of the loan period or last payment period of the award year (for other Title IV, HEA funds) in which the funds were awarded.

In at least **four** instances, BCI failed to pay the student Title IV, HEA grant funds by the end of the last payment period of the academic year or it failed to pay Federal Direct Loan funds to the student by the end of the loan period, including Students #20, #22, #23, and #25.

Required Action: BCI must revise its Title IV, HEA authorization form so that the form complies with applicable Title IV HEA regulations. BCI is required to distribute the new form to all students for which BCI is currently holding a Title IV, HEA credit balance and obtain the student’s authorization to continue holding the funds. A copy of BCI’s revised Title IV, HEA authorization form should accompany the institution’s response to this report as well as a written assurance that the institution has collected revised

authorization forms from all students for which BCI is currently holding a Title IV, HEA credit balance.

In addition, BCI must submit a revised policy and procedures that ensures in the future BCI pays Title IV, HEA program funds credit balances within the required timeframe.

Finding 12. Failure to Meet Consumer Information Requirements

Citation: As outlined in 34 C.F.R. § 668.41, an institution must, on an annual basis, provide direct individual notice to each currently enrolled student about various consumer information items. Such notices may be provided to each student via the U.S. Postal Service, direct mail, or directly to student e-mail addresses. This notice must summarize the information required to be disclosed, provide an electronic Web address where the information can be found, inform a student that he or she is entitled to a paper copy of the information, and inform the student how to request a paper copy. In addition, the notice must be sufficiently detailed to allow students to understand the nature of the disclosures and make an informed decision whether to request the full reports.

These disclosures include information on financial assistance available to students, as described in 34 C.F.R. § 668.42, and information about the school, as described in 34 C.F.R. § 668.43. Consumer information disclosures also require the release of information regarding the institution's completion or graduation rate, under 34 C.F.R. § 668.45.

Other consumer information disclosures are required by the Higher Education Opportunity Act (Public Law 110-315) (HEOA), reauthorizing the Higher Education Act of 1965, as amended (the HEA). The provisions of the HEOA were effective upon enactment, August 14, 2008, unless otherwise noted in law.

Noncompliance: BCI failed to provide, or make readily available, consumer information to the campus community and the public in the following nine categories:

- Notice of Federal Student Financial Aid Penalties for Drug Law Violations
- Drug and Alcohol Abuse Prevention Program
- Completion/Graduation Rates
- Retention Rates
- Placement Rates
- Constitution and Citizenship Day
- Voter Registration
- Copyright Infringement Policies and Sanctions, Including Computer Use and File Sharing
- Student Body Diversity Data

Specific requirements related to each missing disclosure are cited below by topic:

Notice of Federal Student Financial Aid Penalties for Drug Law Violations

All institutions participating in Title IV, HEA student financial aid programs must provide to each student, upon enrollment, a separate, clear, and conspicuous written notice that advises the student that a conviction for any offense, during a period of enrollment for which the student was receiving Title IV, HEA program funds, under any federal or state law involving the possession or sale of illegal drugs will result in the loss of eligibility for any Title IV, HEA grant, loan, or work-study assistance.

Each institution must provide a notice in a timely manner to each student who has lost eligibility for Title IV, HEA assistance as a result of the penalties under HEA Sec. 484(r)(1). The notice must be a separate, clear, and conspicuous written notification of the loss of eligibility and must advise the student of the ways in which the student can regain eligibility. HEOA Sec. 488(g); amended HEA Sec. 485; Added HEA Sec. 485(k); 34 C.F.R. §668.40.

Drug and Alcohol Abuse Prevention Program

Each institution, that receives any federal funds, must annually distribute in writing to each student and each employee, the following information regarding drugs and alcohol:

- standards of conduct that clearly prohibit the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on the institution's property or as part of any of the institution's activities;
- description of applicable legal sanctions under state, local, and federal law
- description of health risks;
- description of available counseling, treatment, rehabilitation, or re-entry programs; and
- a clear statement that the institution will impose sanctions for violation of standards of conduct and a description of the sanctions.

HEOA Sec. 107; amended HEA Sec. 120; new HEA Sec. 120(a)(B)-(C); 34 C.F.R. §86.

Completion/Graduation Rates

Institutions must disclose the completion or graduation rate of certificate- or degree-seeking, first-time, full-time, undergraduate students. The data must be made available by July 1 each year for the most recent cohort that has had 150 percent of normal time for completion by August 31 of the prior year.

The HEOA (Sec. 488(a)(3)) added a provision requiring that the completion or graduation rates must be disaggregated by:

- gender;
- major racial and ethnic subgroup (as defined in IPEDS);
- recipients of Federal Pell Grant funds;

- recipients of Federal Subsidized Stafford Loan who did not receive a Federal Pell Grant funds; and
- recipients who did not receive either Federal Pell Grant funds or Federal Subsidized Stafford Loan.

HEOA Sec. 488(a)(2): amended HEA Sec. 485(a); New HEA Sec. 485(a)(4); HEOA Sec. 488(a)(3): amended HEA Sec. 485(a); New HEA Sec. 485(a)(7); 34 C.F.R. §668.41(a)-(d); 34 C.F.R. §668.45; 34 C.F.R. §668.8(b)(1)(ii)

Retention Rate

All institutions participating in Title IV, HEA student financial aid programs must annually make available to prospective and enrolled students, through appropriate publications, mailings, or electronic media, the retention rate of certificate or degree-seeking, first-time, undergraduate students as reported to IPEDS. HEOA Sec.

488(a)(1)(E): amended HEA Sec. 485(a)(1); Added HEA Sec. 485(a)(1)(U); 34 C.F.R. §668.41(d)

Placement Rates

All institutions participating in Title IV, HEA program funds must make available to any enrolled or prospective student through appropriate publications, mailings, or electronic media, the placement of and types of employment obtained by graduates of the institution's degree or certificate programs. 34 C.F.R. § 668.41(d)(5)

In the case of an institution that advertises job placement rates as a means of attracting students to enroll in the institution, the institution must make available at or prior to the time the student applies to enroll the most recent available data concerning employment statistics, and any other information necessary to substantiate the truthfulness of the advertisements. 34 C.F.R. § 668.14(b)(10)(i)

Constitution and Citizenship Day

Confirmation that the institution held an educational program commemorating the September 17, 1787 signing of the Constitution on September 17th of each year (or preceding or following week if the 17th falls on a Saturday, Sunday, or holiday).

[Division J of Pub. L. 108-447, the "Consolidated Appropriations Act, 2005," Dec. 8, 2004; 118 Stat. 2809, 3344-45 (Section 111)]

Voter Registration

All institutions participating in Title IV, HEA student financial aid programs must:

- make a good faith effort to distribute a mail voter registration form (for federal elections and state elections for governor or other State chief executive) to each student enrolled in a degree or certificate program and physically in attendance at the institution;
- make the voter registration form widely available to students at the institution;
- and

- request the forms from the state 120 days prior to the deadline for registering to vote within the state.

Copyright Infringement Policies and Sanctions, Including Computer Use and File Sharing

All institutions participating in Title IV, HEA student financial aid programs must annually make available to prospective and enrolled students, through appropriate publications, mailings, or electronic media, the institution's policies and sanctions related to copyright infringement, including

- a statement that explicitly informs students that unauthorized distribution of copyrighted material, including unauthorized peer-to-peer file sharing, may subject the students to civil and criminal liabilities;
- a summary of the penalties for violation of federal copyright laws; and
- the institution's policies with respect to unauthorized peer-to-peer file sharing, including disciplinary actions taken against students who engage in illegal downloading or unauthorized distribution of copyrighted materials using the institution's information technology system. 34 C.F.R. §668.43(a)(10)(i) through (iii) and (11)

Student Body Diversity Data

All institutions participating in Title IV, HEA student financial aid programs must make available to prospective and enrolled students, through appropriate publications, mailings, or electronic media, information about student body diversity, including the percentage of enrolled, full-time students in the following categories:

- 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); Added HEA Sec. 485(A)(1)(Q)

Required Action: BCI must revise policies and procedures for preparing and disseminating consumer information disclosures in compliance with federal regulations. Additionally, BCI must immediately make missing information available to students and employees online. BCI must provide a written explanation of the online updates along with a copy of its revised policies and procedures with its response to this report. In addition, BCI must provide an assurance that in the future the institution will review all disclosures on an annual basis and ensure that all required disclosures are made available to students and the public in the format specified in regulation. The Department provides a comprehensive checklist for required consumer disclosures titled *Consumer Information Disclosures at a Glance*, which is available online to assist schools in their review of consumer information compliance. The web address is: <http://ifap.ed.gov/qa/home/qaassessments/consumerinformation.html>.

Finding 13. Failure to Develop Written Policies and Procedures

Citation: Federal regulations require that, to begin and to continue to participate in any Title IV, HEA program, an institution shall demonstrate to the Secretary that it is capable of adequately administering the program. To establish this administrative capability, an institution must, among other factors, maintain written procedures for or written information indicating the responsibilities of the various offices within the institution's organization with respect to the approval, disbursement and delivery of Title IV, HEA program assistance and the preparation and submission of reports to the Secretary. 34 C.F.R. § 668.16(b)(4)

Noncompliance: BCI does not have a comprehensive policies and procedures manual which provides detailed, up-to-date instructions in relation to all Title IV, HEA regulations, including the Program Integrity regulations.

Required Action: BCI must develop written procedures for its administration of all Title IV, HEA programs. As part of the PRR, many findings required updated policies; however, BCI must also review and, as necessary, revise its policies and procedures to ensure compliance for the following regulatory areas:

- Ensuring an adequate number of qualified person(s) to administer the Title IV, HEA Programs;
- Application procedures for establishing, re-establishing, maintaining, or expanding institutional eligibility and for certification and updating application information;
- Ensuring adequate checks and balances (separation of duties and internal controls);
- Financial aid awarding and packaging methodology for each Title IV, HEA program, including awards amounts;
- Direct Loan Certification (including proration);
- Return of Title IV funds calculation procedures;
- Return of Title IV funds policy;
- Fiscal reports and financial statements, including monthly and annual reconciliation procedures;
- General financial aid counseling procedures;
- Importing, review, and locking of ISIR records (including review of subsequent ISIR's received);
- Immigration status documentation requirements;
- Professional judgment and dependency override;
- Title IV, HEA disbursement and refund of student credit balances;
- IPEDS and other regulatory reporting;
- Gainful Employment;
- Consortium Agreements and/or articulation agreements;

- Entrance/Exit loan counseling; and
- Record retention

A copy of these procedures must accompany BCI's response to this report. In addition, BCI must provide assurance that policies and procedures will be maintained in the future.

BCI is reminded that the development and proper implementation of written policies and procedures is one indication of an institution's administrative capability to oversee the Title IV, HEA programs.

Finding 14. Failure to Make Gainful Employment Disclosures Available

Citation: For each program offered by an institution under this section, the institution must provide prospective students with:

1. The occupations (by names and SOC codes) that the program prepares students to enter, along with links to occupational profiles on O*NET crosswalk at <http://online.onetcenter.org/crosswalk/> is more than ten, the institution may provide Web links to a representative sample of the identified occupations (by name and SOC code) for which its graduates typically find employment within a few years after completing the program;
2. The on-time graduation rates for students completing the program;
3. The tuition and fees it charges a student for completing the program within normal time as defined in 34 C.F.R. §668.41(a), the typical costs for books and supplies (unless those costs are included as part of tuition and fees), and the cost of room and board, if applicable. The institution may include information on other costs, such as transportation and living expenses, but it must provide a Web link, or access to the program cost information the institutions makes available under 34 C.F.R. § 668.43(a);
4. The placement rate for students completing the program, as determined under a methodology developed by the National Center for Education Statistics (NCES) when that rate is available. In the meantime, beginning on July 1, 2011, if the institution is required by its accrediting agency or State to calculate a placement rate on a program basis, it must disclose the rate and identify the accrediting agency or State agency under whose requirements the rate was calculated. If the accrediting agency or State requires an institution to calculate a placement rate at the institutional level or other than a program basis, the institution must use the accrediting agency or State methodology to calculate a placement rate for the program and disclose that rate; and
5. The median loan debt incurred by students who completed the program as provided by the Secretary, as well as any other information the Secretary provided to the institution about that program. The institution must identify separately the median loan debt from Title IV, HEA program loans, and the median loan debt from private educational loans and institutional financing plans.

For each program, the institution must:

1. Include the information required in promotional materials it makes available to prospective students and post this information on its website;
2. Prominently provide the information required in a simple and meaningful manner on the home page of its program website, and provide a prominent and direct link on any other Web page containing general, academic, or admissions information about the program, to the single Web page that contains all the required information;
3. Display the information required on the institution's website in an open format that can be retrieved, downloaded, indexed, and searched by commonly used Web search applications. An open format is one that is platform-independent, is machine-readable, and is made available to the public without restrictions that would impede the reuse of that information; and
4. Use the disclosure form issued by the Secretary to provide the information, and other information, when that form is available.

An institution calculates an on-time completion rate for each program subject to this section by:

1. Determining the number of students who completed the program during the most recently completed award year;
2. Determining the number of students who completed the program within normal time, as defined under 34 C.F.R. § 668.41(a), regardless of whether the students transferred into the program or changed programs at the institution. For example, the normal time to complete an associate degree is two years and this timeframe applies to all students in the program. If a student transfers into the program, regardless of the number of credits the institution accepts from the student's attendance at the prior institution, those transfer credits have no bearing on the two-year timeframe. The student would still have two years to complete from the date he or she began attending the two-year program. To be counted as completing on time, a student who changes programs at the institution and begins attending the two-year program must complete within the two-year timeframe beginning from the date the student began attending the prior program; and
3. Dividing the number of students who completed the program within normal time, by the total number of students who completed the program, and multiplying the result by 100. 34 C.F.R. §668.6(b)

Noncompliance: BCI did not publish the institution's gainful employment disclosures on its website to ensure current and prospective students were provided statistical data on its students for the most recently reported award year. Additionally, BCI failed to include the required URL's in the promotional materials it makes available to prospective students. BCI did not prominently provide the information required in a simple and meaningful manner on its home page or provide a prominent and direct link on any other Web page containing general, academic, or admissions information about the program, to

the single Web page that contains all the required disclosure information. BCI did not display the information required on its website in an open format that can be retrieved, downloaded, indexed, and searched by commonly used Web search applications as required.

Required Action: BCI must review the policies and procedures currently in place relating to the dissemination of gainful employment information and disclosure to ensure compliance with federal regulations. Additionally, BCI must immediately make all information available online so current and prospective students and employees can review information. As part of this process, BCI must review its promotional materials and ensure the most current data is included on the materials which promote the program of study. As part of the process, BCI must provide the exact URL where the gainful information is disclosed as well as display a direct link to the information on the institution's home page. BCI must provide a written explanation of the online updates along with a copy of its revised policies and procedures as part of its response to this report. In addition, BCI must provide an assurance that in the future the institution will review all gainful employment disclosures on an annual basis and ensure that gainful employment disclosures are updated and made available to students and the public in the format specified in regulation.

Finding 15. Failure to Distribute the Annual Security Report in Accordance with Federal Regulations

Citation: The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (*Clery Act*) and the Department's regulations require that all institutions that receive Title IV, HEA funds must publish a materially-complete Annual Security Report (ASR). To be materially-complete, an ASR must contain all of the statistical and policy disclosures described in *34 C.F.R. § 668.46(b)*. By October 1st of each year, the ASR must be actively distributed to current students and employees.

The ASR must be actively distributed as a single document. Acceptable means of active delivery include U.S. Mail, hand delivery, or campus mail distribution to the individual or posting on the institution's website. If an institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all students and employees that includes a statement of the report's availability and its exact electronic address, a description of its contents, as well as an advisement that a paper copy will be provided upon request. *34 C.F.R. § 668.41(e)(1)*. The Department's regulations also require participating institutions to provide a notice to all prospective students and employees that includes a statement about the ASR's availability, its contents, and its exact electronic address if posted to a website. This notice must also advise interested parties of their right to request a paper copy of the ASR and to have it furnished upon request. *34 C.F.R. § 668.41(e)(4)*

Finally, each institution must also submit its crime statistics to the Department for inclusion in the Office of Postsecondary Education's "Campus Safety and Security Data Analysis Cutting Tool." This data must be submitted in the manner designated by the Secretary and in accordance with the timelines published in the Federal Register. 34 C.F.R. § 668.41(c)(5)

Noncompliance: BCI persistently failed to distribute its ASRs in accordance with Federal regulations. In its "Security Policy," BCI advised students to contact the local police department to obtain crime statistics. In interviews conducted by the program review team, BCI officials stated that no Clery-reportable crimes had occurred; however, this assertion even if true, does not negate the requirement to prepare and publish an accurate and complete ASR that includes all statistical and policy statements enumerated in 34 C.F.R. § 668.46(b) and to actively distribute it to current students and employees and notify prospective students and employees in accordance with 34 C.F.R. § 668.41.

Failure to actively distribute the ASR to current students and employees in accordance with Federal regulations deprives the campus community of important security information that can empower its members to make informed decisions and play an active role in their own safety and security.

Required Action: As a result of this violation, BCI must take immediate corrective action and distribute its 2012 ASR to all current students and employees in accordance with 34 C.F.R. § 668.41(e)(1). In addition, BCI must immediately prepare a clear and conspicuous notice and include it in the materials that are typically provided to or accessed by prospective students and employees. This notice must include a statement about the availability of the ASR, a summary of its contents, and its exact electronic address if it is posted to an internet or intranet site. This notice must also advise interested parties about how to obtain a paper copy of the ASR. A failure to provide such a notice to prospective students and employees constitutes an additional *Clery Act* violation and must be addressed immediately. See 34 C.F.R. § 668.41(e)(4) for additional information regarding this requirement.

BCI is also required to provide documentation to the Department evidencing its efforts to distribute the ASR and to notify prospective persons about the report's availability. BCI must also submit a certification statement attesting to the fact that the materials were distributed in accordance with the *Clery Act* and that the institution understands its *Clery Act* obligations and that it has taken all necessary corrective actions to ensure that this violation does not recur.

Furthermore, BCI must develop and implement policies and procedures as necessary to ensure that all future ASRs are prepared, published and distributed in accordance with Federal regulations. The institution must also review and revise any existing policies and procedures on ASR distribution and notification. BCI's new and revised policies must ensure that that all requirements of the *Clery Act* are met and that all deadlines are

observed going forward. A copy of all new and revised policies and procedures must accompany the institution's response to this program review report.

As noted above, the exceptions identified in this finding constitute serious violations of the *Clery Act* that by their nature cannot be cured. BCI will be given another opportunity to finally bring its campus security operations into compliance with the *Clery Act* as required by its Program Participation Agreement (PPA). However, BCI is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures as a result.

Based on an evaluation of all available information including BCI's response, the Department will determine if additional actions will be required and will advise the institution accordingly in the FPRD.

BCI officials may wish to review the Department's "Handbook for Campus Safety and Security Reporting" (2011) during the preparation of its response and for detailed guidance on complying with the *Clery Act*. The handbook is available online at: <http://www2.ed.gov/admins/lead/safety/handbook.pdf>. The regulations governing the *Clery Act* can be found at 34 C.F.R. §§ 668.14, 668.41, 668.46, and 668.49.

Finding 16. Failure to Comply with Drug and Alcohol Abuse Prevention Program Requirements

Citation: The Drug-Free Schools and Communities Act (*DFSCA*) and Part 86 of the Department's General Administrative Regulations requires each participating institution of higher education (IHE) to certify that it has developed and implemented a drug and alcohol abuse education and prevention program. The program must be designed to prevent the unlawful possession, use, and distribution of drugs and alcohol on campus and at recognized events and activities.

On an annual basis, the IHE must distribute written information about its drug and alcohol abuse prevention program (DAAPP) to all students, faculty, and staff. The distribution plan must make provisions for providing the material to students who enroll at a date after the initial distribution, and for employees who are hired at different times throughout the year. The information must include:

- A written statement about its standards of conduct that prohibits the unlawful possession, use or distribution of illicit drugs and alcohol by students and employees;
- A written description of legal sanctions imposed under Federal, state and local laws for unlawful possession or distribution of illicit drugs and alcohol;
- A description of the health risks associated with the use of illicit drugs and alcohol abuse;

- A description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to students and employees; and,
- A statement that the IHE will impose disciplinary sanctions on students and employees for violations of the institution's codes of conduct and a description of such sanctions.

In addition, each IHE must conduct a biennial review in order to measure the effectiveness of its drug prevention program, and to ensure consistent treatment in its enforcement of its disciplinary sanctions. The IHE must prepare a report of findings and maintain its biennial review report and supporting materials and make them available to the Department upon request. 34 C.F.R. §§ 86.3 and 86.100

Noncompliance: BCI violated multiple provisions of the *DFSCA* and the Department's Part 86 regulations. Specifically, the institution was unable to produce a copy of its DAAPP when the program review team requested it. During interviews conducted by the review team, BCI officials stated that no such program was currently in place and that the institution had never developed and implemented a DAAPP during its participation in the Title IV, HEA programs. BCI officials claimed that students who are determined to be under the influence of intoxicants are removed from class or the institution as appropriate; however, BCI does not have an official policy or protocol that governs such actions and no records of these disciplinary actions are maintained in the student's files nor are they included in the institution's crime statistics. BCI officials did not elaborate on the institution's policy regarding the treatment of employees determined to be in violation of Federal, state, or local drug and alcohol abuse laws while on duty.

As a consequence of the institution's failure to develop and implement a DAAPP, BCI also has failed to publish and distribute a DAAPP disclosure as required. The institution does not currently have a DAAPP disclosure or a formal policy in place to distribute it to all employees and students enrolled for academic credit. In fact, BCI officials conceded that the institution has never had such a policy dating back to its initial approval to participate in the Title IV, HEA programs.

Due to the fact that BCI does not have and has never had a DAAPP, BCI also has persistently failed to conduct a biennial review of the effectiveness of its DAAPP and of the consistency of sanctions imposed for violations of its disciplinary standards and codes of conduct. This violation also dates back to BCI's initial approval to participate in the Title IV, HEA programs.

Failure to comply with the *DFSCA*'s DAAPP requirements deprives students and employees of important information regarding the educational, disciplinary, health, and legal consequences of illegal drug use and alcohol abuse. Failure to comply with the biennial review requirements also deprives the institution of important information about the effectiveness of its own drug and alcohol programs. Such failures may contribute to

increased drug and alcohol abuse as well as an increase in drug and alcohol-related violent crime.

Required Action: BCI is required to take all necessary corrective actions to resolve these violations. At a minimum, BCI must do the following:

- Develop and implement a comprehensive DAAPP that includes all of the required elements found in the *DFSCA* and the Department's Part 86 regulations and publish a compliant DAAPP disclosure;
- Develop procedures for ensuring that the DAAPP disclosure is distributed to every student who is currently enrolled for academic credit and all employees (including part-time, intermittent, and as-needed personnel). When the new program materials are complete, BCI must submit a copy of its draft DAAPP and new distribution policy with its response to this program review report. Once the materials are approved by the Department, the institution will be required to distribute them in accordance with the Part 86 regulations, and provide documentation evidencing the distribution as well as a certification statement attesting to the fact that the materials were distributed in accordance with the *DFSCA*;
- Conduct a biennial review to measure the effectiveness of its DAAPP. The institution must describe the research methods and data analysis tools that will be used to determine the effectiveness of the program and identify the responsible official(s) and office(s) that conducted the biennial review. Finally, BCI's biennial review report must be approved by the institution's chief executive and/or its Board. The biennial review must be completed by July 15, 2013 and the institution's report of findings must be submitted to the Department by July 31, 2013.
- Establish policies and procedures to ensure that all subsequent biennial reviews are conducted in a timely manner and are fully documented and to take all other necessary action to ensure that this violation does not recur.

As noted above, the exceptions identified in this finding constitute serious violations of the *DFSCA* that by their nature cannot be cured. BCI will be given an opportunity to develop and distribute an accurate and complete DAAPP disclosure and to finally bring its drug and alcohol programs into compliance with the *DFSCA* as required by its PPA. However, the institution is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures.

Based on an evaluation of all available information including BCI's response, the Department will determine if additional actions will be required and will advise the institution accordingly in the FPRD.

D. Recommendation

The following recommendation is based upon observations made by the review team during the program review. The review team believes that adoption of this recommendation will assist the institution in its administration of Title IV, HEA program funds.

The Department strongly encourages BCI to contact the Kansas City School Participation Division to request assistance by one of the Institutional Improvement Specialists with the development and review of the required policies and procedures outlined in this report.

Appendix D: Estimated Actual Loss Description

The Estimated Actual Loss Formula (EALF) is used for only certain types of findings on ineligible FFEL and Direct Loan liabilities. The EALF estimates (1) the principal amount that has or will default; and (2) the interest and special allowance on the entire ineligible loan amount.

The EALF uses an institution’s applicable cohort default rate (CDR) to estimate the amount of defaults from the ineligible principal amount. This is usually the institution’s latest published CDR. Draft CDRs are not used unless there is no prior CDR.

Example: Ineligible Principal Loan Amount \$100,000
 Cohort Default Rate 10.0%
 Estimated Default Amount Due \$ 10,000

The EALF calculates interest and special allowance (SA), where applicable, on the entire amount of ineligible loan principal. The number of days used to calculate interest and special allowance is based on average historical data for various time periods for different types of schools.

Period	School Type	One-Year	Two-Year	Four-Year	Rate Types
Disbursement to Repayment		584	774	969	Interest & SA
Repayment to Default		418	498	619	SA
Repayment to Paid In Full		1659	1580	1712	SA

The EALF uses the actual interest rates in effect when the ineligible loans were disbursed and an annualized average of the quarterly special allowance rates in effect. The EALF divides the number of days in each time period so that changes in interest and special allowance rates are considered. The EALF also assumes that the ineligible loans were made in two disbursements after a 30-day delay.

Example for the Disbursement to Repayment Period for a Two-Year Institution (2004-05)

Variable Rate Ineligible Loans: \$40,000 subsidized and \$60,000 unsubsidized
 Interest Rates: 04-05 (2.77), 05-06 (4.70), 06-07 (6.54)
 SA Rates: 04-05 (1.45), 05-06 (1.55), 06-07 (0.53)

Subsidized Loan Amount (Interest and Special Allowance)

$$\begin{aligned}
 & \$40,000/2 \times (451 \times (.0422/365)) \\
 & + \$40,000/2 \times (730 \times (.0625/365)) \\
 & + \$40,000/2 \times (367 \times (.0707/365)) = \$4,964.61
 \end{aligned}$$

Unsubsidized Loan Amount (Special Allowance Only)

$$\begin{aligned}
 & \$60,000/2 \times (451 \times (.0145/365)) \\
 & + \$60,000/2 \times (730 \times (.0155/365))
 \end{aligned}$$

$$+ \$60,000/2 \times (367 \times (.0053/365)) = \$1,627.36$$

NOTE: The number of days of 774 for this time period is doubled to 1548 (451+730+367) because the principal amount is divided by two.

Similar calculations are made for the other two periods. The total liability is the sum of the default amount with the interest and special allowance calculations for all three periods.

Bio - Chi Institute

of Massage Therapy



1925 Geneva Sioux City Iowa 51103 (712) 252-1157

October 29, 2013

United States Department of Education

Federal Student Aid

1010 Walnut Street Suite 336

Kansas City, MO. 64106-2147

Kathy Feith,

Enclosed you will find Bio-Chi Institute of Massage Therapy's response to the January 2012 program review findings along with an outline of the principal disagreements regarding the findings.

1. Bio-Chi Institute of Massage Therapy was contacted by the US Department of Education to conduct a random program review in January 2012.
 - a. Following the review Bio-Chi Institute of Massage Therapy was placed on heightened cash monitoring II without formal written notification from the Department of Education.
 - b. The Department of Education would not give Bio-Chi Institute of Massage Therapy reason for the HCM2 and stopped all eligible students title 4 funding.
 - c. Six months following the visit with still no answers from the DoE, BCI contacted congressman Charles Grassley to assist. BCI had no direction or recommendation from DoE or reason BCI was placed on HCM2 or offerings of how to proceed in the process.
 - d. In July 2012 The DoE informed BCI it was in fact a credit hour school and could proceed in the process of HCM2 as a credit hour school.
 - e. Bio-Chi Institute of Massage Therapy was informed the DoE would only apply funds to 900 program hours of a massage therapy program which at that time

was not a program offered. Massage and Bodywork I 625 program hours were offered at the time of the visit.

- f. Prior to the visit, DoE, the state of Iowa, and accrediting body ACCSC granted Bio-Chi Institute eligibility to offer all Massage & Bodywork programs in credit hours. All were accepted by DoE to be title 4 eligible.
- g. The department sent a school specialist to BCI from KS home office who personally hand delivered the HCM2 documentation in credit hours to DoE. The DoE accepted the requests and released funds in credit hour in September 2012. 9 months after the school visit.
- h. From September 2012 through June 2013 the DoE continued the HCM2 with BCI and continued to approve funds in credit hours until June 2012 when funding was denied because the HCM2 was submitted in credit hours.
- i. The program review was completed on June 11, 2013. 18 months after the on-site visit.
- j. BCI had submitted the USDE renewal application to participate in title 4 programs in April 2013 in credit hours, it was denied- June 30, 2013-reason because it was not submitted in clock hours.

1.2 The e-car was updated to clock hours to maintain eligibility the e-car was denied. On July 9th DOE informed BCI that it would no longer be eligible to participate in title 4 programs. Bio-Chi Institute was no longer eligible to participate in title 4 programs and all access to school data was shut down to BCI. With no access to links and websites regarding needed information to complete the random program review, left BCI with limited resources to respond to these findings.

1.3. New Enrollment Agreements were created to clearly only offer 900 hours of funding eligibility. Although, the Massage & Bodywork II program had been previously approved by DoE, state of Iowa, and Accsc (accrediting body) and was eligible for full funding.

2. Attendance records were demonstrated to the reviewers

3 & 4. Pell and direct loan calculations were required in this review because the DoE determined in July 2012, BCI was a credit hour school and BCI continued to operate as

such. In June 2013 DoE changed their mind and now has determined BCI is a clock hour school. The spreadsheets reflect the change from credit to clock hour.

. The Bio-Chi Institute of Massage Therapy's Massage and Bodywork Therapy I program satisfied the state of Iowa and was approved by ACCSC as one of BCI's accredited programs and meeting the requirement for DoE.

The Massage and Bodywork Therapy II program met all required approvals and was accepted and approved by DoE on May 29 2007. The DoE now states they will only provide partial funding for the Massage and Bodywork Therapy program although the DoE had been deemed the program eligible for full funding from 2007, reviewed and again deemed eligible in 2008, reviewed and again deemed eligible in 2009, reviewed and again deemed eligible 2010, 2011, and 2012, until denied reapproval in 2013 because application was submitted in credit hours as it was in 2007-2013 and approved.

5. Netprice calculator was on the website during the program visit.
6. Campus security reports were published and given to students on request and during orientation. Now they will be published on the website.

Findings #14, #15, #16 are all apart of consumer information and are responded to under consumer information #12 versus four individual findings.

Finding #1 Incorrect Determination of Academic Calendar

Prior to changing to a 900 hour program in 2013, BCI offered three programs; each accepted in the State of Iowa and approved by ACCSC:

Massage and Bodywork Therapy I program 625 program hours/35 credits submitted in credit hours and approved by Iowa Massage Therapy Board

Massage and Bodywork II Therapy program 1250 program hours/70 credits Iowa and Nebraska approved

Massage and Bodywork Therapy Instructor program 1200 program hours/68 credits advanced training.

In December of 2006, BCI school owners attended the initial training conducted by DOE as required to participate in title 4 funding programs. The training was held at DOE office in Kansas City. Following the breakout session for school owners and managers the owners asked Dvok Corwin a question specifically regarding a program offered at their school. Their question was if the Massage and Bodywork Therapy II program would meet the eligibility requirements for title 4 although it would exceed 150% the state of Iowa required. Mr. Corwin stated to the Jensens as long as BCI offered a program that met the state and accrediting requirements, Massage and Bodywork Therapy I program did. BCI could offer other programs if the other programs had also been approved by our accrediting body and had been offered for at least 2 years, which it had.

BCI submitted the initial application to participate in title 4 in October 2006 and attended the training yet had not heard anything back from DOE. BCI contacted DOE and was informed their file was received but no action had yet been taken since October 2006, now the spring of 2007. BCI again contacted DOE KC team and spoke with Tom Berkerly who then began the initial application process. Working with Tom Berkeley, BCI again questioned about the 1250-hour program. Kathy Jensen explained the conversation between Mr. Corwin, Mr. Jensen, and herself at the training in December. Mr. Berkerly stated he would speak with Mr. Corwin whom confirmed he remembered the conversation and confirmed the program was eligible. On May 29 2007 BCI's application was approved based on semester credits.

The programs under the review in 2012 are the same programs as on our initial application approved by DOE for semester credits. The programs have since been reviewed and approval confirmed by DOE each year thereafter signed by Ralph LaBosco.

July 2012 on a call between DOE (Dvok Corwin, Rhonda Puffer, Jan Brandow), and BCI (Kathy Jensen, Diane Groth, Jennifer Frazee), Dvok Corwin stated that DOE had determined that BCI was in fact a credit hour school. Jan Brandow was to assist BCI in processing the HCM2 in credit hours not clock hours the same process utilized by BCI prior to the program

review, and hand deliver the paperwork to Christopher Thompson at DOE KC. The funds were approved for the first time since the DOE placed BCI on heightened monitoring without notice from DOE in January 2011.

Iowa statutes require the Iowa Board of Public Health to establish rules pursuant to chapter 17A. The code does not establish either clock or credit hours and the Iowa Board of Massage has established 600 clock hours or the equivalent in credit hours. Schools that apply for curriculum approval shall, at a minimum, provide a curriculum that meets the requirements of this chapter, offer a course of study of at least 600 clock hours or the equivalent in academic credit hour. The state of Iowa has accepted BCI's program in credit hours.

BCI feels the decision from the department in July 2012 supported state authorization to provide the program in credit hours but the new direction of the DOE in June 2013 does not support the states authorization.

E-car updated

At the USDEs direction and recommendation we have changed our application to reflect "clock hours". On this basis we understand that we will be reinstated. By taking this action we are not admitting that we were required to be clock hours in the past but are responding to the newly published comments by the Dept. of Education. On July 9th DOE informed BCI that it would no longer be eligible to participate in title 4 programs because the application was submitted in Credit hours. Previously the department of education had stated BCI could go month by month until the end of the program review. BCI was informed the department would not allow BCI to resubmit with the changes to clock hour because the application was received late.

According to the financial aid handbook volume 2 ch 5 Updating Application Information in the first paragraph under Recertification –"The Department will notify the school six months prior to the expiration of the school's PPA." The Department did not notify BCI six months prior to the expiration of the school's PPA.

<http://ifap.ed.gov/sfahandbooks/attachments/0405Vol2Ch5UpdatingApplication.pdf>.

BCI submitted a request for a substantive change to our 35 credit / 625 hour program to increase the program to 60 credits/900 program hour from the state of Iowa which was approved and then to our accrediting body, ACCSC which was also approved.

Enrollment agreements

At the USDE's direction and recommendation BCI has changed the enrollment agreement to reflect the hours of eligible and ineligible for funding of BCIs programs.

Bio-Chi Institute of Massage Therapy 1925 Geneva Street Sioux City Iowa 51103 712-252-1157

MASSAGE THERAPY PROGRAM

Enrollment Agreement 2012-2013

_____ Enrollment Agreement 20_____

_____ MASSAGE THERAPIST 900 Clock Hours

The tuition period for which the agreement covers is: One academic year or 30 weeks total and is aid eligible

Break down of cost	Total Cost
TUITION	\$12,300.00
BOOKS	\$413.00
Supply	\$350.00
Lab Fees	\$400.00
 TOTAL DIRECT COST	 \$13,463.00

DAY _____

START DATE ___/___/___ EXPECTED GRADUATION DATE ___/___/___

Satisfactory completion and length of each semesters coursework is required for graduation as stated in the current BCI school catalog

DIPLOMA AWARDED UPON SATISFACTORY COMPLETION OF PROGRAM

Course Material Required

I understand that I am responsible for purchasing the following items, as they **are not** included in the cost of attendance: • Scrubs for Student Clinic • Nail-clippers to keep nails short • Notebook/Journal/Pens/Pencils • Binders and plastic sheets for hand-outs • Access

to computer/typewriter• Requirements for certain classes include a doll for infant massage• Bathing suit for medical spa•

BCI does not repurchase equipment, books, or supplies from students.

Student Initials _____ Date _____

Payment of Accounts

Charges incurred each semester for tuition, fees and other expenses (e.g. books, fees, and supplies) are the responsibility of the student. Payment or arrangements are due before the first day of class. Failure to make arrangements will result in un-enrollment of all classes. No student shall be permitted to register for a semester or attend any class until prior accounts are settled. No student will be granted a diploma, certificate, certification, transcript, or final grade, until all outstanding accounts are paid in full.

Payment in Full

You may pay tuition and fees in person or by mail. Payments must be received by check, money order, or cashiers check. BCI will not accept cash payments for tuition.

Payment by Financial Aid

Approved financial aid will be applied to the student's charges.

Student Financial Aid Policy

An opportunity for a post secondary education should be within the reach of all interested individuals.

BCI administers a financial aid program designed to assist the student who qualifies to complete a Massage/Bodywork Therapy diploma program. The purpose of the Financial Aid Office is to assist, within the limits of its resources, for students who have a financial need. All students who are accepted to BCI and apply for financial aid will be considered for aid regardless of race, creed, color, religion, national origin, sex, age, or disability. Students must make satisfactory academic progress to continue their eligibility for financial aid.

Once you have submitted an application to Bio-Chi Institute of Massage Therapy and have been

accepted in an eligible program, you may apply for financial aid.

Federal Financial Aid

BCI participates in some Title IV Federal Student Aid Programs. Financial aid can provide assistance to students who meet the eligibility requirements. Students with certain types of existing student loans may be eligible for in-school deferments. Students receiving Title IV

loans are required to attend Entrance Loan Counseling, which is scheduled at the time of New Student Orientation, prior to receiving their federal loan. In addition, such students are required to attend an Exit Loan Counseling Session prior to graduation or prior to withdrawal from the program.

Financial Aid Disbursement Policy

All Title IV Federal Funds will first be applied toward Institutional cost and fees.

To apply for Financial Aid a student must:

1. Fill out the Free Application for Federal Student Aid (**FAFSA**). The FAFSA and renewal may be submitted after January 1 for the next award year. You may complete your **FAFSA online**, simply follow the instructions on their website <http://www.fafsa.ed.gov/> You can do this from home, or come to the financial aid office on the Sioux City campus for assistance.

Bio-Chi Institute's Federal School Code is 040893

2. The following requirements must be met to receive financial assistance at BCI:

Graduation from high school, or completion of the GED

Admission into an eligible program at BCI leading to a diploma

US citizenship

Possession of a valid Social Security number

Must not be in default on any federal student loan

If you are required to be registered with the Selective Service, you must be registered

All other applicable Title IV requirements

Satisfactory Academic Progress (SAP)

Massage Therapist and Massage and Bodywork II clock hour programs

Students must achieve a minimum overall cumulative grade point average of at least 2.0 (70%)

All program requirements must be completed within a maximum timeframe of 1.5 times the normal program length.

SAP is evaluated at the end of each semester

SAP standards apply to all work attempted.

Grading Policy

For each individual course taken, each student will receive a letter grade based on the following scale.

A=4.0=100%-90% B=3.0=89%-80% C=2.0=79%-70% D=1.0=69%-60%

Failing = Below 60%

All students will be graded, but not limited to, the following criteria which includes; written and practical exams, class participation, assignments including practice journals, hands-on technique, homework, special projects, classroom behavior, timely completion of all assignments, clinic sessions, attendance, and professional appearance. No final exam will be given until all class assignments have been turned into the instructor.

Incomplete Courses and Retakes

Incomplete coursework is granted only in exceptional cases, and are considered on a case-by-case basis. The instructor and student will create an academic contract, with deadlines recorded. If the student fails to complete the work by the deadline, they will receive a failing grade and the course must be retaken as soon as the course is offered at full cost. A student who is required by the Institute to retake (at the students expense) a course will receive, as their final grade, the grade earned during the retake period with no exceptions. At BCI all courses are required therefore, no student can withdraw from any scheduled course. This may result in the student extending time at the college to complete coursework.

Course Failure

Any student earning below 70% over all grade in any course must repeat the course as soon as the course is offered at the current published credit hour tuition rate. This may result in the student extending time at the college to complete coursework at the credit hour tuition rate. This may result in the student extending time at the college to complete coursework.

Cancellation Policy

Applicants who are not accepted for enrollment by Bio-Chi Institute of Massage Therapy will receive a refund of all tuition expenses except the registration fee.

Applicants who cancel their application within three (3) business days after signing an Enrollment Agreement and prior to beginning classes will receive a refund of all monies paid to Bio-Chi Institute of Massage Therapy, excluding the registration fee.

Applicants who cancel after three (3) business days of the signing date of the Enrollment Agreement but prior to beginning classes will be refunded all monies paid to the Bio-Chi Institute of Massage Therapy less the registration fee.

Applicants who have not visited the School may cancel their applications within three (3) business days after the regularly scheduled first day of class or their first visit to the school, whichever occurs first, and receive a refund of all monies paid to Bio-Chi Institute of Massage Therapy, excluding the registration fee, and for the costs of any books, manuals, supplies, and equipment received.

Refund Policy

The school applies its institutional refund policy to all students, whether or not they received federal financial aid. Withdrawal before the **first day** of the student's first semester results in **no** tuition charges.

However, the student is obligated for the costs of any books, manuals, supplies, and equipment received.

No federal financial aid can be used to cover the above listed charges. The student is considered a "**cancel**" instead of a "**withdraw**."

First week of the program and financial obligation:

- Tuition charges withheld will not exceed 10 percent (10%) of the stated tuition up to a maximum of \$500.
- The charges retained will not exceed a pro rata portion of the tuition for the training period completed, plus ten percent (10%) of the unearned tuition for the period of training that was not completed.
- After sixty percent (60%) of the semester of training and financial obligation BCI will retain the full amount of tuition.

All refunds are based on tuition charges for the semester. Attending one day of any given week will result in a charge for the entire week.

Postponement of a starting date, whether at the request of the school or the student, requires a written agreement signed by the student and the school. The agreement must set forth:

- Whether the postponement is for the convenience of the school or the student, and:

- A deadline for the new start date beyond which the start date will not be postponed. If the course is not commenced, or the student fails to attend the new start date set forth in the agreement, the student will be entitled to an appropriate refund or prepaid tuition and fees within 30 days of the deadline of the new start date set forth in the agreement, determined in accordance with the school's refund policy and all applicable laws and rules concerning the Private Occupational Educational Act of 1981.
- BCI maintains detailed attendance records. Full time students are given 10 class days before the determination date and withdrawal process begins. Part time students are given 15 class days before the determination date and withdrawal process begins.
- All refunds will be processed within 30 days of the date of determination using the last date of attendance for the withdrawal calculation.

Financial Aid Refund Policy

Return of Title IV Funds

Federal rules state that aid earned is based on the period of time a student remains enrolled. The

Financial Aid Office calculates the percentage of aid earned using the following formula; A student, who officially withdraws, earns aid based on the number of calendar days he/she attended. Earned aid is calculated from the beginning of the semester until the official withdrawal date up to the point that 60% of the semester has passed. (The semester break, three class days and a weekend, are not counted as days of attendance.) After the 60% point all aid is considered earned.

Withdraw Policy

Withdrawal is defined as dropping all classes and having no credit hours for a semester. A student officially withdraws from BCI when:

- The student submits a written notice of total withdrawal to the Business Office. (A signed official withdraw form or other written notice, such as an email to BCI, constitutes a written notice.) or

- The student calls the Business Office at BCI and declares their intent to withdraw from all courses.

A student will be considered to have unofficially withdrawn when:

- The student does not complete the official withdraw process; and/or
- Any of the student's instructors report that the student is no longer attending classes. The date of unofficial withdrawal will be the mid-point of the semester or the date provided by an instructor whichever is later.

Determining the percentage of the payment period a student completed.

STEP 1. Each 15-week semester is a payment period. For credit hour programs, the law defines this percentage based on calendar days. To determine the percentage, the number of calendar days up to and including the student's last date of attendance is divided by the number of days in the payment period. The total number of calendar days in the payment period does not include any days in which the student was on an approved leave of absence.

Determining the amount of aid earned by the student.

STEP 2. The amount of aid the student earned for the payment period is determined by multiplying the percentage derived from Step 1 by the total amount of Title IV aid that was disbursed or that could have been disbursed as of the student's last date of attendance (see Post Withdraw Disbursements Policy).

Compare the amount earned to the amount disbursed.

STEP 3. If less aid was disbursed than was earned, the student may receive a post withdraw disbursement for the difference. If more aid was disbursed than was earned, the difference is refunded back to Title IV programs.

Allocating responsibility for returning unearned aid between the school and the student.

STEP 4. Students who receive living expenses would be responsible for repayment of any unearned aid. If the student's share of the unearned funds that must be returned are attributed to a Title IV loan program, then repayment will still be based under the terms and conditions of the promissory note. If the student's share of the unearned funds that must be returned are attributed to a Title IV grant program, the initial amount to return will be reduced by 50%.

STEP 5. Distribute the unearned aid back to the Title IV programs following the Refund Timeline and Refund Allocation policy.

Post Withdraw Disbursements

If a student was eligible to receive federal aid but for some reason did not receive it prior to withdrawing, that is aid that could have been disbursed and is considered a post withdrawal disbursement. For Pell Grants, the school must have received a valid ISIR or SAR and verification must be complete. For Stafford loans, a first time first year student must have completed the first 30 days of attendance and the school certified the loan application. For PLUS loans, the loan must be certified prior to the student's last date of attendance. The school will provide written notification of an offer for student/parent to receive any post-withdrawal disbursements within 30 days of the date of determination of withdrawal. The parent or student must respond within 14 days to request some or all of the funds, at which time the school must disburse the funds that were requested within 90 days of the determination date of withdrawal. If no response is received, no disbursement will be made. If a response to make the disbursement is received after the 14 days, the school may choose whether or not to make the disbursement. Borrowers will be notified in writing if no disbursement was made.

Refund Timeline and Refund Allocation

The school will make refunds within 30 calendar days of the date the student officially withdraws, or the date the school determines that the student has unofficially withdrawn. Refunds will be returned in the following order:

1. Unsubsidized Federal Stafford Loans/William Ford Direct Loans
2. Subsidized Federal Stafford Loans/William Ford Direct Loan
3. Federal Perkins Loan Program
4. Federal PLUS Loans/Direct PLUS Loans
5. Federal Pell Grant Program
6. Federal SEOG Program
7. Other Title IV Programs
8. Other federal, State, private or institutional assistance
9. Student refunds less than \$25 will not be made to Title IV programs. By signing the enrollment

agreement, the student authorizes that the Bio-Chi Institute of Massage Therapy can retain any amount of the refund that would be allocated to the Title IV, HEA loan programs.

Postponement of a Starting Date

Whether at the request of the school or the student, requires a written agreement signed by the student

and the school. The agreement must set forth:

- Whether the postponement is for the convenience of the school or the student, and;
- A deadline for the new start date beyond which the start date will not be postponed.

If the course if

not commenced, or the student fails to attend the new start date set forth in the agreement, the

student will be entitled to an appropriate refund or prepaid tuition and fees within 30 days of the

deadline of the new start date set forth in the agreement, determined in accordance with the school's refund policy and all applicable laws and rules concerning the Private Occupational Educational Act of 1981.

- BCI maintains detailed attendance records. Full time students are given 10 class days before the determination date and withdrawal process begins. Part time students are given 15 class days before the determination date and withdrawal process begins.

- All refunds will be processed within 30 days of the date of determination using the last date of attendance for the withdrawal calculation.

Financial Aid Probation

A student who has received financial aid is placed on financial aid probation the first time they fail to maintain a 2.0 GPA, and/or fail to complete 67% of all hours attempted. A student on financial aid probation continues to receive financial aid. However, a student whose cumulative credits earned is 0 or whose cumulative GPA is 0.0 will be immediately suspended. (See Appeal of Financial Aid Suspension.) If a student does not meet the minimum levels by the end of a probationary semester, the student is considered to be making unsatisfactory academic progress and is placed on Financial Aid Suspension.

Financial Aid Suspension

Financial Aid Suspension means the termination of all financial aid. Following suspension, a student may return to probationary status when they regain a 2.0 cumulative GPA, and a completion rate of at least 67% of all hours attempted. After returning to probationary status, a student must continue to maintain the appropriate cumulative grade point average and completion rate or they will return to suspended status.

Notification

The Financial Aid Office notifies, by letter any student who does not meet the minimum SAP standards and is being placed on Financial Aid Probation or Suspension status.

Appeal of Financial Aid Suspension

Any student who has been suspended has the opportunity to appeal such action to the Academic

Progress Appeal Committee. An appeal must be in writing using the forms, policies, and procedures using the format provided by the Financial Aid Office. The decision of the Academic Progress Committee will be final.

Leave of Absence (LOA)

☑ A student may request a leave of absence from the program in which they are enrolled for reasons such as, illness, family emergency, and work conflicts. A student's LOA may not exceed 180 days in a 12-month period. All requests for a leave of absence must be submitted in writing prior to leaving the program. In cases of emergencies, a student may request from the BCI's executive director by phone an emergency leave. This must be followed within 5 working days by a written request.

☑ The director will have the right to grant or deny any leave of absence. Upon denial of a leave of absence the student will have 14 calendar days to request, in writing, a review of the denial and show cause why the leave of absence should be granted.

☑ A student who fails to reschedule courses or return to BCI by the last day of their leave of absence will be considered as unofficially withdrawn and a letter confirming their withdrawal will be issued.

Student Classification

Definition of Clock Hour

A clock hour is defined as 50 minutes of instruction in a 60 minute period of time.

School and Student Agreement

The Bio-Chi Institute of Massage Therapy and its instructors agree to provide the program/course of instruction indicated on the first page of this Enrollment Agreement, using such facilities, instructional methods, and equipment, as the school shall deem proper. BCI has described, in writing, in the school catalog/handbook, the prerequisites and requirements for successfully completing the program.

Graduation: The student agrees to abide by the Bio-Chi Institute of Massage Therapy's regulations, policies, and procedures during the period of attendance and understands that excessive absences, failing grades, or unsatisfactory conduct can result in disciplinary actions and possible dismissal or suspension. To become eligible for graduation and receive a diploma, the student must have met all class work (including Student Clinic Internship) requirements and satisfied all financial and other obligations to the Bio-Chi Institute of Massage Therapy.

Placement: Bio-Chi Institute of Massage Therapy provides employment assistance upon graduation without additional cost. The student is advised that employment assistance is not given as an inducement to enroll and no guarantee of placement or employment is made. Additionally, relocation may be required to obtain suitable employment.

Academic Advising

All students will have mandatory academic advising on or after the midpoint of semester. Student will be notified of academic progress and concerns as well as all other concerns, questions and issues. If problems are noted an advising plan will be created to address any issue noted. Students have access and are welcome to speak with any member of BCI faculty for academic advising.

Make-up Work

Make-up work for absences and lateness may be required at the discretion of the instructor.

Fees for Make-ups/Tutorials:

- \$25 - \$45 for faculty time

Graduation Requirements

Students must achieve a minimum overall cumulative grade point average of at least 2.0 (70-80%), to the complete satisfaction of the instructor, successfully pass the MBLEx exam, show proof of a current CPR/First Aid Certificate. In addition students must complete all clinical hours, fulfill all financial obligations and complete all required course work. The student must complete the program in the time allowed, and must demonstrate compliance with all BCI policies. Attendance, academic grades, conduct, and proper application of massage skills must be demonstrated to be within the policy guidelines and demonstrated on time to the satisfaction of staff and administration. All fees must be received within appropriate timelines, and any balance must be paid in full prior to the graduation date.

All fees must be received within appropriate timelines, and any balance must be paid in full 14 days prior to the graduation date.

No transcript will be issued to a student who leaves our program without paying their balance owed. A diploma is issued to graduates in good standing.

It is also necessary to stress that BCI does not guarantee that courses or program hours will transfer to another educational institution.

In compliance with THE DRUG FREE SCHOOLS AND COMMUNITIES ACT, BCI prohibits the use of alcohol or illegal drugs on campus. Students and employees are required to inform the School if they are convicted of any drug abuse charge in a federal, state, or local court within five days of conviction. In addition, BCI provides support to students with drug or alcohol abuse problems through referral and counseling. Information is made available to students by administrative staff. Also, prevention and intervention materials are posted on student bulletin boards. BCI's Drug-Free School Policy is described in the BCI School's Handbook.

Scheduling Information

Day Class Schedule

Monday through Thursday 8:15 AM to 2:30 PM

Every other Saturday 8:00 AM to 6:00 PM

Note: Some special classes and public events may fall on off times of regular classes.

Students will be notified in the school calendar for these special events.

Attendance to special classes and public events is **mandatory**.

VOCATIONAL STUDENT AGREEMENT

As a newly enrolled student at the Bio-Chi Institute of Massage Therapy, I understand the following:

The Bio-Chi Institute of Massage Therapy is a vocational school accredited by ACCSC. It is required by ACCSC and by the U.S. Department of Education that the Bio-Chi Institute of Massage Therapy prepares students to obtain employment as entry level massage therapists, Bodywork therapists, and massage therapy instructors.

It is my obligation as a student and a graduate to:

Complete all course work and graduate on time.

While in school, create a plan to work in the massage therapy industry immediately after graduation.

Upon graduation, obtain a license where necessary and start working as a professional massage therapist.

Keep BCI informed of current address, telephone numbers, and employment.

Self-employment is a common vocational objective of the training, and I may choose to pursue self-employment in order to fulfill my vocational objectives upon graduation.

It is my obligation, while in school and after graduation, to look, to behave, and to speak like a professional massage therapist/bodyworker/instructor. I understand that I represent an emerging profession and I agree to conduct myself with the intention that I contribute to a positive image of massage therapy as a profession to the public.

Licensing Requirements

I understand that the Professional Massage Therapy Program does not currently meet licensing

requirements in all states. Licensing information can be changed or updated at any time. I understand that in order to obtain licensure in any other state/county/municipality, that I may be required to complete additional classes, coursework, paperwork, or other requirements mandated by the state/ county/municipality, and that the Bio-Chi Institute of Massage Therapy will not pay for, and will not be liable for, meeting any additional requirements for licensure.

Licensing

- Many states/municipalities require licensure in order to obtain employment as a massage therapist.
 - Additionally, many states/municipalities now require National accepted exam, which involves a computerized multiple-choice exam at a professional testing center.
 - In states/municipalities that require licensure, it is illegal to work as a massage therapist until such licensure/certification has been obtained.
 - The certification process can take a minimum of 8 weeks and as much as 5 months. •
- The application cost for National Certification is \$225.

- The MBLEX fee is \$195. I understand that it is my responsibility to know the licensing requirements for the state/county/municipality that I desire to work in and that I must contact the state/county/ municipality to verify licensing information.
- The Bio-Chi Institute of Massage Therapy cannot guarantee placement.

Qualification Agreement

I understand that in order to practice massage therapy in the State of Iowa I must pass the

NCE or the MBLEx.

I must meet the following qualifications as stated by the governing bodies of the state I choose to practice:

1. If I have been convicted of an offense that would constitute a felony or misdemeanor, in

any state or country, I may be refused licensure even though I have graduated from Bio-

Chi Institute of Massage Therapy programs.

2. That I am of good and moral character.

I acknowledge I have read and understand this agreement and agree to abide by the rules and conditions set forth herein. I agree to pay the tuition as shown on Page 1 for the program indicated which is subject to the refund policy as outlined on Page 3. I further acknowledge that I have been given a copy of this Agreement, a current BCI catalog and student handbook, and a BCI Financial Aid Guide for my permanent records. I further acknowledge that these documents constitute the entire agreement between the Bio-Chi Institute of Massage Therapy and myself.

The terms and conditions of this Agreement are not subject to amendment or modification by oral agreement and are legally binding.

Applicant Signature _____

Printed Name _____

Date Signed _____

I certify that I have reviewed the Bio-Chi Institute's Enrollment Agreement with the above applicant and

certify that the applicant has met the BCI's requirements and standards for acceptance.

Therefore, it is

my recommendation that this applicant be accepted.

I further state that I have made no verbal statement or promise to the applicant, which is contrary to the terms set forth in this Enrollment Agreement.

Representative of BCI

Date

Blo-Chi Institute 712-252-1157 1925 Geneva St Sioux City Ia 51103 712-252-1157
www.bci.edu

_____**MASSAGE & BODYWORK INSTRUCTOR**

1200 clock hours

One and one half academic year or

45 weeks total and is aid eligible

The tuition period for which the agreement covers is: One academic year or
30 weeks total

Break down of cost	Total Cost
TUITION	\$13,940.00
BOOKS	\$620.00
Fees	\$200.00
TOTAL DIRECT COST	\$14,760

DAY _____

START DATE ___/___/___ EXPECTED GRADUATION DATE ___/___/___

Satisfactory completion and length of each semesters coursework is required for graduation as stated in the current BCI school catalog

DIPLOMA AWARDED UPON SATISFACTORY COMPLETION OF PROGRAM

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Bio-Chi Institute's Federal School Code is 040893

2. The following requirements must be met to receive financial assistance at BCI:

- ☑ Graduation from high school, or completion of the GED
- ☑ Admission into an eligible program at BCI leading to a diploma
- ☑ US citizenship
- ☑ Possession of a valid Social Security number
- ☑ Must not be in default on any federal student loan
- ☑ If you are required to be registered with the Selective Service, you must be registered
- ☑ All other applicable Title IV requirements

Satisfactory Academic Progress (SAP)

Massage Therapist and Massage and Bodywork II clock hour programs

Students must achieve a minimum overall cumulative grade point average of at least 2.0 (70%)

All program requirements must be completed within a maximum timeframe of 1.5 times the normal program length.

SAP is evaluated at the end of each semester

SAP standards apply to all work attempted.

Grading Policy

For each individual course taken, each student will receive a letter grade based on the following scale.

A=4.0=100%-90% B=3.0=89%-80% C=2.0=79%-70% D=1.0=69%-60%

Failing = Below 60%

All students will be graded, but not limited to, the following criteria which includes; written and practical exams, class participation, assignments including practice journals, hands-on technique, homework, special projects, classroom behavior, timely completion of all assignments, clinic sessions, attendance, and professional appearance. No final exam will be given until all class assignments have been turned into the instructor.

Incomplete Courses and Retakes

Incomplete coursework is granted only in exceptional cases, and are considered on a case-by-case basis. The instructor and student will create an academic contract, with deadlines recorded. If the student fails to complete the work by the deadline, they will receive a failing grade and the course must be retaken as soon as the course is offered at full cost. A student who is required by the Institute to retake (at the students expense) a course will

FINDINGS # 8 Inadequate Monitoring of Title IV, HEA Credit Balances-

8. FINDINGS # 8 Inadequate Monitoring of Title IV, HEA Credit Balances-

a. P & P for processing card balance

Credit Balances Financial aid funds cannot be applied until the appropriate paperwork has been completed and the funds are received. Once funds are received Financial aid will be applied to student accounts and will be used towards incurred charges, such as tuition and fees. Students with a credit balance on their account, which is represented on the students bill with a negative value in the "balance" field may be entitled to a refund. A negative value in the "balance" field may represent pending aid, and does not guarantee a refundable balance. Students may choose to sign a voluntary authorization form granting BCI the authority to hold a credit balance to help pay for future charges of tuition and fees. A refund may still be made if a student chooses to change that option by submitting a written request. The refund process may take up to 14 business days after a written request has been made. Any student that chooses not to fill out an authorization form, BCI will automatically refund any credit balance due to student within 14 days after disbursement in accordance with federal regulations. Regardless of any signed authorization, BCI will pay any remaining balance on loan funds by the end of the loan period, and other remaining Title IV funds by the end of the last payment period in the award year for which they were awarded.

Findings #9 COA determination documentation

9. COA determination documentation

- a. Procedures to maintain documentation including how new COA will be reviewed
- b. Must publish COA for prospective and enrolled students

Bio-Chi Institute of Massage Cost of Attendance 2013-2014

Massage Therapist Program

900 clock hour / 60 Academic Credits

Cost of Attendance

Tuition	\$12,300
Books & Supplies	\$1163
Total institutional cost	\$13,463
(student living expense)	\$11,690
Total	\$25,153

Massage & Bodywork Therapy II Program

1250 clock hour / 70 Academic Credits

Cost of Attendance

Tuition	\$12,350
Books & Supplies	\$1458
Total institutional cost	\$15,758
(student living expense)	\$15,580
Total	\$31,338

MASSAGE & BODYWORK INSTRUCTOR Program

1200 clock hours / 68 Academic Credits

Cost of Attendance

Tuition	\$13,940.00
Books & Supplies	\$820
Total institutional cost	\$14760.
(student living expense)	\$15580
Total	\$30,340.00

COA Policy and Procedure

The fiscal officer and director conduct an annual review of BCI's cost of attendance. Adjustments will be revised as needed. Bio-Chi Institute of Massage Therapy's cost of attendance is published in our school catalog, student handbook for currently enrolled students and is published to our website for prospective students. The publication of our COA is reviewed and updated annually.

Numbers are based on the research conducted and published by College Board, which establishes the calculation for living expense. The school will retain documentation from the college board website to support the living expense portion.

<http://www.collegeboard.org>

Living Expense Budget 2013 2013-14 low and moderate budgets for developing student expense budgets

The College Board's 2013-14 nine- and twelve-month living expense budgets show living expense costs by region and metropolitan area. Both a moderate and a low budget are provided. The budgets reflect increases in the Consumer Price Index (calculated by the U.S. Bureau of Labor Statistics) of 1.030 percent for 2011, and an estimated adjustment of 1.014 percent for 2012. The budgets are developed based on data from the most recent Consumer Expenditure Survey (CES) and the Indexes of Comparative Costs, both produced by the U.S. Bureau of Labor Statistics. Budget regions correspond to the metropolitan statistical areas (MSAs) defined by the U.S. Office of Management and Budget. The CES sample changes about every 10 years, which changes the MSAs for which indexes can be developed. There were 28 MSAs for the period from 1996 to 2004, but that number dropped to 24 for 2005. Therefore, the regional tables of the living expense budget now reflect only 24 MSAs. Also, since a factor could not be established for every region of the country, no region is adjusted by a value of less than 1.0.

Note that the budget values for 2013-14 are less than those calculated for 2012-13. Low inflation and reduced expenditures reported by consumers in the CES, resulted in lower calculated budget values.

The base budgets for 2013-14 are:

Moderate (Prevailing) Budgets

12 Month	\$23,250
9 Month	\$17,440

Low Budgets

12 Month	\$15,580
9 Month	\$11,690

Month

The approximate breakdown of the living expense component is as follows:

Housing: 48%

Transportation: 16%

Miscellaneous: 36%

The housing allowance breaks down between housing (including utilities) and food at approximately 71 percent and 29 percent.

These budgets are useful tools that will help you:

Develop expense budgets for your independent commuting students

Prepare debt management materials

Exercise professional judgment

Note: These budgets are provided to assist financial aid officers in developing living expense budgets for their independent, off-campus students. The budgets should not be confused with the actual boarding expenses experienced by an on-campus student.

Nine-Month Academic Year

2013-14 low and moderate living expense budgets

This table shows living expense costs by region and metropolitan area over a nine-month period. Both a moderate and a low budget are provided. The budgets reflect increases in the Consumer Price Index (calculated by the U.S. Bureau of Labor Statistics) of 1.030 percent for 2011, and an estimated adjustment of 1.014 percent for 2012.

The budgets are developed based on data from the most recent Consumer Expenditure Survey (CES) and the Indexes of Comparative Costs, both produced by the U.S. Department of Labor's Bureau of Labor Statistics. Budget regions correspond to the metropolitan statistical areas (MSAs) defined by the U.S. Office of Management and Budget. The CES sample changes about every 10 years, which changes the MSAs for which indexes can be developed. There were 28 MSAs for the period from 1996 to 2004, but that number dropped to 24 for 2005. Therefore, the regional tables of the living expense budget now reflect only 24 MSAs. Also, since a factor could not be established for every region of the country, no region is adjusted by a value of less than 1.0.

	Moderate 9-Month Budget	Low 9-Month Budget
United States	\$ 17,440	\$ 11,690

United States

\$ 17,440

\$ 11,690

Northeast:		
Boston-Cambridge-Quincy, MA-NH	18,486	
New York-Northern New Jersey-Long Island, NY-NJ-PA	19,184	
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	18,486	12,391
Pittsburgh, PA	17,440	11,690
North Central:		
Chicago-Naperville-Joliet, IL-IN-WI	18,138	12,158
Cleveland-Elyria-Mentor, OH	17,440	11,690
Detroit-Warren-Livonia, MI	17,091	11,456
Minneapolis-St. Paul-Bloomington, MN-WI	17,789	11,924
St. Louis, MO-IL	17,440	11,690
South:		
Atlanta-Sandy Springs-Marietta, GA	17,963	12,041
Baltimore-Towson, MD	19,010	12,742
Dallas-Fort Worth-Arlington, TX	17,614	11,807
Houston-Sugar Land-Baytown, TX	17,789	11,924
Miami-Ft. Lauderdale-Miami Beach, FL	18,312	12,275
Washington-Arlington-Alexandria, DC-VA-MD-WV	20,230	13,560
West:		
Anchorage, AK	19,010	12,742
Denver-Aurora, CO	17,440	11,690
Los Angeles-Long Beach-Santa Ana, CA	19,358	13,976
Phoenix-Mesa-Scottsdale, AZ	18,138	12,158
Portland-Vancouver-Beaverton, OR-WA	18,138	12,158
San Diego-Carlsbad-San Marcos, CA	19,358	12,976
San Francisco-Oakland-Fremont, CA	20,754	13,911
Seattle-Tacoma, WA	18,835	12,625
Honolulu, HI	18,835	12,625

Note: These budgets are provided to assist financial aid officers in developing living expense budgets for their independent, off-campus students. The budgets should not be confused with the actual boarding expenses experienced by an on-campus student

NSDL Reporting Incorrect/Untimely

10. NSDL Reporting

- a. review enrollment status 2010-found for accuracy make changes
- b. if holding credit balances provide new form
- c. provide discussion of changes

Findings #11 Improper Authorization to Hold credit Balances and Failure to pay Credit Balances Due Students

11. Credit balances-authorization form
 - a. revise form
 - b. if holding credit balances provide new form
 - c. P&P

Credit Balances Financial aid funds cannot be applied until the appropriate paperwork has been completed and the funds are received. Once funds are received Financial aid will be applied to student accounts and will be used towards incurred charges, such as tuition and fees. Students with a credit balance on their account, which is represented on the students bill with a negative value in the "balance" field may be entitled to a refund. A negative value in the "balance" field may represent pending aid, and does not guarantee a refundable balance. Students may choose to sign a voluntary authorization form granting BCI the authority to hold a credit balance to help pay for future charges of tuition and fees. A refund may still be made if a student chooses to change that option by submitting a written request. The refund process may take up to 14 business days after a written request has been made. Any students that chooses not to fill out an authorization form, BCI will automatically refund any credit balance due to student within 14 days after disbursement in accordance with federal regulations. Regardless of any signed authorization, BCI will pay any remaining balance on loan funds by the end of the loan period, and other remaining Title IV funds by the end of the last payment period in the award year for which they were awarded.

Findings #12 Consumer information

Consumer information (revised 10-13)

The Higher Education Opportunity Act of 2008 (HEOA) requires that postsecondary institutions participating in federal student aid programs make certain disclosures to enrolled and prospective students, parents, employees, and the public. The following information is disclosed to you in compliance with federal law. For additional information, including requesting a paper copy of any materials, please call or e-mail the appropriate office or visit the indicated websites.

The Higher Education Opportunity Act of 2008 (HEOA) requires that postsecondary institutions participating in federal student aid programs make certain disclosures to enrolled and prospective students, parents, employees, and the public. The following information is disclosed to you in compliance with federal law. For additional information, including requesting a paper copy of any materials, please call or e-mail the appropriate office or visit the indicated websites.

Accreditation

Information concerning the Bio-Chi Institute of Massage Therapy's (BCI) institutional accreditation is available in the BCI Catalog, student handbook, and college website. Following guidelines established by the Accrediting Commission of Career Schools and Colleges (ACCSC) standards of accreditation all academic programs are assessed through a formal program review process on a regular basis. In addition to review of the programs by ACCSC, BCI reviews and assesses the educational programs annually based with faculty input, program advisory committee, current trends in the industry, and student evaluations.

Academic Programs and Institutional Information

Information concerning BCI's current educational programs and course descriptions is available in the BCI catalog.

College Navigator

College Navigator is a free consumer information tool designed to help students, parents, high school counselors, and others search for and obtain information about U.S. postsecondary institutions.

Enter Bio-Chi Institute of Massage Therapy as Name of School to view BCI college information or click the following link <http://nces.ed.gov/collegenavigator/?q=bio-chi+institute&s=all&id=451200#expenses>

Confidentiality of Student Records and Student Health Records (FERPA)

Notice is hereby given that the Bio-Chi Institute (BCI) complies with the provisions of the Family Educational Rights and Privacy Act of 1974, as amended, and regulations

promulgated there under The Family Educational Rights and Privacy Act (FERPA) affords eligible students with certain rights with respect to their education records. They are:

The right to inspect and review the student's educational records within 45 days of the day the School receives the request for access. A BCI student should submit to the Business Office a written request that identifies the record he/she wishes to inspect. The registrar will make arrangements for access and notify the student of the time and place where the record may be inspected. If the record to be inspected is not maintained by the registrar, the student will be advised of the correct official to whom the request should be addressed.

The right to request amendment of the student's educational records that the student believes are inaccurate or misleading. A student should write to the registrar or other BCI official responsible for the record, clearly identify the part of the record he/she wants changed, and specify why it is inaccurate or misleading. If BCI decides not to amend the record as requested by the student, the student will be notified of the decision and advised of his/her right to a hearing regarding the request for amendment. Additional information regarding the hearing procedures will be provided to the student when notified of the right to a hearing

The right to consent to disclosures of personally identifiable information contained in a student's educational records, except to the extent that FERPA authorizes disclosure without consent. Disclosure without consent is granted to CSHA officials with legitimate educational interests. A CSHA official is a person employed by CSHA in an administrative, supervisory, academic, or support staff position or a student assisting another CSHA official in performing his/her tasks, i.e. a teaching assistant. A CSHA official has a legitimate educational interest if the official needs to review a record in order to fulfill his/her professional responsibility.

The right to file a complaint with the U.S. Department of Education concerning alleged failures by BCI to comply with the requirements of FERPA.

The name and address of the office that administers FERPA is
Family Policy Compliance Office

Copyright Infringement and Peer-to-Peer File Sharing Policies

The use of illegal peer to peer software and file sharing is prohibited. Students are not allowed to distribute copyright material.

Information on the Digital Millennium Copyright Act (DMCA) and individual rights and responsibilities are available at the following website

<http://www.copyright.gov/legislation/dmca.pdf>

Transfer of Credit and Articulation Agreements

WHEREAS, the Bio Chi Institute, hereinafter referred to as BCI, wishes to provide for certain of its students to receive instruction that will provide a diploma and an Associate of Applied Science Degree (AAS), and

WHEREAS, Western Iowa Tech Community College, hereinafter referred to as WITCC, has the instructors, expertise, and the accredited Associate of Applied Science (AAS) degrees, and

WHEREAS, the parties for mutual consideration and benefits agree to offer educational services in order to provide students the opportunity to access and complete a cooperative educational program for the Associate of Applied Science degree, the terms and conditions hereinafter set forth.

A. General Terms

1. The purpose of this agreement is to provide a mechanism for students to prepare for a career in the allied health field by receiving instruction utilizing the expertise of BCI and WITCC in providing the educational preparation for this career.

2. WITCC/BCI jointly agree to:

a. coordinate the program as a joint responsibility of BCI and WITCC academic services administrations.

b. admit qualified students to both colleges and allow dual enrollment

3. BCI agrees to:

a. provide academic counseling to students who intend to apply for admission to the massage therapy diploma program.

b. admit qualified students to the massage therapy diploma program.

c. confer a state authorized diploma when all requirements of the massage therapy program have been met.

d. not provide degrees, diplomas, and certificates offered by WITCC

4. WITCC agrees to:

a. provide academic counseling to students who intend to apply for admission to the Associate of Applied Science degree programs.

b. admit qualified students to the Associate of Applied Science program.

c. confer the Associate of Applied Science degree when the requirements

of the degree have been met. not provide diplomas and certificates currently offered by BCI

B. Duration

This agreement shall automatically renew each school year; if either party wishes to discontinue the program notice will be given in writing by November 15 to terminate the agreement for the next academic year. Should the agreement be terminated all students enrolled in the cooperative agreement will be given one year to complete the A.A.S. degree. New students will no longer be admitted under this arrangement.

C. Specific Aspects

1. BCI shall be the institute of record for the diploma.
2. BCI shall be responsible for providing all instruction in the Massage Therapy program and maintain all necessary approvals and accreditation for awarding the diploma.
3. WITCC shall be the college of record for the Associate of Applied Science degree.
4. WITCC shall be responsible for providing all instruction in Technical Business Management Technical Studies, and General Education and maintain all necessary approvals and accreditation for the awarding of the Associates of Applied Science degree.
5. This cooperative enrollment process allows joint recruitment and marketing. All press releases and other public pronouncements involving the WITCC/BCI programs shall be subject to the advanced approval of WITCC and BCI.

D. Organization and Administration

The Operational Committee shall consist of two representatives from each institution who shall be designated by the institutions subject to the following:

1. The Associate Dean of Instruction or their designee will serve as the Chairperson of the committee.
2. The committee shall meet at least once a year.
3. The committee recommendations shall be jointly submitted to the Academic Committees of the respective institutions for approval.
4. The proceedings of the committee shall be maintained by a designee appointed by the chairperson.

E. Curriculum

1. WITCC requirements for the Associate of Applied Science degrees shall be according to the WITCC's college catalog.
2. BCI requirements for the diploma in massage therapy shall be according to BCI's college catalog.

3. BCI transferred courses will not be computed in grade point for the AAS Degree and WITCC courses will not be computed in grade point for the BCI diploma.
Western Iowa Tech Community College Bio-Chi Institute

Chief Academic Officer Date Chief Academic Officer Date

Transfer of credit policies and articulation agreements are also published on the BCI website copies of the agreement are available in the business office.

Voter Registration

Information on voting in local, state, and federal elections, including a copy of the Iowa voter registration application form, may be accessed at the [Iowa Secretary of State website](#).

Institute Nondiscrimination Statement

Bio-Chi Institute of Massage Therapy does not discriminate on the basis of race, color, age, ethnicity, religion, national origin, pregnancy, sexual orientation, gender identity, genetic information, sex, marital status, disability, or status as a U.S. veteran. Inquiries can be directed to the College Director (712-252-2066)

Constitution Day Policy

The late Senator Robert C. Byrd, a former West Virginia Democrat and Congress' unofficial Constitutional scholar, believed that American primary, secondary and post-secondary students lack significant knowledge regarding the United States Constitution. In December 2004, Senator Byrd proposed an amendment that was passed by both the House of Representatives and the Senate in an attempt to increase students' knowledge about the Constitution. The legislation requires that all educational institutions receiving federal funds implement educational programs relating to the U.S. Constitution on September 17 of each year. This date was chosen due to the fact that on September 17, 1787 the delegates to the Constitutional Convention met for the last time to sign the United States Constitution and present it to the American public. (PL 108-447, "Consolidated Appropriations Act, 2005," Dec. 8, 2004; 118 Stat. 2809, 3344-45 (Sec.111). The Bio-Chi Institute of Massage Therapy holds events each year to commemorate Constitution Day.

Bio-Chi Institute of Massage Therapy Campus Security and Fire Safety 2013-14

The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act The Student Right to know and Campus Security Act of 1990, recently renamed "The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act", was enacted by Congress and signed into law in November of 1990. In 1992, 2002, and most recently in 2008, Congress significantly amended the law, expanding the reporting criteria.

In order to comply with provisions of "The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act", reports from the Bio-Chi Institute of Massage

Therapy (BCI) and local law enforcement agencies (Sioux City Police Department) are compiled and published annually.

This report summarizes public safety and security policies in effect at BCI. It highlights crime reporting procedures, crime prevention programs, and other services available to the BCI community. Crime statistics for the 2010, 2011, and 2012 calendar years are also provided as is information regarding the number of arrests made for certain designated criminal offenses during these time periods. It should be noted that the crime statistics included in this publication are the combined statistics of BCI and the surrounding property in District 1 as reported by the Sioux City Police Department. You may pick up a copy of the report in person at the BCI main office during normal business hours 9-4 M-TH.

PURPOSE

This document is designed to provide you with information concerning your personal safety, to inform you of BCI policies which help make the campus a safe place, and to comply with Federal law which requires BCI to:

Inform students and employees of BCI's policies and programs that promote safety and security

Summarize campus crime data

Provide suggestions that will help deter criminal behavior

Inform victims of sex offenses of their rights

Publicize BCI's drug and alcohol policies

Provide information concerning BCI's rate of graduation

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YOUR SAFETY

The intention of this publication is to provide information that will help minimize the likelihood of readers becoming a victim of crime whether on the campus or at your home. Police Department Authority: BCI is located in Sioux City Iowa and is under the jurisdiction of the Sioux City Police Department.

REPORTING INCIDENTS

BCI Administration handles all campus crime reports and investigations including;

Criminal law violations

Sexual assault

Alcohol violations

Controlled substances violations

Weapon law violations

Medical and fire emergencies, etc.

*BCI does not have any security personnel /campus police.

- BCI does not have any off-campus student organizations
- BCI does not have any crime prevention programs.

BCI encourages prompt and accurate reporting of crimes to police. The Sioux City Police Department provides crime statistics related to public property adjacent to the main campus. Following applicable laws and guidelines, the Sioux City police submit reports of criminal incidents to appropriate BCI Administration.

Confidential Incident Reporting

BCI does not have facilities for voluntary, confidential reporting of incidents.

BCI Access Policy

BCI does not have any residence housing facilities.

To ensure the accurate and prompt reporting of all crimes, authorized administrative personnel will take

a full written statement from involved parties and witnesses at all reported emergency or criminal

incidents. The written statements are included as part of a written report, and such statements may be used by BCI Administration (if applicable) and local/state law enforcement authorities for the purpose of criminal apprehension and/or crime prevention. Criminal incidents may also be reviewed

by BCI's administrative staff for the purpose of disciplinary action.

All students are informed about campus security procedures and practices at the New Student

Orientation. Everyone should remember that personal safety begins with you.

The following should be considered:

Do not leave books or personal property unattended in the classroom, student lounge, library and personal items should not be visible in your car. Cars should be locked at all times and personal items placed in the trunk.

Sexual assault prevention programs and Counseling for sex offense victims is available at Victim Advocacy Program or

Council on Sexual Assault and Domestic Violence Contact the Victim Assistance Coordinator at 712-279-6398.

If any disciplinary proceedings are held in cases of an alleged sex offense, both the accuser and the accused have the opportunity to have others present. Both the accuser and accused will be informed of the institution's final determination of any institution disciplinary proceeding and any sanction imposed against the accused. Termination of Enrollment may be imposed against the accused for rape, acquaintance rape, or other forcible or non-forcible sex offense.

EMERGENCY RESPONSE AND EVACUATION PROCEDURES

Anytime that a serious situation arises either on the BCI campus or in the immediate area of the campus that in the judgment of the BCI School Director and / or Designated Crisis Team Coordinator (CTC) poses an ongoing or continuing threat to the BCI campus community, a campus notification will be issued. This notification will be issued through direct contact notifying Crisis Team Members in each classroom, clinic and library/lab resource centers.

The BCI Crisis Team will, without delay, and taking into account the safety of the community, determine

the content of the notification and initiate the notification system, unless the notification will, in

the professional judgment of responsible authorities, compromise efforts to assist victims or to contain, respond to, or otherwise mitigate the emergency.

The BCI School Director and / or Designated Crisis Team Coordinator (CTC) will

- 1) Confirm that there is a significant emergency,
- 2) Determine who to notify (911, Sioux City Police Department's non-emergency number, CPR first Aid Certified Team Members, Executive Director/Owner and/or other Crisis Team Members) and
- 3) Determine the content of the notification, and
- 4) Initiate the notification system.

The BCI Crisis Team is comprised of BCI Directors, Staff and Instructors. Depending on the day and time each member is prepared to respond as the CTC until a BCI Director is notified. Instructors that respond as the CTC during weekend hours will contact the Director. The BCI School Director or CTC will act as contact for emergency responders and assist with coordinating media communication.

BCI will test emergency response and evacuation procedures on an annual basis. This test may or may not be announced. BCI will publicize a description of the test on it's website.

TIMELY WARNING NOTICE

POLICY

In the event that a situation arises that in the judgment of the Administration, constitutes an ongoing or continuing threat, a campus wide "timely warning" will be issued. The warning will be issued by direct contact, by phone, by snowcap the BCI Text Notification System, by email or for weather related notices, by local media and snowcap.

EMERGENCY RESPONSE TEST LOG

Description of Test

Date Time Announced/Unannounced

Fire Drill 9/30/13 8:30 Unannounced

Lock Down 10/1/13 11:00 Unannounced

Fire & Safety Inspection Date

9-23-2013

Inspector 1

SONICHSEN, TROY

Inspector 2

HINRICHS, ROBERT

Exterior Inspection Only

NO - INTERIOR INSPECTION WAS ALSO DONE.

ADDRESS

Address Visible from Street (4 inch Min)

OK - YES AT LEAST 4 INCHES AND VISIBLE FROM STREET.

Address Posted in Contrasting Colors

OK - YES, CONTRASTING COLORS WHERE USED.

EXITWAYS

Aisles 36" in public areas (28" employee areas)

OK - MEETS CODE 1017 (2009 IFC) SPECIFICATIONS.

Improper lock / Panic hardware required

OK - MEETS CODE 1008.1.9 SPECIFICATIONS.

Exit door operation

OK - MEETS CODE 1008 SPECIFICATIONS.

Emergency Lighting / Exit Lights Maintained

OK - MEETS CODE 1006/1011 SPECS.

Exit Way Obstructions

OK - MEETS CODE 1003.6 SPECIFICATIONS.

Storage Under Exit Stairs

OK - MEETS CODE 315.2.2 SPECIFICATIONS.

FIRE EXTINGUISHERS

Required All Occupancies (Min. 2A:10BC)

OK - MEETS CODE 906.1 SPECIFICATIONS.

Fire Ext Maintenance Inspection Annually

OK - MEETS CODE 906.2 SPECIFICATIONS.

Fire Ext Proper Mounting (Max 75 ft travel distance) OK - MEETS CODE 906.3 SPECIFICATIONS.

Fire Extinguisher Obstructions

OK - MEETS CODE 906.6 SPECIFICATIONS.

Smoke Alarms Present and Operational

OK - MEETS CODE 907.2.11.2 SPECIFICATIONS.

STORAGE

Storage Accumulation of Combustibles

OK - MEETS CODE 315 (2009 IFC) SPECIFICATIONS.

Clear from Ignition Sources/Equipment Rooms

OK - MEETS CODE 315.2.3 (2009 IFC) SPECIFICATIONS.

Clearance from ceiling (24" non-sprinklered)

OK - MEETS CODE 315.2.1 (2009 IFC) SPECIFICATIONS.

ELECTRICAL

Unsafe condition / clearance to panel

OK - MEETS CODE 605 (2009 IFC) SPECIFICATIONS.

Extension cords in lieu of permanent wiring

OK - MEETS CODE 605.4/605.5 (2009 IFC) SPECIFICATIONS.

Extension cords through walls, floors, etc.

OK - MEETS CODE 605.5 (2009 IFC) SPECIFICATIONS.

Email from Sioux City Fire Department

fireprevention@sioux-city.org

2:

to me

Sioux City Fire Rescue Inspection Report (No violations found)

Property #: 8265

Address: 1925 GENEVA ST

Billing Party: Mind & Body Connection

_____ 1925 Geneva St

_____ SIOUX CITY, IA 51103

On 09-23-2013 a fire inspection was performed at the address listed above. The attached document has the results of the inspection. No violations were found and we thank you for doing your part to keep citizens and employees safe in Sioux City!

The fee for your Fire Safety Operational Permit will be mailed to the Billing Party listed above.

RESOURCE PHONE NUMBERS

If you need assistance in an emergency, dial 911.

The resources below are provided to assist you in your emergency planning:

Sioux City Fire Department (non emergency): 712-279-6314

Sioux City Police Department (non emergency): 712-279-6960

Woodbury County Disaster and Emergency Services: 712-876-2212

Siouxland Chapter, American Red Cross: 712-252-4081

Hospitals:

St. Luke's 712-279-3500

Mercy 712-279-2010

My Nurse Health Info: 877-242-8899

Poison Center: Local Number: 277-2222 or 1-800-352-2222.

The national 800 number is 1-800-222-1222

Information and Referral: 211

Siouxland District Health: 712-279-6119

Department of Homeland Security: <http://www.dhs.gov>

PROJECT LIFESAVER – IOWA Project Lifesaver is a project that provides a tracking system to locate individuals who have the tendency to wander and become lost 712-279-6424

SIOUX CITY ALL-HAZARD EMERGENCY PREPAREDNESS

GUIDE To view the "City of Sioux City Citizens' All-Hazard Emergency Preparedness Guide:" go to the following

web site: <http://old.sioux-city.org/pdf/lib/3D145673A33141F3B3CA75EA520122FD.pdf>

Severe Weather links

<http://w1.weather.gov/data/obhistory/KSUX.html>

<http://www.nws.noaa.gov/om/severeweather/index.shtml>

TO REPORT A CRIME

Contact BCI Business Office 712-252-1157 or Director 712-252-2066 (non-emergencies), dial 9-1-1- (emergencies only). Any suspicious activity or person seen in the parking lots or loitering around vehicles, inside buildings or around the campus should be reported to the Business office.

*BCI does not have any security personnel / campus police.

CLERY CAMPUS CRIME STATISTICS

Criminal Offense	2009	2010	2011	2012
Murder/Non-negligent manslaughter	0	0	0	0
Forcible sex offenses	0	0	0	0
Robbery	0	0	0	0
Aggravated assault	0	0	0	0

Burglary	0	0	0	0
Motor vehicle theft	0	0	0	0
Arson	0	0	0	0
Negligent manslaughter	0	0	0	0

Criminal Offenses - Non-campus

BCI does not have any Non-campus facilities or campus residences

Criminal Offenses - Public Property				
Public property includes thoroughfares, streets, sidewalks and parking facilities that is immediately adjacent to and accessible from the campus.				
	2009	2010	2011	2012
Murder/Non-negligent manslaughter	0	0	0	0
Forcible sex offenses	0	0	0	0
Robbery	0	0	0	0
Aggravated assault	0	0	0	0
Burglary	0	0	0	0
Motor vehicle theft	0	0	0	0
Arson	0	0	0	0
Negligent manslaughter	0	0	0	0

Hate Offenses - On-campus & Public Property

Arrests - On-campus & Public Property	2009	2010	2011	2012
On-campus & Public Property				
Liquor law violations	0	0	0	0
Drug law violations	0	0	0	0
Illegal weapons possessions	0	0	0	0
Arrests - Non-campus	0	0	0	0
Liquor law violations	0	0	0	0
Drug law violations	0	0	0	0

Hate-Offenses Non-Campus BCI does not have any Non-campus facilities or campus residences

Arrests - On-campus & Public Property	2009	2010	2011	2012
Liquor law violations	0	0	0	0
Drug law violations	0	0	0	0
Illegal weapons possessions	0	0	0	0

Arrests on Non-Campus BCI does not have any Non-campus facilities or campus residences.

Disciplinary Actions/Judicial Referrals - On-campus & Public Property

Arrests - On-campus & Public Property	2009	2010	2011	2012
Liquor law violations	0	0	0	0
Drug law violations	0	0	0	0
Illegal weapons possessions	0	0	0	0

Disciplinary Actions/Judicial Referrals - Non-campus BCI does not have any Non-campus facilities.

BCI is located in District 1 of Sioux City Iowa. For information regarding District 1 crime statistics, follow at <http://www.siouxcitypolice.com/statistics/district-1.html>

CRIME DEFINITIONS

The previously stated statistics reflect offenses and arrests reported to Sioux City Police and BCI and are compiled in accordance with the definitions used in the Uniform Crime Reporting

System of the Department of Justice, and the Federal Bureau of Investigation (FBI), as modified by the Hate Crime Statistics Act.

Murder and Non-Negligent

Manslaughter: The willful (non-negligent) killing of one human being by another.

Negligent Manslaughter: The killing of another person through gross negligence.

Forcible Sex Offenses: Forcible Sex

Offenses – A forcible sex offense is any sexual act directed against another person, forcibly and/or against that person's will; or not forcibly or against the person's will where the victim is incapable of giving consent. Examples of forcible sex offenses include:

Forcible Rape: The carnal knowledge of a person, forcibly and/or against that person's will; or not forcibly or against the person's will where the victim is incapable of giving consent because of his/her temporary or permanent mental or physical incapacity (or because of his/her youth).

Forcible Sodomy: Oral or anal sexual intercourse with another person, forcibly and/or against that person's will; or not forcibly against the person's will where the victim is incapable of giving consent because of his/her youth or because of his/her temporary or permanent mental or physical incapacity.

Sexual Assault with an Object: The use of an object or instrument to unlawfully penetrate, however slightly, the genital or anal opening of the body of another person, forcibly and/or against that person's will; or not forcibly or against the person's will where the victim is incapable of giving consent because of his/her youth or because of his/her temporary or permanent mental or physical incapacity. **Forcible fondling:** The touching of the private body parts of another person for the purpose of sexual gratification, forcibly and/or against that person's will; or not forcibly or against the person's will where the victim is incapable of giving consent because of his/her youth or because of his/her temporary or permanent mental incapacity.

Non-forcible Sex Offenses: A non-forcible sex offense is "unlawful, non-forcible sexual intercourse." Only two types of offenses are included in this definition:

Incest: Non-forcible sexual intercourse between persons who are related to each other within the degrees wherein marriage is prohibited by law.

Statutory Rape: Non-forcible sexual intercourse with a person who is under the statutory age of consent (18).

Robbery: Taking or attempting to take anything of value from the care, custody, or control, of a person or persons by force or threat of force or violence and/or by putting the victim in fear.

Aggravated Assault: An unlawful attack by one person upon another for the purpose of

inflicting severe or aggravated bodily injury. This type of assault usually is accompanied by the use of a weapon or by means likely to produce death or great bodily harm." (It is not necessary that injury result from an aggravated assault when a gun, knife, or other weapon is used which could and probably would result in serious personal injury if the crime were successfully completed.)

Burglary: The unlawful entry of a structure to commit a felony or a theft. For reporting purposes this definition includes: "unlawful entry with intent to commit a larceny or felony; breaking and entering with intent to commit a larceny; housebreaking; safecracking; and all attempts at these offenses.

Motor Vehicle Theft: The theft or attempted theft of a motor vehicle. (Classify as motor vehicle theft all cases where automobiles are taken by persons not having lawful access even though the vehicles are later abandoned - including joyriding.)

Arson: Any willful or malicious burning or attempt to burn, with or without intent to defraud, a dwelling house, public building, motor vehicle or aircraft, personal property of another, etc.

Hate Crimes: Any of the aforementioned offenses, and any other crime involving bodily injury, larceny-theft, simple assault, intimidation, and destruction, damage, or vandalism of property that manifests evidence that the victim was intentionally selected because of the actual or perceived race, gender, religion, sexual orientation, ethnicity, or disability of the victim.

Illegal Weapons Possession:

Iowa Code **724.3 UNAUTHORIZED POSSESSION OF OFFENSIVE WEAPONS.**

Any person, other than a person authorized herein, who knowingly possesses an offensive weapon commits a class "D" felony.

In support of the second amendment of the United States and the State of Iowa law **724.4 CARRYING WEAPONS, Sec.4, (i)** A person who has in the person's possession and who displays to a peace officer on demand a valid permit to carry weapons which has been issued to the person, and whose conduct is within the limits of that permit. A person shall not be convicted of violation of this section if the person produces at the person's trial a permit to carry weapons which was valid at the time of the alleged offense and which would have brought the person's conduct within this exception if the permit had been produced at the time of the alleged offense.

BCI fully supports Iowa state law regulating firearms. **Notice many of the student on-site massages are conducted at locations where guns may not be allowed for this reason, those

who need to carry weapons on campus should become thoroughly familiar with Iowa Code at the following link;

[http://coolice.legis.iowa.gov/cool-](http://coolice.legis.iowa.gov/cool-ice/default.asp?category=billinfo&service=iowacode&input=724.#724.3)

[ice/default.asp?category=billinfo&service=iowacode&input=724.#724.3](http://coolice.legis.iowa.gov/cool-ice/default.asp?category=billinfo&service=iowacode&input=724.#724.3)

Drug Law Violations: Violations of laws prohibiting the production, distribution and/or use of certain controlled substances and the equipment or devices utilized in their preparation and/or use. The unlawful cultivation, manufacture, distribution, sale,

purchase, use, possession, transportation or importation of any controlled drug or narcotic substance; and arrests for violations of state and local laws, specifically those relating to the unlawful possession, sale, use, growing, manufacturing, and making of narcotic drugs.

Liquor Law Violations: Violation of state or local laws or ordinances prohibiting the manufacture, sale, purchase, transportation, possession; or use of alcoholic beverages--not including driving under the influence and drunkenness. Included in this classification is: the manufacture, sale, transporting, furnishing, possessing, etc., of intoxicating liquor; maintaining unlawful drinking places;

bootlegging; operating a still; furnishing liquor to a minor or intemperate person; underage possession, using a vehicle for illegal

transportation of liquor; drinking on a train or public conveyance; and attempts to commit any of the above.

PERSONAL SAFETY

Personal safety is everyone's responsibility. Reducing the possibility of victimization is simple:

Remain alert and attentive to potential danger

Don't put yourself at risk

Report suspicious incidents to the police

The following information will help you deal with or avoid certain criminal events.

Sexual Assault: The Bio-Chi Institute of Massage Therapy policies require all of the BCI community to respect the personal rights of others and to obey the law. Any violation of another individual's right to be free from forcible and non-forcible sex offenses constitutes a serious violation of school policies which may result in

termination of employment, suspension, or dismissal from the school. All of the listed offenses are also crimes and punishable by imprisonment.

Forcible sex offenses: Offenses against another person forcibly and/or against that person's will;

or not forcibly or against the person's will where the victim is incapable of giving consent because of his/her youth or because of his/her temporary or permanent mental or physical incapacity.

These offenses include:

Sexual Assault: Unwanted sexual acts directed against another person.

Rape: The carnal knowledge (sexual intercourse) of a person against her or his will.

Forcible Sodomy: Unwanted oral or anal sexual intercourse with another person.

Sexual Assault with an Object: Use of an object or instrument to unlawfully penetrate, however slightly, the genital or

anal opening of the body of another person. **Forcible Fondling:** Unwanted touching of the private body parts of another person for the purpose of sexual gratification.

Non-forcible sex offenses: Unlawful, nonforcible sexual intercourse.

Incest: Non-forcible sexual intercourse between persons who are related to each other within the degrees wherein marriage is prohibited by law.

Statutory Rape: Non-forcible sexual intercourse with a person who is under the statutory age of consent. Frequently, victims and their attackers know each other. Be aware that acquaintance rape is a serious crime. Rape of any kind is a crime of violence and is never the victim's fault. The lack of verbal or physical resistance because of force, or threat of force, or intimidation, does not represent consent.

Other Sex Offenses: Sex offenses are not limited to rape and sexual assault. Other behaviors may be violations of BCI policy or criminal law. Exhibitionists, voyeurs (peeping toms), and persons who make obscene or harassing phone calls are in violation of BCI's policy and of the law. Although a physical attack may not have been carried out, don't take chances.

Promptly report all incidents to the BCI administration or staff.

Exhibitionism: The act or practice of exposing one's genitalia to another for the purpose of obtaining sexual gratification or stimulation or to shock or be offensive to another.

Voyeurism: The act or practice of obtaining sexual gratification or stimulation by visual means--an example would be a window peeper.

What to Do:

Stay calm and exhibit no reaction. Contact the School Director, administration or facility personnel immediately.

Note the time and location of the occurrence. Note physical characteristics of the offender.

Note direction of travel.

Get a description of the vehicle (make, model, color, and license plate number). Get the names and phone numbers of other

Witnesses. Lock all doors and windows.

Harassing and Obscene Phone Calls:

Harassing and obscene phone calls are generally intended to shock or intimidate the victim or to sexually gratify the caller. Use the telephone on your terms—not the terms of the caller.

What to Do:

Do not give out your name.

Note the phone number displayed on your caller ID.

State “Do not call this number again,” and quietly hang up once a caller makes obscene remarks or does not respond to your “hello.”

Always contact BCI administration to report these types of calls.

Keep logs of calls noting the date, time, content, voice characteristics, background noises, etc.

Be wary of callers conducting surveys.

Never give personal information to unknown callers (e.g. credit card or social security numbers, etc.)

Active Shooter:

To survive an active shooter incident one must develop a survival mindset and a course of action. A survival mindset is a protective shield comprised of three components:

Awareness

Preparation

Rehearsal

A course of action may involve any or all of the following:

Figure out the situation.

Get out to a safer area if you can.

Call out to the police.

Hide out if you are unable to get out.

Keep out the shooter by blocking doorways, etc.

Spread out (do not huddle together) and quietly develop a plan of action.

Take out the shooter. Assume the shooter’s intentions are lethal and be prepared to do whatever it takes (survival mindset) to neutralize the threat.

Assaults:

To avoid circumstances that may make you vulnerable to assault:

Never jog alone at night.

Avoid dense shrubbery where an assailant could hide.

Know the locations of emergency telephones.

Stick to well-lighted paths and walkways at night.

Carry both a cell phone and whistle /personal alarm to summon help.

Statutory Rape:

Non-forcible sexual intercourse with a person who is under the statutory age of consent.

Frequently, victims and their attackers know each other. Be aware that acquaintance rape is a serious crime. Rape of any kind is a crime of violence and is never the victim's fault. The lack of verbal or physical resistance because of force, or threat of force, or intimidation, does not represent consent.

POLICY AGAINST SEXUAL HARASSMENT, AND HARASSMENT BASED UPON RACE, COLOR, NATIONAL ORIGIN, AND DISABILITY

Everyone at the Bio-Chi Institute of Massage Therapy has a right to feel respected and safe. Consequently, we want you to know about our policy to prevent sexual harassment, and harassment because of race, color, national origin, and disability.

A harasser may be a student or a faculty member. Harassment may include the following when related to sex, race, national origin, or disability:

Name calling

Pulling on clothing

Graffiti Notes or cartoons

Unwelcome touching of a person or clothing

Offensive or graphic posters or book covers; or Violent acts

If any words or actions make you feel uncomfortable or fearful, you need to tell an instructor or school official.

You may also make a written report. It should be given to an instructor or school official.

Your right to privacy will be respected as much as possible.

We take seriously all reports of sexual harassment, and harassment based upon race, national origin, and disability, and will take all appropriate action to investigate such claims, to

eliminate that harassment, and to discipline any persons found to have engaged in such conduct.

The Iowa Division of Private Occupational Schools will also take action if anyone tries to intimidate you or take action to harm you because you made such a report.

This is a summary of BCI's policy against sexual harassment, and harassment because of race, color, national origin, and disability. A complete copy is available at the Director's office upon request. BCI Students are required to participate in massage in both classroom and clinic settings and are required to perform massage techniques during student exchanges and on clinic clientele without discrimination with regard to creed, color, sex or national origin.

SEXUAL HARASSMENT AND HARASSMENT BASED ON RACE, NATIONAL ORIGIN, AND DISABILITY ARE AGAINST THE LAW DISCRIMINATION IS AGAINST THE LAW.

Contact: School Director

Phone: 712-252-2066

SEXUAL OFFENSES

The FBI's National Incident-Based Reporting System (NIBRS) defines a sex offense in general as any sexual act directed against another person, forcibly and/or against that person's will; or not forcibly or against the person's will where the victim is incapable of giving consent. If you feel you have been a victim of a sexual offense on the BCI property: Your first priority is to get to a place of safety. Then contact a school official and/or contact the Sioux City Police

Department. Provide the opportunity for collection of evidence helpful in prosecution, which cannot be obtained later (ideally a victim of sexual assault should not wash, douche, use the toilet, or change clothing prior to a medical/legal exam).

If necessary, seek off-campus counseling. To obtain information on local information on registered Sioux City

sex offenders, go to the following web site: <http://www.city-data.com/so/so-Sioux-City-Iowa.html>

POLICY OF MAINTAINING A DRUG AND ALCOHOL FREE LEARNING ENVIRONMENT

All students and employees are hereby notified that the unlawful manufacture, distribution, dispensing, possession or use of illicit drugs and alcohol is prohibited in the institution's learning environment. Any student or employee must notify the institution of any criminal drug and alcohol statute conviction for a violation occurring in the learning

environment no later than five days after such conviction. In compliance with the Drug-Free Workplace Act of 1988, the institution's "workplace" consists of the following locations: Bio-Chi Institute of Massage Therapy, 1925 Geneva Street Sioux City Iowa 51103; or, any teaching site, or any "off-site" location (i.e. field trips, job placement, luncheons, meetings, etc.) where the activities are in any way related to the institution.

DRUG AND ALCOHOL

PREVENTION PROGRAM

The Bio-Chi Institute of Massage Therapy has established a Drug and Alcohol Free Awareness Program (DAFAP). The DAFAP encompasses the following four phases:

PHASE ONE

WARNING OF THE DANGERS OF DRUG AND ALCOHOL ABUSE:

Drug and alcohol use impairs memory, alertness and achievement. It erodes the capacity to perform, think and act responsibly. It may be grounds for termination of your enrollment with the institution or other legal action.

SCHEDULE A specifically details the Uses and Effects as it relates to alcohol.

PHASE TWO

THIS INSTITUTION HAS A POLICY OF MAINTAINING A DRUG AND ALCOHOL FREE LEARNING ENVIRONMENT

All students and employees are hereby notified that the unlawful manufacture, distribution, dispensing, possession or use of illicit drugs and alcohol is prohibited in the institution's learning environment. Any student or employee must notify the institution of any criminal drug and alcohol statute conviction for a violation occurring in the learning environment no later than five days after such conviction. In compliance with the Drug-Free Workplace Act of 1988, the institution's "workplace" consists of the following locations:

Bio-Chi Institute of Massage Therapy, 1925 Geneva Street Sioux City Ia 51103 or any "offsite"

location. (i.e. internships, sporting events, field trips, meetings, etc.) where the activities are in any way related to the institution.

PHASE THREE

LISTING OF THE AVAILABLE LOCAL DRUG COUNSELING, REHABILITATION AND ASSISTANCE PROGRAMS:

Please refer to SCHEDULE B.

PHASE FOUR

NON-COMPLIANCE WITH THE TERMS OF THIS INSTITUTION'S DRUG-FREE WORKPLACE STATEMENT

Non-compliance will result in the following action being taken by this institution:

The student or employee would be required to actively participate in a drug or alcohol abuse assistance or rehabilitation program approved by federal, state or local health, law enforcement or other appropriate agency.

Attached SCHEDULE C contains a description of the applicable legal sanctions under local, State, and Federal law for

unlawful possession, use, or distribution of illicit drugs and alcohol. Community service with one of the above

stated agencies. Termination of enrollment

SCHEDULE A

ALCOHOL USES AND EFFECTS

Alcohol consumption causes a number of marked changes in behavior. Even low doses significantly impair the judgment and coordination required to drive a car safely, increasing the likelihood that the driver will be involved in an accident. Low to moderate doses of alcohol also increases the incidence of a variety of aggressive acts, including spouse and child abuse.

Moderate to high doses of alcohol cause marked impairments in higher mental functions severely altering a person's ability

to learn and remember information. Very high doses cause respiratory depression and death. If combined with other

depressants of the central nervous system, much lower doses of alcohol will produce the effects just described.

Repeated use of alcohol can lead to dependence. Sudden cessation of alcohol intake is likely to produce withdrawal

symptoms, including severe anxiety, tremors, hallucinations, and convulsions. Alcohol withdrawal can be life threatening.

Long-term consumption of large quantities of alcohol, particularly when combined with poor nutrition, can also lead to permanent damage to vital organs such as the brain and the liver.

Mothers who drink alcohol during pregnancy may give birth to infants with fetal alcohol syndrome. These infants have irreversible physical abnormalities and mental retardation.

In addition, research indicates that children of alcoholic parents are at greater risk than other youngsters of becoming alcoholics.

SCHEDULE B

DRUG COUNSELING, REHABILITATION, AND ASSISTANCE PROGRAMS

Jackson Recovery

800 5th Street Sioux City, IA 51101 Phone: (712) 234-2300

www.jacksonrecovery.com

SCHEDULE C

FEDERAL PENALTIES AND SANCTIONS FOR

ILLEGAL POSSESSION OF A CONTROLLED

SUBSTANCE

21 U.S.C. 844(a)

1st conviction: Up to 1 year imprisonment and fined at least \$,1,000 but,not more than

After 1 prior drug conviction: At least 15 days in prison, not to exceed 2 years and fined at least \$2,500 but not more than

\$250,000, or both. After 2 or more prior drug convictions: At least 90 days in prison, not to exceed 3

years and fined at least \$5,000 but not more than \$250,000, or both

Special sentencing provisions for possession of crack cocaine: Mandatory at least 5 years in prison, not to exceed 20 years and fined up to \$250,000, or both if:

1st conviction and the amount of crack possessed exceeds 5 grams

2nd crack conviction and the amount of crack possessed exceeds 3 grams

3rd or subsequent crack conviction and the amount of crack possessed exceeds 1 gram.

21 U.S.C. 853(A)(2) AND 881(A)(7)

Forfeiture of personal and real property used to possess or facilitate possession of a controlled substance if that offense is

punishable by more than 1 year imprisonment. (See special sentencing provisions re: crack)

21 U.S.C. 861(A)(4)

Forfeiture of vehicles, boats, aircraft or any other conveyance used to transport or conceal a controlled substance.

21U.S.C. 844a Civil fine up to \$10,000 (pending adoption of final regulations).

21U.S.C. 853a

Denial of Federal benefits, such as student loans, grants, contracts, and professional and commercial licenses, up to 1 year for the first offense, up to 5 years for second and subsequent offenses.

18U.S.C. 922(g)

Ineligible to receive or purchase firearm.

Miscellaneous Revocation of certain Federal licenses and benefits, e.g. pilots licenses, public housing tenancy, etc., are vested within the authorities of individual Federal agencies.

Note: These are only Federal penalties and sanction. Additional State penalties and sanctions may apply.

VACCINATION POLICY

BCI does not have any formal vaccination policy.

HIGH SCHOOL DIPLOMA VALIDATION

Changes to the Federal Register/Vol. 75, No. 117 / Friday, June 18, 2010 requires institutions to have procedures to evaluate

the validity of a student's high school diploma if the institution has reason to believe that the diploma is not valid or was

not obtained from an entity that provides secondary school education.

Following are those procedures for BCI:

Check with the department of education for the state in which the school is located.

Contact the Better Business Bureau or the State Attorney General's office to make sure the school is operating legally in a state and see if anyone has filed a complaint.

Check the following web sites:

www.nces.ed.gov/surveys/pss/privateschoolsearch/

www.nces.ed.gov/ccd/schoolsearch/

GRADUATION and COMPLETION RATES

Completion or Graduation rates (G) consist of the number of students who graduated from the program divided by the number of students available for graduation (base) in the program during the time period of 150% of program length plus three months. Example: the data presented for a 12 month program in 2010 would be for students who graduated between October 2007 and September 2008.

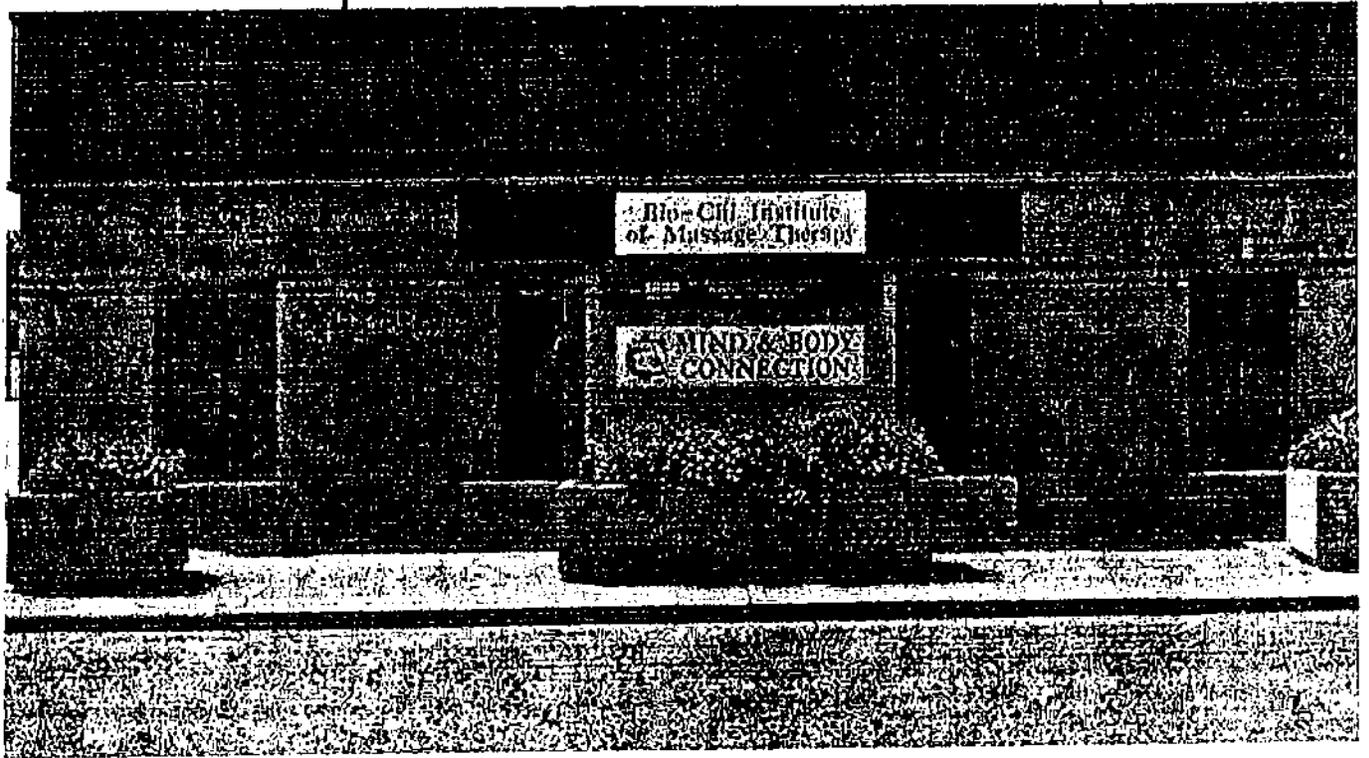
Placement or Employment rates (E) consist of the total number of graduates employed in the field divided by the number who graduated (from above cohort) and were available for employment.

Program	2010		2011		2012		2013	
	G	E	G	E	G	E	G	E
625 Hour Massage Therapist Program D - 6 Months changed to 900 hr program 2013	*	*	100% 3/3	100% 3/3	***	***	***	**
625 Hour Massage Therapist Program N- 12 Months changed to 900 hr program 2013	*	*	*	*	100% 1/3	100% 1/3	***	**
1250 Hour M/BTII Program-D 12 months	60% 5/3	100% 3/3	50% 24/12	100% 12/12	57% 14/8	100% 8/8	60% 10/6	8: 6
1250 Hour M/BTII Program-E 1 16 months	67% 7/4	100% 4/4	*	*	29% 7/2	100% 2/2	100% 2/2	1: 2
1200 Hour IMT Program D- 1 months	*	*	*	*	*	*	*	*
1200 Hour IMT Program E- 1 months					100% 1/1	100% 1/1		

* Insufficient cohorts for calculation of statistics .

*** Data calculated only after 150% of program length
plus three months

CAMPUS MAP



Findings #13. Written Policies and Procedures

13. Written Policies and Procedures

a. Qualified T4 Admin

Roles of the Financial Aid Officer

Financial aid is a customer-service-oriented profession. Above all, FAOs ensure that students receive the best customer service possible. The basic roles and responsibilities of a financial aid officer/administrator include but are not limited to the following:

Administrating federal funds

Awarding financial assistance to eligible students, as defined by criteria established by the Department of Education

Educating and counseling students regarding financial matters

Attend educational trainings and online continual training including Fundamentals of Federal Student Aid Administration training workshop

Attend new student orientation

Work together with the Business Office, Student Services, and Academic Director

Report to Fiscal Officer

Utilize resources available through <http://www.ifap.ed.gov/ifap/index.jsp>

Counselor *Financial*

Financial aid officers relate to people concerning a very sensitive issue—money. The FAO essentially dictates to students their living expenses, entertainment funds, and eating habits. FAOs need to empathize with students while remaining objective. Personal beliefs must not cloud the FAO's judgment regarding a student's choices. The FAO's job is to provide objective guidance, training, and tools for students to make wise financial choices. FAOs advise students about their spending habits. Although an FAO's suggestions are not always popular, they are often financially necessary.

Personal

Students often come to the FAO in a time of personal crisis—the death of a parent, a credit card issue, health care costs, or some other personal dilemma. FAOs must be prepared to handle delicate emotions and know how to support students during these sensitive times, while also finding solutions to the financial problems associated with the crisis situation.

Career

At times, the FAO is called upon to serve as a career counselor. It is important to be able to outline opportunities and resources that are available to students. Although FAOs should recommend the student meet with other advisory staff for career-oriented discussions, the FAO should have the information and data available to help guide the discussion.

Students predominantly choose a career in an area in which they have the greatest interest and capacity to excel. However, many students concerned with the level of their debt and impressed with the potential income of certain specialties do come to the FAO for career counseling. Students need to educate themselves about how careers in certain healthcare specialties and the resulting potential income may affect their future earnings. Students may also need to change their spending choices once they realize their potential income.

Data Reporter

Just as FAOs are responsible for hundreds of thousands of dollars in aid at BCI, they must also report how those funds were awarded. Each year, schools are required to file the annual Fiscal Operations Report and Application to Participate (FISAP) for Department of Education Title IV aid. BCI will also file other annual reports for their own accrediting body as well as institutional reports. Much of this work may be completed by the financial aid office.

Handbook for Financial Aid Officers

Reporting Requirements

Report Agency Due Date

Fiscal Operations Report and Department of Education September Application to Participate (FISAP)

Institutional reports (IPEDs) Quarterly

Accreditation Annual Reports October 1

State of Iowa approvals submitted June even years

Legislative Advocate

FAOs need to be active in legislative issues that could affect their institution so they can suggest or advocate changes to financial aid programs. These activities may include letter-writing campaigns and contributions to the federal rule-making process. These activities require that the FAO stay aware of legislation in Congress, have an understanding of federal law and rule-making processes, understand precedence, and know which battles can be won. Understanding the federal reauthorization process for the Higher Education Act is a required role for any FAO.

Finance Specialist

The FAO must be financially savvy and know how to calculate available funds.

Educator

FAOs are responsible for the financial education of students. Federal regulations mandate that entrance and exit interview counseling sessions be conducted. Most FAOs also organize financial education sessions in tandem with the school's regular curriculum or via

independently organized seminars and workshops. Sessions often include information about the application process, how to deal with credit issues, budgeting, record-keeping, and current events, such as changes in legislation that may affect the student body. Thus, the FAO must be an effective communicator, to individuals and groups.

Mentor

The field of financial aid administration is challenging and requires a skill set not often taught in school. Because of the extrinsic challenges massage therapy students will face, the role of an FAO extends well beyond the tangible. Helping students face their financial challenges in addition to their other responsibilities requires certain personality characteristics or inclinations including empathy, the ability to listen and communicate effectively, and compassion. Therefore, it is important for the FAO to mentor those who are new to this field and to cultivate the skills of supervisees by providing professional development and direction. Supporting the mentoring process by providing the opportunity for new FAOs to attend conferences and workshops is also very important.

Institutional Partner

FAOs are institutional partners to many campus departments. As an integral part of the school structure, the financial aid office is important to other college offices, including:

- Admissions • Institutional advancement/development • Student services • Tuition/business/directors office • Registrar

The financial aid office also has many external partners:

- U.S. Department of Education
- Lenders, guarantors, and third party servicers
- Scholarship providers, The United States Armed Forces and related military groups
- Vocation rehabilitation
- Internal Revenue Service for resources and forms
- State agencies
- Institutional organizations (HART)

Forecaster of Trends

FAOs must stay informed about how current events, the economy, and political events can affect financial aid. They are expected to be able to predict and explain student debt trends, financial need trends, and other trends, such as the use of need-based funding. In this regard, knowledge of what has influenced financial aid in the past as well as knowledge of the current financial system will enable the FAO to predict future trends.

Systems Administrator

Because the FAO must work with a number of computer systems, he or she may be the main administrator for them. These may include the college's main computer system and

specific systems directly related to financial aid, such as federal Common Origination and Disbursement (COD), National Student Loan Data System, (NSLDS) and FAME INC. BCI's third party payer.

b. updated Ecar-Complete #1

At the USDE's direction and recommendation we have changed our application to reflect "clock hours". On this basis we understand that we will be reinstated. By taking this action we are not admitting that we were required to be clock hours in the past but are responding to the newly published comments by the Dept. of Education.

The E-Car will be updated in the future when changes occur as needed

c. **Checks/balances/separations of duties**

There is a clear and distinct separation of functions between the financial aid office and the business office. The financial aid office assures and maintains the accurate and appropriate awarding of aid funds. This information is submitted to the business office. These funds credit the student's account. Any monies in excess of charges are disbursed to the student by the business office staff.

The Business office reconciles student accounts with records from the financial aid director for balances

BCI contracts with FAME Inc for monthly reports the financial aid director reviews these reports.

BCI contracts annual financial and compliance certified audits with outside auditors Knutte and Associates.

The United States Department of Education reviews BCI's Annual Audits.

d. Packaging method each program #3-4

e. DL Certification

f. Return to title 4 procedures/policies

Federal Return of Title IV Refund Policy

Title IV Refund Policy

The Financial Aid Office is required by federal statute to recalculate federal financial aid eligibility for students who withdraw, drop out, are dismissed, or take a leave of absence prior to completing 60% of a payment period or term. The federal Title IV financial aid programs must be recalculated in these situations.

If a student leaves the institution prior to completing 60% of a payment period or term, the financial aid office recalculates eligibility for Title IV funds. Recalculation is based on the percentage of earned aid using the following Federal Return of Title IV funds formula:
Percentage of payment period or term completed = the number of days completed up to the withdrawal date divided by the total days in the payment period or term. (Any break of five days or more is not counted as part of the days in the term.) This percentage is also the percentage of earned aid.

Unofficial Withdrawals

If a student does not officially withdraw from all classes but fails to earn a passing grade in at least one course, federal aid regulations require that we assume the student has "unofficially withdrawn," unless it can be documented that the student completed the enrollment period.

Unofficial withdrawals require a Title IV refund calculation at the midpoint of the enrollment period. The reduction of federal aid will create a balance due to Bio-Chi Institute that must be repaid.

Title IV Refund Process

Funds are returned to the appropriate federal program based on the percentage of unearned aid using the following formula:

Aid to be returned = (100% of the aid that could be disbursed minus the percentage of earned aid) multiplied by the total amount of aid that could have been disbursed during the payment period or term.

If a student earned less aid than was disbursed, the institution would be required to return a portion of the funds and the student would be required to return a portion of the funds. Keep in mind that when Title IV funds are returned, the student borrower may owe a debit balance to the institution.

If a student earned more aid than was disbursed to him/her, the institution would owe the student a post-withdrawal disbursement which must be paid within 120 days of the student's withdrawal. The institution must return the amount of Title IV funds for which it is responsible no later than 45 days after the date of the determination of the date of the student's withdrawal.

Refunds are allocated in the following order:

- Unsubsidized Federal Stafford Loans
- Subsidized Federal Stafford Loans
- Unsubsidized Direct Stafford Loans (other than PLUS loans)
- Subsidized Direct Stafford Loans
- Federal Perkins Loans

- Federal Parent (PLUS) Loans
- Direct PLUS Loans
- Federal Pell Grants for which a Return of funds is required
- Federal Supplemental Opportunity Grants for which a Return of funds is required
- Other assistance under this Title for which a Return of funds is required (e.g., LEAP)

g. Reconciliation #7

h. F.A. Counseling procedures

Entrance Counseling Session

Students receiving loans through the William D. Ford Direct Loan Program for the first time at BCI are required to complete the Direct Loan Entrance Counseling Session to receive information on the rights and responsibilities of your Direct Loan before the first payment of your loan may be disbursed to your student account. To complete the Entrance Counseling Session: Login To

<https://studentloans.gov/myDirectLoan/counselingInstructions.action> Click the Loan Entrance Counseling Session link and follow directions on screen. Students must Sign in to view their federal student loan data available in NSLDS, notify schools of counseling completion, and save proof of counseling completion. Exit counseling is to be completed before the student graduates.

i. Imprinting/locking ISIRS

Imprinting and locking is provided by Fame Inc. BCI's third party

j. Immigration status #6

BCI students who are not citizens of the U.S. may be eligible for some forms of financial aid, depending on their immigration status.

For Title IV purposes, an eligible Non-Citizen is one of the following:

A U.S. permanent resident holding an Alien Registration Receipt Card (Form I-551, Form I-151, or Form I-551C), or a passport.

An applicant who has a Departure Record (I-94) with the appropriate endorsements.

An applicant who has a suspension of deportation case pending before Congress, with appropriate documentation.

Refugees, persons granted asylum and Cuban-Haitian Entrants.

A permanent resident of the Trust Territory of the Pacific Islands.

An Individual with an F-1 or F-2 Student Visa, J-1 or J-2 Exchange Visitors Visa, or G Series Visa is not eligible to apply for Title IV aid.

k. PJ/dep override

Professional Judgment

The Higher Education Act of 1992 allows financial aid administrators to make professional judgment decisions for special or unusual family or student circumstances. The Department of Education has stated that it is up to each individual school if they want to offer professional judgment decisions for their students. BCI has elected not to perform Professional Judgment for students enrolled at BCI.

l. Credit Balance disbursement #11

Credit Balances Financial aid funds cannot be applied until the appropriate paperwork has been completed and the funds are received. Once funds are received Financial aid will be applied to student accounts and will be used towards incurred charges, such as tuition and fees. Students with a credit balance on their account, which is represented on the students bill with a negative value in the "balance" field may be entitled to a refund. A negative value in the "balance" field may represent pending aid, and does not guarantee a refundable balance. Students may choose to sign a voluntary authorization form granting BCI the authority to hold a credit balance to help pay for future charges of tuition and fees. A refund may still be made if a student chooses to change that option by submitting a written request. The refund process may take up to 14 business days after a written request has been made. Any student that chooses not to fill out an authorization form, BCI will automatically refund any credit balance due to student within 14 days after disbursement in accordance with federal regulations. Regardless of any signed authorization, BCI will pay any remaining balance on loan funds by the end of the loan period, and other remaining Title IV funds by the end of the last payment period in the award year for which they were awarded.

m. IPEDS Completion

IPEDs are completed quarterly at nces.ed.gov

n. GE requirements

BCI provides graduation and employment rates on the consumer information link

p. Record retention

Record Retention

Notification of Rights under FERPA for Postsecondary Institutions

The Family Educational Rights and Privacy Act (FERPA) afford students certain rights with respect to their education records. These rights include:

- The right to inspect and review the student's education records within 45 days of the day the College receives a request for access.

The student should submit to the registrar, director of academics, or other appropriate official, a written request that identifies the record(s) the student wishes to inspect. The College official will make arrangements for access and notify the student of the time and place where the records may be inspected. If the records are not maintained by the College official to whom the request was submitted, that official shall advise the student of the correct official to whom the request should be addressed.

- The right to request the amendment of the student's education records that the student believes are inaccurate, misleading, or otherwise in violation of the student's privacy rights under FERPA.

A student who wishes to ask the College to amend records should write the College official responsible for the record, clearly identify the part of the record the student wants changed, and specify why it should be changed.

If the College decides not to amend the record as requested, the College will notify the student in writing of the decision and the student's right to a hearing regarding the request for amendment. Additional information regarding the hearing procedures will be provided to the student when notified of the right to a hearing.

- The right to provide written consent before the College discloses personally identifiable information from the student's education records, except to the extent that FERPA authorizes disclosure without consent.

BCI discloses education records without a student's prior written consent under the FERPA exception for disclosure to school officials with legitimate educational interests. A school official is a person employed by the College in an administrative, supervisory, academic research, or support staff position (including law enforcement unit personnel and health staff); a person or company with whom the College has contracted as its agent to provide a service instead of using College employees or officials (such as an attorney, auditor, or collection agent); a person serving on the Board of Trustees, or a student serving on an official committee, such as disciplinary or grievance committee, or assisting another school official in performing his or her tasks.

A school official has a legitimate educational interest if the official needs to review an education record in order to fulfill his or her professional responsibilities of the College.

- The right to file a complaint with the U. S. Department of Education concerning alleged failures by the College to comply with the requirements of FERPA. The name and address of the Office that administers FERPA is:
Family Policy Compliance Office U. S. Department of Education 400 Maryland Avenue
SW Washington, DC

Findings #14 G&E Disclosures

14 G&E Disclosures- Sec #12

post online according to reg requirements

b. Make P & P explanation

Completion or Graduation rates (**G**) consist of the number of students who graduated from the program divided by the number of students available for graduation (base) in the program during the time period of 150% of program length plus three months. Example: the data presented for a 12 month program in 2006 would be for students who graduated between October 2002 and September 2003.

Placement or Employment rates (**E**) consist of the total number of graduates employed in the field divided by the number who graduated (from above cohort) and were available for employment.

BCI's graduation and employment charts are completed every year and submitted in the ACCSC annual report, reported to IPEDS, and available on BCI's website at WWW.BCI.EDU.

Findings #15 Security Report Distribution

15. Security Report Distribution See section #12-

Security report is updated annually and is available on-line AT WWW.BCI.EDU

Findings #16

11/13/13 12:17 PM

16 Drug and Alcohol program See sec #12

a. The Bi-annual report is available on-line AT WWW.BCI.EDU