



August 22, 2014

Mr. William Findt
President
Bladen Community College
7418 North Carolina 41 Highpoint West
Dublin, NC 28332-0266

UPS Next Day Air
1Z A 87 964 02 9037 2761

RE: **Final Program Review Determination**
OPE ID: 00798700
PRCN: 201240428020

Dear Mr. Findt:

The U.S. Department of Education's (Department's) School Participation Division – Atlanta issued a program review report on April 9, 2013 covering Bladen Community College's (Bladen) 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. Bladen's final response was received on August 13, 2013. A copy of the program review report (and related attachments) and Bladen's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Bladen 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, and (3) notify the institution of its right to appeal.

The total liabilities due from the institution from this program review are \$ 25,335. This final program review determination contains detailed information about the liability determination for all findings. Bladen must also deposit \$1,029 in its Federal Work-Study account.

Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION

School Participation Division – Atlanta

61 Forsyth St. SW, Suite 18T40, Atlanta, GA 30303

StudentAid.gov

Protection of Personally Identifiable Information (PII):

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

Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the April 9, 2013 program review report. If Bladen wishes to appeal to the Secretary for a review of monetary liabilities established by the FPRD, the institution must file a written request for an administrative hearing. Please note that institutions may appeal monetary liabilities only. The Department must receive the request no later than 45 days from the date Bladen this FPRD. An original and four copies of the information Bladen 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

Bladen'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 Bladen's appeal will be those provided in 34 C.F.R. Part 668, Subpart

H. Interest on the appealed liabilities shall continue to accrue at the applicable value of funds rate, as established by the United States Department of Treasury, or if the liabilities are for refunds, at the interest rate set forth in the loan promissory note(s).

Record Retention:

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

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Oscar Howard at (404) 974-9294. 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)

Chris Miller
Division Director

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

cc: Ms. Samantha Benson, Financial Aid Administrator
Dr. Belle S. Wheelan, President, Southern Association of Colleges and Schools

Prepared for
Bladen Community College

Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION

OPE ID: 00798700
PRCN: 201240428020

Prepared by: **Oscar Howard**
U.S. Department of Education
Federal Student Aid
School Participation Division – Atlanta

Final Program Review Determination

August 22, 2014

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A. Institutional Information

Bladen Community College
7418 North Carolina 41 Highway West
Dublin, NC 28332-0266

Type: Public

Highest Level of Offering: Associate's Degree

Accrediting Agency: Southern Association of Colleges and Schools Commission on Colleges

Current Student Enrollment: 2122 (2012)

% of Students Receiving Title IV: 75% (2012)

Title IV Participation:

Fiscal records: PCNET - 2012/2013

Federal Pell Grant	\$ 4,340,004
Federal Supplemental Educational Opportunity Grant (FSEOG)	66,667
Federal Work-Study	77,200
William D. Ford Federal Direct Loan Program (Direct Loan)	\$ 186,465

Default Rate:

FFEL/DL:	2011- 0%
	2010- 0%
	2009- 14.2%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Bladen Community College (Bladen) from August 20, 2012 to August 24, 2012. The review was conducted by Oscar Howard, Deoin Thorpe and Melody Parker-Venable.

The focus of the review was to determine Bladen's compliance with the statutes and regulations as they pertain to the administration of the Title IV, HEA programs. The review consisted of, but was not limited to, an examination of Bladen'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 35 files was identified for review from the 2010-2011 and 2011-2012 award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review. A program review report was issued April 9, 2013.

Disclaimer:

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

C. Findings and Final Determinations

Resolved Findings

Bladen has taken the corrective actions necessary to resolve findings 1, 2, and 5-10 of the program review report. Therefore, these findings may be considered closed. Findings requiring further action by Bladen are discussed below.

Findings with Final Determinations

The program review report findings requiring further action are summarized below. At the conclusion of each finding is a summary of Bladen's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on April 9, 2013 is attached as Appendix B.

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: Ineligible Student-No Admission Application and/or Acceptance Letter

Citations Summary: Pursuant to 34 C. F. R. §§ 668.32, a student is eligible to receive Title IV, HEA program assistance if the student

- Is a regular student enrolled, or accepted for enrollment, in an eligible program at an institution;
- Has a high school diploma or its recognized equivalent;

Noncompliance Summary: According to Bladen's admission policy, students seeking a degree, diploma, or certificate must submit a completed admission application. Applicants will be notified when their application has been received. The applicants also receive an acceptance letter from admissions once the applicants are accepted for enrollment.

Students #18 and #34 received Title IV funds but were not enrolled as a regular student in an eligible program; therefore the students were ineligible.

Student #18 was accepted for enrollment in the Associate Degree – Business Administration program at Bladen. The student completed the requirements for the associate degree in business administration and was awarded the AAS degree in business administration on 5/7/2010.

The student returned in the fall 2010 semester and received \$2775 (Pell) and \$953 (FWS). There is no admission application in the file and/or acceptance letter for a new program for the student. There is a "Change of Major Form" in the file dated 7/14/10. The date of activation is 1/1/11 and effective semester is spring 2011. The new Major is College Transfer. A "Change of Major Form" is not an application for admission and does not satisfy the admission requirements. The College is liable for \$2775 (Pell) and \$ 953 (FWS) paid to the student.

Student #34 was accepted for enrollment in the Associate Degree – General Education program at Bladen. The student completed the requirements for the associate degree in general education and was awarded the AAS degree in general education on 12/13/2010.

The student returned in spring and fall 2011. The student received \$2775 (Pell) and \$200 (SEOG) for spring 2011. The student received \$2775 (Pell) in fall 2011. There was no application and/or letter of acceptance in the student's file indicating that the student had applied for admission and had been accepted for admission into another program at Bladen. There is no documentation to show that the student was admitted as a regular student enrolled in an eligible program after receiving the AAS degree on 12/13/2010. As stated before a "Change of Major Form" is not an application for admission and does not satisfy the admission requirements. The College is liable for \$5550 (Pell) and \$200 (SEOG) paid to the student.

Required Action Summary: The institution must follow the written admission policies and procedures of the institution. Any student who is admitted into a degree, diploma and certificate program without meeting the written admission requirements is not eligible for Title IV funding. There was no documentation in the students' file which indicated that the students were admitted in accordance with the admission requirements and that the students were enrolled in a degree, diploma, and/or certificate seeking program. The institution is liable for the funds disbursed to the students.

Bladen's Response: Bladen accepts liability for student #18 and #34. Change of program forms were used for graduating students wishing to re-enroll the next semester in another degree, diploma or certificate program prior to the program review. The College also acknowledges the difference between a student's program change and a student's graduation from a program as it relates to the application procedures.

As a result of the finding, an additional step has been implemented to prevent a repeat finding in the future. The College requires students who have graduated from a program to complete a new BCC application prior to enrollment. To ensure that the college is in compliance with policy, graduating students are "flagged" and not permitted to register for course in a new program until a new application is on file in the admission office. For example, in the College's operating system all students must have an active program to register. Graduates will not have an active program; therefore, when attempts are made to register a past graduate without a new application on file in the admissions office a message will appear to indicate the student does not have an active program. This message will prohibit the student's course registration process until an application is completed and on file in the admissions office.

Final Determination: Bladen concurs with the finding and is liable for Title IV funds disbursed to students #18 and #34. Student # 18 received \$2775 (Pell) and \$953 (FWS). Student # 34 received \$5550 (Pell) and \$200 (SEOG).

Finding #4: Ineligible Student-Not Making Satisfactory Academic Progress (SAP)

Citations Summary: *An institution shall establish, publish, and apply reasonable standards for measuring whether an otherwise eligible student is maintaining satisfactory academic progress in his or her educational program. An institution's standards are considered to be reasonable if the standards are in accordance with the provisions specified in 34 C. F. R. § 668.34*

Effective July 1, 2011 the SAP policy must include the following:

- *Statement of when SAP will be evaluated*
- *Qualitative standard*
- *Quantitative/Pace standard*
- *Maximum time frame limitation*
- *Description of appeal process, if any*
- *How a student regains eligibility*

Noncompliance Summary: *Bladen failed to properly monitor SAP for students #20, #24, #28, #29, and #32 of the sample. The students were disbursed Title IV funds even though they were not meeting the written SAP standards established by the institution.*

For students who entered Bladen during the 2010/2011 award year and before, the SAP policy required the student progress be reviewed at the end of each semester. Students must maintain the required cumulative grade point average of 2.0 to meet SAP.

Students must show progress toward completion of their degree requirements to continue financial aid eligibility. Every financial aid recipient must pass at least 67% of credit hours attempted but may not exceed 150% of the hours required in their program.

Course withdrawals, incompletes and course failures count as hours attempted. Repeated courses and transfer credit hours received from another college will be counted in hours attempted. All remedial classes are counted towards maximum time frame (150%).

Financial Aid Probation

Financial aid recipients will be granted a two-semester probationary period following their first semester of failure to make SAP. Students who fail to make SAP during the two-semester probationary period will become ineligible for aid until progress is again satisfactory.

For students who first entered Bladen during the 2011/2012 award year, the SAP policy required the student progress be reviewed at the end of each semester. Students must maintain the required cumulative grade point average of 2.0 to meet SAP.

Students must show progress toward completion of their degree requirements to continue financial aid eligibility. Every financial aid recipient must pass at least 67% of credit hours attempted but may not exceed 150% of the hours required in their program.

Course withdrawals, incompletes and course failures count as hours attempted. Repeated courses and transfer credit hours received from another college will be counted in hours attempted. All remedial classes are counted towards maximum time frame (150%).

Financial Aid Warning

Students who fail to meet the minimum cumulative GPA of 2.0 and/or fail to complete 67% of classes are given a warning. Student placed on warning remain eligible for financial aid for one payment period (semester).

Financial aid Suspension

Students who fail to meet the conditions of warning which are to maintain a minimum cumulative GPA of 2.0 and complete 67% of classes are placed on suspension. Students who are placed on suspension forfeit their financial aid.

Student #20 attended Bladen in fall 1998, fall 2005 and spring 2006. While in attendance these three semesters, the student failed to meet SAP standards for all three semesters. The student ceased enrollment at the end of the spring 2006 semester.

The student re-entered Bladen in the fall semester of 2011. The student received \$1327 (Pell) for the fall 2011 semester. There was no documentation in the file to show that the student appealed the unsatisfactory progress status when she returned in fall 2011. Not attending Bladen for a semester or more does not re-establish eligibility for financial aid. The student never re-established eligibility to receive Title IV funds for the fall 2011 semester. Bladen is liable for the \$1327 (Pell) paid to student #20.

Contrary to the institution response, student #20 received federal Pell grant funds prior to the fall 2011 semester and therefore; the student had to re-established eligibility in order to receive financial aid.

Student #24 failed to meet the cumulative GPA of 2.0 and completion rate of 67% standard for fall 2009 and spring 2010. The student also failed to meet the completion rate for fall 2010. The student's eligibility for financial aid should have been suspended for spring 2011 semester. The student received \$2775 (Pell) for spring 2011. For fall 2011, the student received \$2775 (Pell) and \$1710 (DL Sub). Bladen is liable for the spring 2011 Pell disbursement of \$2775. For fall 2011, Bladen is liable for \$2775 (Pell) and \$1710 (DL Sub).

For the fall semester of 2011, student #24 completed only 66% of the hours attempted; therefore the student did not meet satisfactory progress status.

Student #28 attended Bladen in fall 1996, spring 1997, and fall 1998. While in attendance these three semesters, the student failed to meet the SAP standards all three semesters. The student ceased enrollment at the end of the 1998 semester. The student should have been placed on suspension at the end of the fall 1998 semester.

The student re-entered Bladen in fall of 2011. The student received \$513 (Pell) for the fall 2011 semester. There was no documentation in the file to show that the student appealed the unsatisfactory progress status when he returned in fall of 2011. Not attending Bladen for a semester or more does not re-establish eligibility for financial aid. The student never re-established eligibility to receive Title IV funds for the fall 2011 semester. Bladen is liable for the \$513 (Pell) paid to student #28.

Student #28 received federal Pell Grant funds during the 1996/1997 award year at Bladen according to the National Student Loan Data System (NSLDS).

Student #29 failed to meet the cumulative GPA requirement of 2.0 for summer 2010 semester, fall 2010 semester, spring 2011 semester; and fall 2011 semester. The student's financial aid should have been suspended beginning with the fall 2011 semester. There is no documentation in

the file to show that the student appealed the probation status for any of the aforementioned semesters.

The student's financial aid should have been suspended beginning with the fall 2011 semester. The student received aid for the fall 2011 semester, spring 2012 semester and summer 2012 semester. The student did not meet the required SAP standards until the end of the spring 2012 semester. The student was not eligible for financial aid for fall 2011 and spring 2012 semesters.

Bladen is liable for the fall 2011 disbursement of \$1850 (Pell) and the spring 2012 disbursement of \$925 (Pell) paid to student #29.

Student #32 entered Bladen in the fall of 2010. The student failed to meet SAP standards at the end of the fall semester. The student was granted a two-semester probationary period following his first semester of failure to make SAP. The student failed to meet the minimum cumulative GPA of 2.0. The student was not eligible for any financial aid at the end of the two-semester probationary period.

The student was not eligible for financial aid for the spring 2012 semester and fall semester 2012. The student received financial aid both semesters. There was no documentation in the file to show that the student filed an appeal for not meeting the SAP standards.

Student #32 received \$2775 (Pell), \$1250 (DL/Sub), and \$2000 (DL/Unsub), in spring 2012. The student received \$2082 (Pell) in fall 2012. Bladen is liable for the ineligible disbursements paid to student #32.

Required Action Summary: Bladen must consistently apply its SAP policy to all students. Due to the numbers of instances identified above, Bladen was required to conduct a file review of all Title IV recipients for the 2010/2011 and 2011/2012 award years. The purpose of the review was to identify those students who obtained Title IV funds for terms in which the student should have been on suspension and thus should not have received Title IV aid.

The results of the file review by award year had to be submitted to this office in their response to this finding.

Bladen's Response:

Student #20 did not have to re-establish eligibility to receive Title IV funds. During all enrollment periods prior to the 2011 fall semester, student #20 was not awarded any Pell Grants. Student #20 was deemed as a "self-pay" student. With the absence of the Federal Pell Grant award during past enrollment periods, student #20 was deemed eligible to receive the Federal Pell Grant during the 2011 fall semester. During student #20 enrollment during 2011/2012 academic year, as a Pell Grant Recipient, the Satisfactory Academic Progress (SAP) process was run for student #20 at the completion of the 2011 fall term. At this time, student #20 was placed on Financial Aid SAP "Warning."

As a result of failing to maintain a cumulative grade point average of 2.0 and completion rate of 67% during the 2009 fall term, student #24 was placed on Probation 1 for spring 2010. Student #24 failed to maintain a cumulative grade point average of 2.0 and a completion rate of 67% at the end of the 2010 spring term; therefore, student #24 was placed on Probation 2 fall 2010. While on Probation 2 during fall semester 2010, student #24 successfully completed 75% of credit hours attempted; therefore, student #24 gained satisfactory status with SAP.

Student #24 returned during the 2011 spring term. The student was unsuccessful in maintaining a 2.0 grade point average and completion rate of 67% of courses attempted, prompting the student to be placed on academic warning at the end of the term. Upon completion of the 2011 fall term, student #24 was placed on Maximum Time Frame/ Dismissal Status. The student has not enrolled in the college since being placed on Maximum Time Frame/ Dismissal Status.

Student #28 was never awarded financial aid during the 1996 fall, 1997 spring, and 1998 fall semesters. Due to the absence of federal subsidies, student #28 was not required to undergo the Financial Aid Satisfactory Academic Progress (SAP) process.

The Financial Aid staff included student #29 in the SAP process at the end of each term. At the end of the fall 2010, spring 2011 and fall 2011, student #29 was making "Satisfactory" Academic Progress. At the end of 2012 fall semester, student #29 was placed on the "Near Maximum Time Frame" SAP status.

The Financial Aid staff included student #32 in the SAP process at the end of each term. At the completion of fall 2010, student #32 was placed on Financial Aid "Warning". Student #32 successfully completed 2011 spring semester and was placed on a "Satisfactory" SAP status. At the end of 2012 spring, student 332 was placed back on Financial Aid "Warning". Student #32 returned 2012 fall semester and was placed on Financial Aid "Dismissal"

A file review of all Title IV recipients for 2010/2011 and 2011/2012 award years was conducted. As a result, no students were found to be ineligible for Title IV funds. The Financial Aid Office conducts a review of the SAP process at the end of every semester. Transcripts submitted during the federal program review were academic transcripts from the Registrar's office. Financial Aid transcripts are different from those submitted by the Registrar's office in that the Financial Aid transcripts are all inclusive of transfer and developmental studies credits.

Final Determination: Bladen remains liable for Title IV funds disbursed to students' #20, #24, #28, #29 and #32.

The following Liabilities were determined for the students listed above.

Student	Award Year	Award Year	Federal Pell	Direct Loan (Sub)	Direct Loan (Unsub)	Total
20		2011/2012	\$ 1327			
24	2010/2011		\$ 2775			
24		2011/2012	\$ 2775	\$ 1710	\$	
28		2011/2012	\$ 513	\$	\$	
29		2011/2012	\$ 2775	\$	\$	
32		2011/2012	\$ 2775	\$ 1250	\$ 2000	
32	2012/2013		\$ 2,082	\$	\$	
TOTALS			\$15,022	\$ 2,960	\$ 2,000	\$ 19,982

For the students listed above the institution is liable for Pell Grant funds in the amount of \$15,022.

The total amount of ineligible Direct Loan funds (subsidized and unsubsidized) disbursed to the students listed above during the 2010/2011 and 2011 /2012 award years is \$4,960. The actual loss to the Department that has resulted from those ineligible loans is based Bladen's most recent cohort default rate available. A copy of the results of that is included as Appendix E.

D. Summary of Liabilities

The total amount calculated as liabilities from the findings in the program review determination is as follows:

Liabilities	Pell (Closed Award Year)	FSEOG Federal Share	EALF/DL	FWS	
Finding 3	\$ 8,325	\$ 200	\$	\$ 953	
Finding 4	\$ 15,022		\$ 469		
Subtotal 1	\$ 23,347				
Interest/SA	\$ 1,303	\$ 16		\$ 76	
Excess Cash					
ACA					
Subtotal 2	\$ 24,650			\$	
TOTAL (add subtotal 1 + 2)	\$ 24,650	\$ 216	\$ 469	\$ 1029	
Payable To:					TOTAL
Department	\$ 24,650	\$ 216	\$ 469		\$ 25,335
Students					
Lenders					
Inst Accounts				\$ 1029	\$ 1,029

E. Payment Instructions

1. Liabilities Owed to the Department

Bladen's owes to the Department \$ 25,335. 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: \$ 25,335
DUNS: 075581827
TIN: 560894927
Program Review Control: 201240428020

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. Bladen's 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 Bladen'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
Attn: Cindy Dixon

If within 45 days of the date of this letter, Bladen 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 Louisburg from the Federal Government. **Bladen may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt, Bladen 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.

2. Institutional Accounts

Finding(s): 3
Appendix: A

Student	Amount	Award Year
18	\$ 1029	2010/2011

Bladen must deposit \$ 1,029 in its Federal Work-Study Account. Bladen must submit the following **within 45 days of the date of this letter** to Oscar Howard:

A copy of the front and back of the cancelled check or copy of an electronic transfer of funds, to verify that the payment has been made to the Federal Work-Study account.

Final Program Review Determination
PRCN #: 201240428020

Appendices

APPENDIX-A

2010/2011

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2011/2012

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Final Program Review Determination
PRCN #: 201240428020

Appendix B
Program Review Report



FYI

April 9, 2013

Mr. William Findt
President
Bladen Community College
7418 North Carolina 41 Highway West
Dublin, NC 28332-0266

UPS Next Day Air
1ZA5467Y0194468046

RE: **Program Review Report**
OPE ID: 00798700
PRCN: 201240428020

Dear Mr. Findt:

From August 20, 2012, through August 24, 2012, Oscar Howard, Melody Parker-Venable and Deoin Thorpe, as representatives of the U.S. Department of Education conducted a review of Bladen Community College (Bladen)'s administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The findings of that review are presented in the enclosed report.

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

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

- (1) provide to the institution an adequate opportunity to review and respond to any preliminary program review report¹ and relevant materials related to the report before any final program review report is issued;
- (2) review and take into consideration an institution's response in any final program review report or audit determination, and include in the report or determination –
 - a. A written statement addressing the institution's response;
 - b. A written statement of the basis for such report or determination; and
 - c. A copy of the institution's response.

¹ A "preliminary" program review report is the program review report. The Department's final program review report is the Final Program Review Determination (FPRD).

Federal Student

61 Forsyth St. SW, Room 18T40
Atlanta GA 30303-8918

The Department considers the institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's written response will not be attached to the FPRD. However, it will be retained and available for inspection by Bladen. Copies of the program review report, the institution's response, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after the FPRD is issued.

The institution's response should be sent directly to Oscar Howard of this office within 60 calendar days of receipt of this letter.

Protection of Personally Identifiable Information (PII):

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the 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. Please see the enclosure Protection of Personally Identifiable Information for instructions regarding submission to the Department of required data / documents containing PII.

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).

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Oscar Howard at (404) 974-9294 or Oscar.howard@ed.gov.

Sincerely,

(b)(6)

Christopher Miller
Compliance Manager

cc: Ms. Samantha Benson, Financial Aid Director

Enclosure:

Protection of Personally Identifiable Information

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

Bladen Community College

Federal Student Aid
AN OFFICE of the U.S. DEPARTMENT of EDUCATION

PROUD SPONSOR of
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OPE ID: 00798700

PRCN: 201240428020

Prepared by

U.S. Department of Education

Federal Student Aid

School Participation Division- Atlanta

Program Review Report

April 9, 2013

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Appendix A: Student Sample

A. Institutional Information

Bladen Community College
7418 North Carolina 41 Highway West
Dublin, GA 28332-0266

Type: Public

Highest Level of Offering: Associate's Degree

Accrediting Agency: Southern Association of Colleges and Schools Commission on Colleges

Current Student Enrollment: 2122 (2012)

% of Students Receiving Title IV: 75.01% (2012)

Title IV Participation:

Fiscal records: 2011-2012

Federal Pell Grant	\$ 5,607,601
Federal Supplemental Educational Opportunity Grant (FSEOG)	50,000
Federal Work-Study (FWS)	56,898
William D. Ford Federal Direct Loan Program (Direct Loan)	1,817,203

Default Rate FFEL/DL:	2010- .0%
	2009- 14.2%
	2008- 7.6%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Bladen Community College (Bladen) from August 20, 2012 to August 24, 2012. The review was conducted by Oscar Howard, Melody Parker-Venable and Deoin Thorpe.

The focus of the review was to determine Bladen's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of Bladen'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 37 files was identified for review from the 2010-2011 and 2011-2012 award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names of the students whose files were examined during the program review.

Disclaimer:

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

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

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

Finding #1: Ineligible/Unreported Additional Educational Programs

Citation: Subsequent additions of educational programs. (1) Except as provided in paragraph (c) (2) of this section, if an eligible institution adds an educational program after it has been designated as an eligible institution by the Secretary, the institution must apply to the Secretary to have that additional program designated as an eligible program of that institution.

(3) If an institution incorrectly determines under paragraph (c) (2) of this section that an educational program satisfies the applicable statutory and regulatory eligibility provisions

without applying to the Secretary for approval, the institution is liable to repay to the Secretary all HEA program funds received by the institution for that educational program, and all the title IV, HEA program funds received by or on behalf of students who were enrolled in that educational program. 34 C.F.R. § 600.10 (c) (2008)

An eligible institution must report to the Secretary in a manner prescribed by the Secretary no later than 10 days after change occurs in the level of program offering. 34 C.F.R. § 600.21 (a) (2008)

The Eligibility Certification Approval Report (ECAR) contains the most critical of the data elements that form the basis of an institution's approval to participate in the Title IV programs. This document includes the institution's educational programs offered. Therefore, the accuracy of this document is crucial to both the Department and the institution. The information on the ECAR should be consistent with the information disseminated to enrolled and prospective students. Program eligibility is based upon information reported on the ECAR.

Noncompliance: Per the Eligibility Certification Approval Report (ECAR), Bladen is approved by the Secretary to offer and award Title IV HEA program funds for Associate's Degree programs, Diploma programs and one Certificate program (Basic Law Enforcement Training). Bladen disbursed Title IV aid to students enrolled in non-degree vocational diploma programs that were not listed on the ECAR. Bladen was fully certified at the time and was required to notify the Secretary no later than 10 days after the change occurred and update the ECAR with the new Diploma programs. The unreported programs are as follows:

Diploma Programs:

Business Administration

College Transfer

Computer Information Technology

Industrial Systems Technology

Office Administration

Welding

Required Action: Bladen must update their ECAR to include the unreported Diploma programs listed above by submitting an electronic application to the Department reporting these programs. The institution must also provide a copy of their State licensing approvals and the accrediting agency approval (Southern Association of Colleges and Schools Commission on Colleges (SACS)) for each of the diploma programs listed above in their response to this finding.

Bladen must provide a spreadsheet showing all diploma programs offered and all Title IV paid. The spreadsheet must show the date the program was first offered, State approval date, SACS approval date and the date Title IV aid was first paid to students enrolled in the programs.

Program	Date First Offered	State Approval	SACS Approval	Title IV Paid Date

The institution's response must also provide a description of the steps that will be taken to improved their policies and procedures to prevent a repeat finding in the future.

Finding #2: Disbursement of Title IV Funds Ineligible Certificate Programs

Citation: Subsequent additions of educational programs. (1) Except as provided in paragraph (c) (2) of this section, if an eligible institution adds an educational program after it has been designated as an eligible institution by the Secretary, the institution must apply to the Secretary to have that additional program designated as an eligible program of that institution.

(3) If an institution incorrectly determines under paragraph (c) (2) of this section that an educational program satisfies the applicable statutory and regulatory eligibility provisions without applying to the Secretary for approval, the institution is liable to repay to the Secretary all HEA program funds received by the institution for that educational program, and all the title IV, HEA program funds received by or on behalf of students who were enrolled in that educational program. 34 C.F.R. § 600.10 (c) (2008)

An eligible institution must report to the Secretary in a manner prescribed by the Secretary no later than 10 days after change occurs in the level program offering. 34 C.F.R. § 600.21 (a) (2008)

The Eligibility Certification Approval Report (ECAR) contains the most critical of the data elements that form the basis of an institution's approval to participate in the Title IV programs. This document includes the institution's educational programs offered. Therefore, the accuracy of this document is crucial to both the Department and the institution. The information on the ECAR should be consistent with the information disseminated to enrolled and prospective students. Program eligibility is based upon information reported on the ECAR.

Noncompliance: Per the Eligibility Certification Approval Report (ECAR), Bladen is approved by the Secretary to offer and award Title IV HEA program funds for Associate's Degree programs, Diploma programs and one Certificate program (Basic Law Enforcement Training). Bladen disbursed Title IV aid to students enrolled in non-degree vocational certificate programs that were not listed on the ECAR. Bladen was fully certified at the time and was required to notify the Secretary no later than 10 days after the change occurred and update the ECAR with the new certificates programs.

The institution was requested to provide a list of all their Title IV eligible programs during the onsite program review. The list provided by the institution shows all Associate's Degree

programs, Diploma programs and Certificate programs eligible for Title IV HEA funds. The only certificate program listed, as an eligible program was the Basic Law Enforcement Training which is consistent with the program listed on the ECAR.

A review of records provided by the institution revealed that Bladen disbursed Title IV funds to students enrolled in certificate programs other than the Basic Law Enforcement Training program. The review of the records revealed that the students' listed below were enrolled in unreported certificate programs and were disbursed Title IV funds.

Student	Program	Award Year	Pell	FSEOG
(b)(6)	C-50420	10/11	\$5550	\$200
	C-50420	10/11	\$1200	
	C-50420	10/11	\$6937	
	C50420	10/11	\$5550	
	C-50420	10/11	\$2235	
	C-50420	10/11	\$4625	
	C50420	10/11	\$2775	
	C-50420	10/11	\$1338	
	C-25260	11/12	\$2867	
	C-25370	10/11	\$1607	
	C-55140	10/11	\$5550	
	C-35220	10/11	\$4200	

Required Action: Bladen must update their ECAR to include the unreported certificate's programs listed above. The institution must also provide a copy of their State licensing approvals and the accrediting agency approval (Southern Association of Colleges and Schools Commission on Colleges (SACS)) for each of the certificate programs listed above in their response to this finding. Bladen must also provide a spreadsheet showing all certificate programs that have been offered, the date the program was first offered, date of State approval, date of SACS approval and the date Title IV aid was first paid to students enrolled in the programs.

Program	Date First Offered	State Approval	SACS Approval	Title IV Paid Date

The institution's response must also provide a description of the steps that will be taken to improve their policies and procedures to prevent a repeat finding in the future.

Finding 3: Ineligible Student-No Admission Application and/or Acceptance Letter

Citation: Pursuant to 34 C.F.R. § 668.32, a student is eligible to receive Title IV, HEA program assistance if the student

- is a regular student enrolled, or accepted for enrollment, in an eligible program at an institution;
- has a high school diploma or its recognized equivalent;

Noncompliance: According to Bladen's admission policy students seeking a degree, diploma, or certificate must submit a completed admission application. Applicants will be notified when their application has been received. The applicants also receive an acceptance letter from admissions once the applicants are accepted for enrollment.

Students #18 and #34 received Title IV funds but were not enrolled as a regular student in an eligible program.

Student #18 was accepted for enrollment in the Associate Degree Business Administration program at Bladen. The student completed the requirements for the associate degree in business administration and was awarded the AAS degree in business administration on 5/7/2010.

The student returned in the fall 2010 semester and received \$2775 (Pell) and \$953 (FWS). There is no admission application in the file and/or acceptance letter for a new program for the student. There is a "Change of Major Form" in the file dated 7/14/10. The date of activation is 1/1/11 and effective semester is spring 2011. The new Major is College Transfer. The student was not admitted as a regular student enrolled in an eligible program. A "Change of Major Form" is not an application for admission and does not satisfy the admission requirements. The College is liable for \$2775 (Pell) and \$953 (FWS) paid to the student.

Student #34 was accepted for enrollment in the Associate Degree General Education program at Bladen. The student completed the requirements for the associate degree in general education and was awarded the AAS degree in general education on 12/13/2010.

The student returned in spring and fall 2011. The student received \$2775 (Pell) and \$200 (FSEOG) for spring 2011. The student received \$2775 (Pell) in fall 2011. There was no application and/or letter of acceptance in the student's file indicating that the student had applied for admission and had been accepted for admission into another program at Bladen. There is no documentation to show that the student was admitted as a regular student enrolled in an eligible program after receiving the AAS degree on 12/13/2010. As stated before a "Change of Major Form" is not an application for admission and does not satisfy the admission requirements. The College is liable for \$5550 (Pell) and \$200 (FSEOG) paid to the student.

Required Action: The institution must follow the written admission policies and procedures of the institution. Any student who is admitted into a degree, diploma and certificate program without meeting the written admission requirements is not eligible for Title IV funding. There

were no documentation in the students' file which indicated that the students were admitted in accordance with the admission requirements and that the students were enrolled in a degree, diploma and/or certificate seeking program.

The institution is liable for the funds disbursed to the students. The institution's response must also provide a description of the steps that will be taken to improve their policies and procedures to prevent a repeat finding in the future. Repayment instructions will be provided in the Final Program Review Determination Letter.

Finding 4: Ineligible Student – Not Making Satisfactory Academic Progress (SAP)

Citation: An institution shall establish, publish, and apply reasonable standards for measuring whether an otherwise eligible student is maintaining satisfactory academic progress in his or her educational program. An institution's standards are considered to be reasonable if the standards are in accordance with the provisions specified in 34 C. F. R. §668.34

Effective July 1, 2011 the SAP policy must include the following:

- Statement of when SAP will be evaluated
- Qualitative standard
- Quantitative /Pace standard
- Maximum time frame limitation
- Description of appeal process, if any
- How a student regains eligibility

Noncompliance: Bladen failed to properly monitor SAP for the students listed below. The students listed below were disbursed Title IV funds even though they were not meeting the written SAP standards established by the institution.

For students who entered Bladen during the 2010/2011 award year and before, the SAP policy required the student progress be reviewed at the end of each semester. Students must maintain the required cumulative grade point average of 2.0 to meet SAP.

Students must show progress toward completion of their degree requirements to continue financial aid eligibility. Every financial aid recipient must pass at least 67% of credit hours attempted but may not exceed 150% of the hours required in their program.

Course withdrawals, incompletes and course failures count as hours attempted. Repeated courses and transfer credit hours received from another college will be counted in hours attempted. All remedial classes are counted towards maximum time frame (150%).

Financial Aid Probation

Financial aid recipients will be granted a two-semester probationary period following their first semester of failure to make SAP. Students who fail to make SAP during the

two-semester probationary period will become ineligible for aid until progress is again satisfactory.

For students who first entered Bladen during the 2011/2012 award year, the SAP policy required the student progress be reviewed at the end of each semester. Students must maintain the required cumulative grade point average of 2.0 to meet SAP.

Students must show progress toward completion of their degree requirements to continue financial aid eligibility. Every financial aid recipient must pass at least 67% of credit hours attempted but may not exceed 150% of the hours required in their program.

Course withdrawals, incompletes and course failures count as hours attempted. Repeated courses and transfer credit hours received from another college will be counted in hours attempted. All remedial classes are counted towards maximum time frame (150%).

Financial Aid Warning

Students who fail to meet the minimum cumulative GPA of 2.0 and/or fail to complete 67% of classes are given a warning. Student placed on warning remain eligible for financial aid for one payment period (semester).

Financial Aid Suspension

Students who fail to meet the conditions of warning which are to maintain a minimum cumulative GPA of 2.0 and complete 67% of classes are placed on suspension. Students who are placed on suspension forfeit their financial aid.

Student #20 attended Bladen in fall 1998, fall 2005 and spring 2006. While in attendance these three semesters the student failed to meet the SAP standards for all three semesters. The student ceased enrollment at the end of the spring 2006 semester. The student should have been placed on suspension at the end of the spring 2006 semester.

The student re-entered Bladen in the fall semester of 2011. The student received \$1327 (Pell) for the fall 2011 semester. There was no documentation in the file to show that the student appealed the unsatisfactory progress status when she returned in fall of 2011. Not attending for a semester or more does not re-establish eligibility for financial aid. The student never re-established eligibility to receive Title IV funds for the fall 2011 semester.

Student #24 failed to meet the cumulative GPA of 2.0 and the completion rate of 67% for fall 2009 and spring 2010. The student also failed to meet the completion rate for fall 2010. The student's eligibility should have been suspended for the spring 2011 semester. The student received \$2775 (Pell) for spring 2011. For fall 2011, the student received \$ 2775 (Pell) and \$1710) (DL Sub).

Student #28 attended Bladen in fall 1996, spring 1997 and fall 1998. While in attendance these three semesters the student failed to meet the SAP standards for all three semesters. The student

ceased enrollment at the end of the fall 1998 semester. The student should have been placed on suspension at the end of the fall 1998 semester.

The student re-entered Bladen in the fall semester of 2011. The student received \$513 (Pell) for the fall 2011 semester. There was no documentation in the file to show that the student appealed the unsatisfactory progress status when he returned in fall of 2011. Not attending for a semester or more does not re-establish eligibility for financial aid. The student never re-established eligibility to receive Title IV funds for the fall 2011 semester.

Student #29 failed to meet the cumulative GPA requirement of 2.0 for the summer 2010 semester, fall 2010 semester, spring 2011 semester, and fall 2011 semester. The student's financial aid should have been suspended beginning with the fall 2011 semester. There was no documentation in the file to show that the student appealed the probation status for any of the aforementioned semesters.

The student received aid for the fall 2011, spring 2012 and summer 2012 terms. For the fall 2011 semester the student received \$1850 (Pell). The institution is liable for the fall 2011 disbursement of \$1850 (Pell).

Student #32 entered Bladen in the fall of 2010. The student failed to meet the SAP standards at the end of the fall semester. The student was granted a two-semester probationary period following his first semester of failure to make SAP. The student failed to meet the minimum cumulative GPA of 2.0. The student was not eligible for any financial aid at the end of the two-semester probationary period.

The student was not eligible for financial aid for the spring 2012 semester and the fall 2012 semester. The student was paid financial aid both semesters. There was no documentation in the file to show that the student had filed an appeal for not meeting the SAP standards.

The student received \$2775 (Pell), \$1224 (DL/Sub) and \$1990 (DL/Unsub) in spring 2012. The student received \$2082 (Pell) in fall 2012. The institution is liable for the ineligible disbursements paid to student #32.

Required Action: Bladen must consistently apply its SAP policy to all students.

Bladen must also conduct a file review of all Title IV recipients 2010-2011 and 2011-2012 award years. The purpose is to determine those students who obtained Title IV funds for terms in which the student should have been on suspension and thus should not have received Title IV funds.

The results of the file review by award year must be forwarded to this office in an electronic spreadsheet format with the following information:

1. Student Name
2. Social Security Number

3. Amount(s) and Type of aid received during ineligible periods by award years

Example:

Student	Ssn (last 4)	Pell	SEOG	FWS	FDL/SUB	FDL/UNSUB
Totals						

The institution's response must also provide a description of the steps that will be taken to improve their policies and procedures to prevent a repeat finding in the future. Repayment instructions will be provided in the Final Program Review Determination Letter.

Finding 5: Incomplete Verification/Conflicting Documentation

Citation: Pursuant to 34 C.F.R. §§ 668.56 through 668.59, of the General Provisions regulations, an institution is responsible for verifying the information that is used to calculate an applicant's Expected Family Contribution (EFC) as part of the determination of need for student financial assistance.

Information is verified by securing additional documentation or, in some cases, a signed statement attesting to the accuracy of the information provided. The regulations also require an institution to verify discrepancies in information received from different sources regarding a student's application for financial aid under the Title IV programs.

Noncompliance: Bladen failed to complete verification and/or failed to resolve conflicting documentation in the file of the students listed below.

Student #3 was selected for verification for the 2010/2011 award year. The income tax form submitted by the student was not signed. The verification is therefore incomplete for student #3.

Student #8 was selected for verification for the 2010/2011 award year. The student is a dependent student. The verification worksheet is not signed by a parent, therefore; the verification is incomplete.

Student #13 was not selected for verification for the 2010/2011 award year. The student indicated on the ISIR that she had -0- income and would not file an income tax return. The student also indicated on the ISIR that she had children that she supports and has a family size of 5 with 1 in college. Although the student was not selected for verification, the information on the ISIR should have raised a red flag as to how the student is providing support to children and a household size on 5 with no income. The institution should have required the student to provide a written signed statement as to how she provides support the children. The information on the ISIR should have given the College reason to believe it was incorrect.

Student #15 was selected for verification for the 2010/2011 award year. There was no documentation in the file to show verification had been completed for the student.

Student #22 was selected for verification for the 2011/2012 award year. The income tax return form was not signed by the student, therefore; verification is incomplete.

Student #36 was not selected for verification for the 2011/2012 award year. The ISIR show that the student is a dependent student with no income or untaxed income living with his father. The ISIR shows the father will not file a tax return, has no income or untaxed income.

The fact that the student is dependent and lives with his father and his father has no income should have raised a red flag. This should have given the financial aid office a reason to believe the information submitted by the student might not be correct. The institution should have pursued this situation further. The financial aid office should have at least requested a written statement from the parent as to how he supports the student with no income. The institution has a responsibility to pursue questionable information. The institution failed to get a written statement from the parent stating how he supports the student.

Student #31 was not selected for verification for the 2011/2012 award year. There is conflicting documentation in the file of student #31. The ISIR shows that the student is single, independent and has no income. The Federal Direct loan (FDL) application shows that the student has monthly resources of \$300. The FDL application shows the student has monthly expenses of \$1,870. This is questionable information and the financial aid office had a duty to get a written statement from the student explaining how he is paying monthly expenses of \$1,870.

Student #37 was not selected for verification for the 2011/2012 award year. The ISIR shows that the student is single and independent. The student will not file an income tax return, has no earned income and no untaxed income. The institution had a duty to request a statement from the student providing his source of support. The information provided is questionable and in institution should have requested a signed written statement from the student.

Required Action: Bladen must resolve the verification deficiencies and conflicting information for the students listed above. The institution must report the results of their review to this office. If any student's EFC, scheduled award and expected disbursement change as a result of review, the institution will be liable for the difference between the correct disbursement and the actual disbursement. Also, for each case where the institution cannot complete the verification process and resolve the conflicting documentation the institution will be liable for the actual disbursement.

In response to this finding, Bladen must conduct a file review of all students selected for verification for the 2010/2011 and the 2011/2012 award years and identify all students for whom verification was not completed and/or discrepant information was not resolved. Verification must be completed and discrepant information must be resolved. The institution must recalculate the student's eligibility based on the revised data and identify any incorrect awards.

Bladen must report the results of its file review in response to this report. The institution must report the total amount of ineligible Title IV funds awarded to and received by students. All liabilities must be reported by award year listing students in electronic Excel spreadsheet format with the following information listed as column headings as indicated

1. Student Name and Social Security Number
2. Award Year
3. Original EFC
4. Title IV aid disbursed by program
5. Revised EFC
6. Revised Title IV aid disbursement by program
7. Difference

Example:

Student	Ssn (last 4)	Award Year	Original EFC	Aid Disbursed	Revised EFC	Revised Disbursement	Difference
Totals							

The report must be totaled by award year. Bladen must include copies of source documents used to make their determination. Results of this file review must be submitted in an excel spreadsheet or similar format.

The institution's response must also provide a description of the steps that will be taken to prevent a repeat finding in the future. Further instructions, if any will be provided in the Final Program Review Determination Letter.

Finding 6: Incomplete Verification Policies and Procedures

Citation: An institution shall establish and use written policies and procedures for verifying information contained in a student aid application in accordance with the provisions of 34 C. F. R. §668, Subpart E. 34 C. F. R. §668.53.

Noncompliance: Bladen failed to update its verification policy and procedures to comply with the new verification regulations dated July 13, 2013. 34 C. F. R. § 668.51-61.

The current policy does not contain:

- the time period in which students must submit verification documentation,
- the various types of documentation the student is required to submit,
- the method you will use to notify students if their EFC and Title IV aid amount change,
- the procedure you will follow to refer a student to the Office of Inspector General,
- the institution verifies 100% of the application selected for verification.

Required Action: Because the verification regulations are new for the 2012-2013 award years the institution's verification policies and procedures needs to be revised to comply with the current regulations. While some of the guidance is unchanged, there are significant differences. One of the big changes is the acceptable documentation for verification. The institution must rewrite their policy to comply with the new regulations and provide a copy of the revised policy and procedures to this office with their response to this finding.

Finding 7: Credit Balance Authorization Form Needs Revising

Citation: In obtaining the student's or parent written authorization to hold credit balances, an institution

1. May not require or coerce the student or parent to provide that authorization;
2. Must allow the student or parent to cancel or modify that authorization at any time; and
3. Must clearly explain how it will carry out that activity. 34 C. F. R. §668.165

All elements of an authorization to hold an FSA credit balance must be conspicuous. An authorization must include the following elements:

- An authorization must explain what FSA funds are covered by the document, and it must specify the time period covered.
- An authorization must clearly provide the student or parent with the information he or she needs to make an informed decision.
- The student or parent must be informed that he or she may refuse to authorize any individual item, that he or she may cancel such authorization at any time, and that a cancellation is not retroactive.
- A credit-balance authorization must provide detail that is sufficient to give the student or parent an idea of how the credit balance will be used.

Noncompliance: The current authorization form used by Bladen does not make it clear to the student or parent that holding of credit balances is not required. Reading the form one would conclude that this is a requirement. The title /heading of the form is "Waiver for Institutional Charges". The form do not specify the time period covered by the authorization.

- The form does not explain what FSA funds are covered by the document.
- The form does not informed that he or she may refuse to authorize any individual item, that he or she may cancel such authorization at any time, and that a cancellation is not retroactive.

Required Action: Bladen must revise their authorization form for holding credit balances to comply with the regulation. The form should be title Authorization to Hold FSA Credit Balance. The form must state the period covered by the authorization. The student or parent must be informed that he or she may refuse to authorize any individual item, that he or she may cancel such authorization at any time, and that a cancellation is not retroactive. The form must explain what FSA funds are covered by the document

Bladen must provide a copy of the revise form in their response to this finding. The institution's response must also provide a description of the steps that will be taken to prevent a repeat of this finding in the future.

Finding #8: Federal Work-Study (FWS) Not Listed on Award Letter

Citation: Before an institution disburses Title IV, program funds for any award year, the institution must, must notify a student of the amount of funds that a student or his/her parent can expect to receive under each Title IV program, and how and when those funds will be disbursed. 34 C.F.R. § 668.165

Noncompliance: Student #37 was awarded and received FWS funds. The FWS award was not included on the student's award letter.

Required Action: This finding did not result in an over-award. The institution must implement procedures that will ensure that the student award letters contain all Title IV programs awarded to the students for the award year. A copy of updates to the procedures must be submitted in response to this finding. The institution's response must also provide a description of the steps that will be taken to prevent a repeat of this finding in the future.

Finding 9: Missing Entrance Counseling

Citation: Institutions are required to conduct entrance counseling with all Federal Stafford/Direct Loan borrowers prior to its release of the first disbursement, unless the student borrower has received a prior Federal Stafford/Direct subsidized or unsubsidized. A school must maintain documentation substantiating the school's compliance with this section for each student borrower. 34 C.F.R. §682.604(f)

Noncompliance: The Institution failed to provide entrance counseling to students #31 and 32. Borrowers who do not understand their loan obligations are more likely to default on their loans; thus a failure to perform entrance counseling contributes to a high Federal Stafford/Direct Loan default rate. Loans that go into default status create increased expense for the U.S Department of Education.

Required Action: Failure to conduct entrance counseling for students, results in students who are less aware or unaware, of their rights and responsibilities under the Federal Stafford/Direct Loan program. The school must remind the students that the loan may be used only for educational expenses and that the loan must be repaid.

In response to this finding, Bladen must provide assurance that entrance counseling will be provided to all students prior to release of the first disbursement. The institution's response must also provide a description of the steps that will be taken to prevent a repeat finding in the future.

Finding 10: Missing/Untimely Exit Counseling

Citation: Institutions are required to conduct exit interviews with all Federal Stafford/Direct Loan borrowers prior to their leaving the Institution. If the borrower leaves the institution without notice, the institution must provide exit counseling through either interactive electronic means or by mailing counseling material to the borrower at the borrower's last known address within 30 days after learning that the borrower has withdrawn from school or failed to complete exit counseling. 34 C.F.R. §682.604(g)

Noncompliance: The institution failed to provide exit counseling and/or provided untimely exit counseling to students #24 and #33. Borrowers who do not understand their loan obligations are more likely to default on their loans; thus a failure to perform exit counseling contributes to a high Federal Stafford/Direct Loan default rate. Loans that go into default status create increased expense for the U.S Department of Education.

Required Action: Failure to conduct exit counseling for students who have either Graduated or withdrawn results in students who are less aware, or unaware, of their responsibility as loan recipients, including the requirement that the loan must be repaid.

In response to this finding, please provide documentation that exit counseling has been complete for students #24 and #33. Sending the students a letter telling them they must complete exit counseling at <https://www.nsls.ed.gov> does not satisfy this requirement. The institution's response must also provide a description of the steps that will be taken to prevent a repeat finding in the future.

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 and are encrypted with AES encryption.

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.

Appendix-C



BLADEN COMMUNITY COLLEGE

Post Office Box 266
Dublin, North Carolina 28332

August 5, 2013

Mr. Oscar Howard, Institutional Review Specialist
United States Department of Education
61 Forsyth Street SW, Room 18T40
Atlanta, GA 30303-8918

Dear Mr. Howard:

Enclosed is Bladen Community College's response to the administration of the programs review, PRCN 201240428020, which was conducted by your team from August 20 through August 24, 2012. The college has responded to each of the findings. Thank you for providing to us a 60 calendar day extension to respond to the initial findings of the program review.

There were ten initial findings in the program review report completed on April 9, 2013. Bladen Community College staff have worked diligently and meticulously to address each area of concern. You will find in our responses that the college has taken measures to improve our processes. We are committed to providing quality programs and services to our students while ensuring total compliance pursuant to Title IV of the Higher Education Act of 1965.

We appreciate the opportunity that you provided us to prepare the college's response to your review. Please let us know if you require further information.

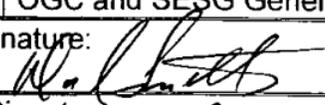
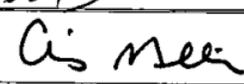
Sincerely,

William Findt
President

mh

Enclosure

cc: Barry Priest
Samantha Benson

Checklist - FPRD Review	
Responsible Reviewer: Oscar Howard	Return #: 1Z A87 964 02 9037 2761
Institution Name: Bladen Community College	
OPE ID: 00798700	PRCN: 201240428020
Date: 08/22/2014	
Cover Letter	
X	Letter is addressed to the correct person
X	Letter includes certified mail information
X	Correct standard paragraphs included
FPRD Report	
X	Correct type of FPRD drafted (FPRD – No Further Action Required; FPRD – Further Action Required; FPRD – No Program Review Report Issued; FPRD – Closed School Loan Discharges)
X	FPRD prepared in accordance with standard procedures
X	Findings and Final Determinations correctly stated
X	Citations are appropriate to the findings and cited correctly
X	Description of each instance of noncompliance is sufficiently detailed to clearly identify the institution's regulatory violations
X	Summary of Liabilities included with correct amounts
X	Payment Instructions prepared correctly
X	Student Sample Appendix is properly prepared with only first and last names and last four digits of students' SSNs
X	Other appendices, if any, are properly prepared or enclosed as attachments
PEPS Data Entry Worksheet	
X	PEPS Data Entry form correctly completed (including repayment method and liability amounts)
N/A	For FPRD - No Program Review Report Issued only: Deficiency codes are appropriate to the findings
Approvals	
N/A	For FPRDs with liabilities of at least \$100,000 but less than \$1,000,000, approval obtained from OGC
N/A	For FPRDs with liabilities of \$1,000,000 or more, approval obtained from OGC and SESG General Manager
TL Signature: 	Date: 8-25-14
ACD Signature: 	Date: 8.25.14

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

GENERAL INFORMATION

Institution: Bladen Community College

City, State: Dublin, NC 28332-0266

PRCN: 201240428020

TIN: 560894927

DUNS: 075581827

Reviewer: Oscar Howard

Region: Atlanta

Date: 08/22/2014

ACCOUNTING CODES

Programs	Type	Amount	Funding Code	Object Class
Federal Pell Grant (Closed AY)	Principal	\$ 23,347	3220RNOYR	69017
	Interest	\$ 1,303	1435RNOYR	65011

FSEOG	Principal	\$ 200	3220RNOYR	69017
	Interest	\$ 16	1435RNOYR	65011

FWS	Principal	\$	3220RNOYR	69017
	Interest		1435RNOYR	65011

ACG	Principal	\$	3220RNOYR	69017
	Interest	\$	1435RNOYR	65011

National SMART	Principal		3220RNOYR	69017
	Interest		1435RNOYR	65011

TOTAL (Pell-Closed AY, FSEOG, FWS, ACG, National SMART)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	65011

Loan Programs	Type	Amount	Funding Code	Object Class
Direct Loan	Principal	\$	4253XNOYR	53020 or 53010
	Interest	\$	4253XNOYR	53040
	(EAL)**	\$ 469		

FFEL	Interest/ SA/EAL	\$ \$	4251XNOYR	53020
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Federal Perkins	Principal	\$		
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Comments:
Send Form to: Accounts Receivable Group, ATTN: Cynthia Logan, 830 First Street, NE, Room 22C5, Washington, DC 20202-4461 (202) 377-3755 (Include copy of FPRD)