

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

The School Participation Division - New York/Boston has made a Final Program Review Determination concerning the finding that was identified during the program review. Following is a discussion of the finding identified and the resolution of that finding.

Program Findings and Final Program Review Determination:

Finding 1: Incorrect Disbursement Dates Reported to the Common Origination and Disbursement (COD) System.

Citation:

34 C.F.R. §685.301(c) states that the Secretary accepts a student's Payment Data that is submitted in accordance with procedures established through publication in the FEDERAL REGISTER, and that contains information the Secretary considers to be accurate in light of other available information including that previously provided by the student and the institution.

34 C.F.R. §685.301(e)(1)(2) states that the Secretary accepts a student's Payment Data that is submitted in accordance with procedures established through publications in the Federal Register and that it contains information the Secretary considers to be accurate in light of other available information including that previously provided by the student and the institution. A school that participates under school origination option 1 or standard origination must submit the initial disbursement record for a loan to the Secretary no later than 30 days following the date of the initial disbursement. The school must submit subsequent disbursement records, including adjustment and cancellation records, to the Secretary no later than 30 days following the date the disbursement, adjustment, or cancellation is made.

34 C.F.R. §668.164(a)(1) states that an institution makes a disbursement of Title IV, HEA program funds on the date that the institution credits a student's account at the institution or pays a student or parent directly with funds received from the Secretary; funds received from a lender under the FFEL Programs; or Institutional funds used in advance of receiving Title IV, HEA program funds.

The *Federal Register* published on February 28, 2013 and the *Electronic Announcement* published on March 15, 2013 specify for disbursements or adjustments to previously made disbursements made on or after April 1, 2013, an institution must submit the disbursement record to COD no later than 15 days after making the disbursement or becoming aware of the need to adjust a student's previously reported disbursement.

Noncompliance:

For the 2013-2014 award year reviewers found that all disbursement dates reported to COD were incorrect. Five of the instances noted are listed below:

Student 1 had \$1,732 in Federal Direct Subsidized Loan funds disbursed on September 25, 2013 but the disbursement date reported to COD was September 19, 2013. A second disbursement of \$1,201 in Federal Direct Subsidized Loan funds was made to the student on February 12, 2014 but the disbursement date reported to COD was February 4, 2014.

Student 2 had \$2,823 in Federal Pell Grant funds, \$2,722 in Federal Direct Subsidized Loan funds and \$990 in Federal Direct Unsubsidized Loan funds disbursed to her account on October 18, 2013, but the disbursement date reported to COD for each of these disbursements was October 15, 2013. Second disbursements of \$2,822 in Federal Pell Grant funds, \$2,722 in Federal Direct Subsidized Loan funds and \$990 in Federal Direct Unsubsidized Loan funds were made on February 12, 2014, but the disbursement date reported to COD for each of these disbursements was February 4, 2014.

Student 4 had \$2,798 in Federal Pell Grant funds, \$2,722 in Federal Direct Subsidized Loan funds and \$990 in Federal Direct Unsubsidized Loan funds disbursed to her account on September 25, 2013, but the disbursement date reported to COD for each of these disbursements was September 18, 2013. Second disbursements of \$2,797 in Federal Pell Grant funds, \$2,722 in Federal Direct Subsidized Loan funds and \$990 in Federal Direct Unsubsidized Loan funds were made on February 12, 2014, but the disbursement date reported to COD for each of these disbursements was February 4, 2014.

Student 5 had \$2,748 in Federal Pell Grant funds, \$1,732 in Federal Direct Subsidized Loan funds and \$990 in Federal Direct Unsubsidized Loan funds disbursed to his account on September 25, 2013, but the disbursement date reported to COD for each of these disbursements was September 19, 2013. Second disbursements of \$2,747 in Federal Pell Grant funds, \$1,732 in Federal Direct Subsidized Loan funds and \$990 in Federal Direct Unsubsidized Loan funds were made on February 12, 2014, but the disbursement date reported to COD for each of these disbursements was February 6, 2014.

Student 6 had \$1,398 in Federal Pell Grant funds, \$2,722 in Federal Direct Subsidized Loan funds and \$3,464 in Federal Direct Unsubsidized Loan funds disbursed to her account on September 25, 2013, but the disbursement date reported to COD for each of these disbursements was September 18, 2013. Second disbursements of \$1,397 in Federal Pell Grant funds, \$2,722 in Federal Direct Subsidized Loan funds and \$3,464 in Federal Direct Unsubsidized Loan funds were made on February 12, 2014, but the disbursement date reported to COD for each of these disbursements was February 4, 2014.

Institutional Action Taken to Resolve Noncompliance:

During the exit conference, the reviewers indicated that a full file review would be required due to the number of instances noted during the program review. Prior to receiving written instructions from the Department, on January 9, 2015, the institution provided the Department with the results of the full file review of all disbursement dates reported to COD for the 2013-2014 award year, as well as all dates reported for the current award year. The institution has

corrected all of the incorrect dates in the COD system. The institution also provided its new policies and procedures that should ensure correct reporting in the future.

Final Program Review Determination:

Boston Conservatory has taken the corrective actions necessary to resolve this finding. Therefore, the institution may consider this finding closed, with no further action required.

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. If you have any questions concerning this report, please call Mr. Edward Buckley at 617-289-0132.

Sincerely,

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Betty Coughlin
Division Director

cc: Nicole Brennan, Director of Financial Aid
New England Association of Schools and Colleges
Massachusetts Department of Higher Education