

DC-ERM
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March 5, 2014

Robin Krout
President
Brown Mackie College-Cincinnati
1011 Glendale - Milford Road
Cincinnati, Ohio 45215-1107

Certified Mail
Return Receipt Requested
#7008 1640 0000 0215 7798

RE: Final Program Review Determination
OPE ID: 00512700
PRCN: 201120527452

Dear Mr. Krout:

The U.S. Department of Education's (Department's) School Participation Team – Chicago/Denver issued a program review report on February 5, 2013 covering Brown Mackie College-Cincinnati's (BMC-Cincinnati's) administration of programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2009-2010 and 2010-2011 award years. BMC-Cincinnati's final response was received on March 7, 2013. A copy of the program review report (and related attachments) and BMC-Cincinnati's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by BMC-Cincinnati 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) close the review and (2) notify BMC-Cincinnati of a possible adverse action. Due to the serious nature of one or more of the enclosed findings, this FPRD is being referred to the Department's Administrative Actions and Appeals Service Group (AAASG) for its consideration of possible adverse action. Such action may include a fine, or the limitation, suspension or termination of the eligibility of the institution. Such action may also include the revocation of the institution's program participation agreement (if provisional), or, if the institution has an application pending for renewal of its certification, denial of that application. If AAASG initiates any action, a separate notification will be provided which will include information on institutional appeal rights and procedures to file an appeal.

This FPRD contains one or more findings regarding BMC-Cincinnati's failure to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime

Federal Student Aid
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School Participation Division – Chicago/Denver
500 West Madison Street, Suite 1576, Chicago, Illinois 60661
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Brown Mackie College-Cincinnati

00512700

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Statistics Act (the Clery Act) in Section 485(f) of the HEA, 20 U.S.C. § 1092(f), and the Department's regulations in 34 C.F.R. §§ 668.41, 668.46, and 668.49. Since a Clery Act finding does not result in a financial liability, such a finding may not be appealed. If an adverse administrative action is initiated, additional information about BMC's appeal rights will be provided under separate cover.

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 Dianne Mickey at (312) 730-1531.

Sincerely,

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

Douglas A. Parrott
Division Director

Enclosures: Final Program Review Determination
Program Review Report (with attachments)
BMC-Cincinnati's Response to the Program Review Report

cc: Mary Morgan, Director of Student Financial Services
Brown Mackie College-Cincinnati
1011 Glendale - Milford Road
Cincinnati, OH 45215-1107

Richard Them, Senior Vice President, Student Finance & Compliance
Education management Corporation
210 Sixth Avenue, 33rd Floor
Pittsburgh, PA 15222

Ohio State Board of Career Colleges and Schools
Accrediting Council for Independent Colleges and Schools

Prepared for

Brown Mackie College-Cincinnati

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Final Program Review Determination

March 5, 2014

Chicago/Denver School Participation Division
500 West Madison Street, Suite 1576, Chicago, Illinois 60661
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A. Institutional Information

Brown Mackie College-Cincinnati
1011 Glendale – Milford Road
Cincinnati, Ohio 45215-1107

Type: Proprietary

Highest Level of Offering: Bachelor's Degree

Accrediting Agency: Accrediting Council for Independent Colleges and Schools

Current Student Enrollment: 6,372 (2010-2011 as of December 2010)

% of Students Receiving Title IV: 4,547 (71.4%)

Title IV Participation (PCNet):

	2009-2010
Federal Pell Grant (Pell)	\$ 31,094,752
Federal Academic Competitiveness Grant (ACG)	\$ 52,883
Federal Family Education Loan Program (FFELP)	\$ 53,531,765
Federal Direct Loan Program (FDLP)	\$ 20,244,631
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$ 1,026,494
Federal Work Study (FWS)	\$ 509,695

Default Rate FFEL/DL:	2008	11.6%
	2007	13.0%
	2006	11.1%

Default Rate Perkins:	2009	11.5%
	2008	3.0%
	2007	11.5%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Brown Mackie College-Cincinnati (BMC-Cincinnati) from February 7, 2011 through February 11, 2011. The review was conducted by Dianne Mickey and Rosa Reth.

The focus of the review was to determine BMC-Cincinnati's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs and the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act). The review consisted of, but was not limited to, an examination of BMC-Cincinnati'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 2009-2010 and 2010-2011 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and partial social security numbers 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 BMC-Cincinnati'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 BMC-Cincinnati 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

Finding #1, Return to Title IV (R2T4) Calculation Errors

BMC-Cincinnati has taken the corrective actions necessary to resolve Finding #1 of the program review report. Therefore, this finding may be considered closed. Appendix C contains the institution's written response related to the resolved finding.

Resolved Finding with Comments

The following program review finding has been resolved by the institution, and may be considered closed. This finding is included solely for the purpose of discussing resolution of the finding.

Finding #2, Crime Awareness Requirements Not Met – Failure to Distribute the Annual Security Report

Citation: The Clery Act and the Department's regulations require that all institutions participating in Title IV, HEA financial aid programs prepare a comprehensive annual security report (ASR) that contains, at a minimum, all of the statistical and policy elements described in 34 C.F.R. § 668.46(b). The ASR must be prepared and distributed as a single document. The only exception to this requirement is that the ASR may cross-reference information regarding the institution's alcohol and other drug abuse prevention programs required by § 120 (a)-(d) of the Higher Education Act. 34 C.F.R. § 668.46(a)(10).

Further, an institution must include a statement of policy regarding its emergency response and evacuation procedures in the ASR. 34 C.F.R. § 668.46(g).

The Department's regulations also require the institution to provide a notice to prospective students and prospective employees that includes a statement of the report's availability, a description of its contents, and an opportunity to request a copy. An institution must provide its ASR, to a prospective student or prospective employee. If the institution chooses to provide its ASR to prospective students and prospective employees by posting the disclosure on an Internet Web site, the notice described in this paragraph must include the exact electronic address at which the report is posted, a brief description of the report, and a statement that the institution will provide a paper copy of the report upon request. 34 C.F.R. 668.41(e)(4).

Noncompliance: At the time of the program review, BMC-Cincinnati was not providing a notice to prospective students and prospective employees that included a statement of the

availability of the ASR, a description of its contents, and an opportunity to request a copy.

Failure to provide prospective students and prospective employees in accordance with Federal regulations deprives future students and employees of important security information.

Required Action: *BMC-Cincinnati must implement a procedure and update their policies for disseminating information regarding the availability of the annual security report, a description of its contents and an opportunity to request a copy to prospective students and prospective employees. BMC-Cincinnati must provide the Department a copy of their updated policies and procedures, including copies of letters, e-mails, web information, etc. that is provided to prospective students and prospective employees.*

Institutional Response:

In its response, BMC-Cincinnati stated its concurrence with the finding. The College also submitted a copy of its new policies, procedures, and disclosure statement, which now require making the ASR available to prospective students and employees. Under the new policies and procedures, BMC-Cincinnati stated that prospective students are provided a brochure that contains information regarding all U.S. Department of Education mandated consumer information disclosures including the ASR. The brochure advises prospective students that the ASR is available on the College's official website. In addition, the College represented that information about the ASR is now included in the prospective employee section of BMC-Cincinnati's website.

Final Determination:

Finding #2 of the program review report cited BMC-Cincinnati for failing to actively notify prospective students and employees about the availability of the 2010 ASR and all prior reports. As a result of these violations, the College was required to develop and implement policies, procedures, and systems to ensure that all prospective members of the campus community were specifically put on notice about the College's ASR and were provided with a clear statement regarding its contents and instructions about how to obtain a copy of the report. In its official response, BMC-Cincinnati concurred with the finding and provided documentation showing remedial action. The new consumer information brochure is adequate but BMC-Cincinnati is reminded that it must take all necessary steps to ensure that all persons who contact the College to request enrollment information are provided a copy of the brochure in response to the initial contact. Moreover, the College must ensure that prospective employees receive active notification. As constituted, the current disclosure statement could be missed by applicants for employment. For this reason, the College may want to consider ways to make the notification more conspicuous and less reliant on the individual's ascertainment of the disclosure statement. Notwithstanding these recommendations, the Department

has reviewed BMC-Cincinnati's response very carefully and found it to be acceptable. The review team's analysis of the College's most recent campus safety materials did not result in the identification of any significant omissions or weaknesses in the problem area cited in the program review report, suggesting that the College's remedial actions were at least minimally adequate. Based on that determination and BMC-Cincinnati's representation that it has addressed these violations and their underlying causes, the Department considers this finding to be closed.

Although the finding is now closed, BMC-Cincinnati is reminded that the exceptions identified above constitute serious violations of the *Clery Act* that by their nature cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. BMC-Cincinnati was required to initiate all necessary remedial measures and in doing so, has begun to address the conditions that led to these violations. BMC-Cincinnati has stated that it has brought its ASR notification process and overall campus security program into compliance with the *Clery Act* as required by its PPA. Nevertheless, BMC-Cincinnati is advised that such actions 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 actions as a result.

The Department strongly recommends that BMC-Cincinnati re-examine its campus security, drug and alcohol, and general Title IV policies and procedures on an annual basis to ensure that they continue to reflect current institutional practices and are compliant with Federal regulations. As part of these periodic reviews, BMC-Cincinnati officials are encouraged to consult the Department's "Handbook for Campus Safety and Security Reporting" (2011) as a reference guide for *Clery Act* compliance. The Handbook is available online at: www2.ed.gov/admins/lead/safety/handbook.pdf. Additional Clery Act training resources are available at: <http://www2.ed.gov/admins/lead/safety/campus.html>. The regulations governing the *Clery Act* can be found at 34 C.F.R. §§ 668.14, 668.41, 668.46, and 668.49.

Finally, BMC-Cincinnati officials are reminded to review the accuracy and completeness of the College's Drug and Alcohol Abuse Prevention Program (DAAPP) as required by the Drug-Free Schools and Communities Act (*DFSCA*) and Part 86 of the Department's General Administrative Regulations. FSA is now responsible for monitoring compliance with the *DFSCA*. Therefore, it is essential that the College makes sure that it has developed and implemented a comprehensive DAAPP, has actively distributed a materially-complete annual DAAPP disclosure, and that it has conducted substantive biennial reviews and has completed its biennial review reports on the proper schedule. For assistance or more information on the *Clery Act* and/or the *DFSCA*, please contact your program review team or another member of the Chicago/Denver School Participation Division.

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F. Appendices

Appendices A, B and C are attached to this report.

Final Program Review Determination
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Appendix A
Student Sample

Appendix A, Student Sample

#	Year	Student Name	Last 4 of SSN
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Final Program Review Determination
PRCN #: 201120527452

Appendix B
Program Review Report

Prepared for

Brown Mackie College-Cincinnati

OPE ID 00512700

PRCN 201120527452

Prepared by

U.S. Department of Education

Federal Student Aid

School Participation Division – Chicago/Denver

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

Program Review Report

February 5, 2013

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A sample of 30 files was identified for review from the 2009-2010 and 2010-2011 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and partial social security numbers 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 BMC-Cincinnati'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 BMC-Cincinnati 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 BMC-Cincinnati to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding #1, Return to Title IV (R2T4) Calculation Errors

Citation: When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date in accordance with paragraph (e) of this section. *34 C.F.R. § 668.22(a)(1)*.

If the total amount of Title IV grant or loan assistance, or both, that the student earned as calculated under paragraph (e)(1) of this section is less than the amount of Title IV grant or loan assistance that was disbursed to the student or on behalf of the student in the case of a PLUS loan, as of the date of the institution's determination that the student withdrew, the difference between these amounts must be returned to the Title IV programs in accordance with paragraphs (g) and (h) of this section in the order specified in paragraph (i) of this section; and no additional disbursements may be made to the student for the payment period or period of enrollment. *34 C.F.R. § 668.22(a)(3)*.

The amount of Title IV grant or loan assistance that is earned by the student is calculated by—

- (i) Determining the percentage of Title IV grant or loan assistance that has been earned by the student, as described in paragraph (e)(2) of this section; and
- (ii) Applying this percentage to the total amount of Title IV grant or loan assistance that was disbursed (and that could have been disbursed, as defined in paragraph (l)(1) of this section) to the student, or on the student's behalf, for the payment period or period of enrollment as of the student's withdrawal date. *34 C.F.R. § 668.22(e)(1)*.

The percentage of Title IV grant or loan assistance that has been earned by the student is—

- (i) Equal to the percentage of the payment period or period of enrollment that the student completed (as determined in accordance with paragraph (f) of this section) as of the student's withdrawal date, if this date occurs on or before—
 - (A) Completion of 60 percent of the payment period or period of enrollment for a program that is measured in credit hours; or

- (B) Sixty percent of the clock hours scheduled to be completed for the payment period or period of enrollment for a program that is measured in clock hours; or
- (ii) 100 percent, if the student's withdrawal date occurs after--
 - (A) Completion of 60 percent of the payment period or period of enrollment for a program that is measured in credit hours; or
 - (B) Sixty percent of the clock hours scheduled to be completed for the payment period or period of enrollment for a program measured in clock hours. *34 C.F.R. § 668.22(e)(2).*

The percentage of Title IV grant or loan assistance that has not been earned by the student is calculated by determining the complement of the percentage of Title IV grant or loan assistance earned by the student as described in paragraph (e)(2) of this section. *34 C.F.R. § 668.22(e)(3).*

The percentage of the payment period or period of enrollment completed is determined--

- (i) In the case of a program that is measured in credit hours, by dividing the total number of calendar days in the payment period or period of enrollment into the number of calendar days completed in that period as of the student's withdrawal date; and
- (ii) In the case of a program that is measured in clock hours, by dividing the total number of clock hours in the payment period or period of enrollment into the number of clock hours scheduled to be completed as of the student's withdrawal date. *34 C.F.R. § 668.22(f)(1).*

The total number of calendar days in a payment period or period of enrollment includes all days within the period, except that scheduled breaks of at least five consecutive days are excluded from the total number of calendar days in a payment period or period of enrollment and the number of calendar days completed in that period. *34 C.F.R. § 668.22(f)(2).*

Noncompliance: The R2T4 calculations were incorrect for Students #4 and #14. The institution used the incorrect number of days in the quarter, incorrect financial aid and rounded incorrectly.

Student 4

Student #4 withdrew from BMC-Cincinnati on 5/4/2010 from the 2010 Quarter – April payment period. The student received a Pell Grant in the amount of \$892.00, a Subsidized Stafford Loan in the amount of \$1,148.51 and an Unsubsidized Stafford Loan in the amount of \$1,970.00 for a total of \$4,010.51 in Title IV funds. According to the *Refund of SFA Calculation Worksheet* the student completed 36.6% (30 days divided by 82 days) of the payment period which had a start date of 4/5/2010 and an end date of 6/25/2010. The institution calculated that the student earned \$1,467.26 in Step 3, and that

\$2,543.25 should be returned in Step 4. In Step 5 BMC-Cincinnati determined that the institution was responsible for returning \$2,243.97. BMC-Cincinnati returned \$2,543.25.

According to the *Academic Calendar: 2010* and the academic transcript the payment period actually started on 4/5/2010 and ended on 6/26/2010, resulting in the student completing 36.1% (30 days divided by 83 days) of the payment period. The actual amount earned in Step 3 should be \$1,447.79 (\$4,010.51 times 36.1%) and the amount to be returned in Step 4 should be \$2,562.72. The amount for the institution to return in Step 5 should be \$2,261.15. According to the student's ledger card BMC-Cincinnati returned \$2,543.25 (\$1,970.00 unsubsidized and \$573.25 subsidized) to the loan program which was more than required according to the worksheet.

Although, the R2T4 worksheet BMC-Cincinnati provided indicated percentages are rounded to three decimal places, the actual calculation is not rounding before performing calculations in Step 3 and Step 5 of the worksheet resulting in BMC-Cincinnati returning more Title IV aid than required.

Student #14

Student #14 was academically dismissed from BMC-Cincinnati on 9/28/2009 from the *Summer 2009 Quarter – September* and the last date of attendance was 9/24/2009. The student received a Pell Grant in the amount of \$446.00, a Subsidized Stafford Loan in the amount of \$1,470.00 and an Unsubsidized Stafford Loan in the amount of \$1,960.00 for a total of \$3,876.00 in Title IV funds. According to the *Refund of SFA Calculation Worksheet* the student completed 32.5% (25 days divided by 77 days) of the payment period which had a start date of 8/31/2009 and an end date of 11/25/2009 and a scheduled break from 9/25/2009 through 10/04/2009. The institution calculated that the student earned \$1,258.44 in Step 3, and that \$2,617.56 should be returned in Step 4. In Step 5 BMC-Cincinnati determined that the institution was responsible for returning \$2,193.45. BMC-Cincinnati actually returned \$3,430.00.

The actual amount earned in Step 3 should be \$1,259.70 (\$3,876.00 times 32.5%) and the amount to be returned in Step 4 should be \$2,616.30. The amount for the institution to return in Step 5 should be \$2,192.40. According to the student's ledger card BMC-Cincinnati returned \$3,430.00 (\$1,970.00 unsubsidized and \$1,470.00 subsidized) to the loan program which was more than required according to the worksheet.

Although, the R2T4 worksheet BMC-Cincinnati provided indicated percentages are rounded to three decimal places, the actual calculation is not rounding before performing calculations in Step 3 and Step 5 of the worksheet resulting in BMC-Cincinnati returning more Title IV aid than required.

Required Action: No further action is required for Students #9 and #14. BMC-Cincinnati returned more than required for both students due to the improper rounding in the institution's return of funds worksheet.

BMC-Cincinnati is required to verify that the *Refund of SFA Calculation Worksheet* the institution is currently using is correctly rounding when determining the amount of aid earned and to be returned. A sample of a completed worksheet to support the accuracy of the calculation must be provided to the Department.

Finding #2, Crime Awareness Requirements Not Met – Failure to Distribute the Annual Security Report

Citation: The Clery Act and the Department's regulations require that all institutions participating in Title IV, HEA financial aid programs prepare a comprehensive annual security report (ASR) that contains, at a minimum, all of the statistical and policy elements described in 34 C.F.R. § 668.46(b). The ASR must be prepared and distributed as a single document. The only exception to this requirement is that the ASR may cross-reference information regarding the institution's alcohol and other drug abuse prevention programs required by § 120 (a)-(d) of the Higher Education Act. *34 C.F.R. § 668.46(a)(10)*.

Further, an institution must include a statement of policy regarding its emergency response and evacuation procedures in the ASR. *34 C.F.R. § 668.46(g)*.

The Department's regulations also require the institution to provide a notice to prospective students and prospective employees that includes a statement of the report's availability, a description of its contents, and an opportunity to request a copy. An institution must provide its ASR to a prospective student or prospective employee. If the institution chooses to provide its ASR to prospective students and prospective employees by posting the disclosure on an Internet Web site, the notice described in this paragraph must include the exact electronic address at which the report is posted, a brief description of the report, and a statement that the institution will provide a paper copy of the report upon request. *34 C.F.R. 668.41(e)(4)*.

Noncompliance: BMC-Cincinnati was not providing a notice to prospective students and prospective employees that included a statement of the availability of the ASR, a description of its contents, and an opportunity to request a copy.

Failure to provide prospective students and prospective employees in accordance with Federal regulations deprives future students and employees of important security information.

Brown Mackie College-Cincinnati

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Required Action: BMC-Cincinnati must implement a procedure and update their policies for disseminating information regarding the availability of the annual security report, a description of its contents and an opportunity to request a copy to prospective students and prospective employees. BMC-Cincinnati must provide the Department a copy of their updated policies and procedures, including copies of letters, e-mails, web information, etc. that is provided to prospective students and prospective employees.

E. Appendices

Appendix A, Student Sample

#	Year	Student Name	Last 4 of SSN
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Final Program Review Determination
PRCN #: 201120527452

Appendix C

BMC-Cincinnati's Response
to the Program Review Report

March 6, 2013

US Department of Education
Federal Student Aid- School Participation- Chicago/Denver
500 West Madison Street, Suite 1576
Chicago, IL 60661

Attention: Dianne Mickey

Re: **Program Review Response**
Brown Mackie College - Cincinnati
School Code: 00512700
PRCN: 201120527452

Dear Ms. Mickey,

Thank you for providing Brown Mackie College - Cincinnati with the opportunity to respond to the program review findings included in the Program Review Report presented in the letter of February 5, 2013. We are providing our response to Findings #1 and #2 from the Program Review that was conducted the week of February 7, 2011 (report issued February 5, 2013), along with the supporting documentation.

Please feel free to contact me should you have any questions at (412) 995-7206. Thank you for your continued assistance.

Sincerely,

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

Richard Them
SVP, Student Finance & Compliance
Education Management Corporation

Finding #1. Return to Title IV (R2T4) Calculation Errors

Citation: When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date in accordance with paragraph (e) of this section. *34 C.F.R. § 668.22(a)(1)*.

If the total amount of Title IV grant or loan assistance, or both, that the student earned as calculated under paragraph (e)(1) of this section is less than the amount of Title IV grant or loan assistance that was disbursed to the student or on behalf of the student in the case of a PLUS loan, as of the date of the institution's determination that the student withdrew, the difference between these amounts must be returned to the Title IV programs in accordance with paragraphs (g) and (h) of this section in the order specified in paragraph (i) of this section; and no additional disbursements may be made to the student for the payment period or period of enrollment. *34 C.F.R. § 668.22(a)(3)*.

The amount of Title IV grant or loan assistance that is earned by the student is calculated by-

- (i) Determining the percentage of Title IV grant or loan assistance that has been earned by the student, as described in paragraph (e)(2) of this section; and
- (ii) Applying this percentage to the total amount of Title IV grant or loan assistance that was disbursed (and that could have been disbursed, as defined in paragraph (1)(1) of this section) to the student, or on the student's behalf, for the payment period or period of enrollment as of the student's withdrawal date. *34 C.F.R. § 668.22(e)(J)*.

The percentage of Title IV grant or loan assistance that has been earned by the student is-

- (i) Equal to the percentage of the payment period or period of enrollment that the student completed (as determined in accordance with paragraph (f) of this section) as of the student's withdrawal date, if this date occurs on or before-
 - (A) Completion of 60 percent of the payment period or period of enrollment for a program that is measured in credit hours; or Brown Mackie College-Cincinnati
 - (B) Sixty percent of the clock hours scheduled to be completed for the payment period or period of enrollment for a program that is measured in clock hours; or
- (ii) 100 percent, if the student's withdrawal date occurs after-
 - (A) Completion of 60 percent of the payment period or period of enrollment for a program that is measured in credit hours; or
 - (B) Sixty percent of the clock hours scheduled to be completed for the payment period or period of enrollment for a program measured in clock hours. *34 C.F.R. § 668.22(e)(2)*.

The percentage of Title IV grant or loan assistance that has not been earned by the student is calculated by determining the complement of the percentage of Title IV grant or loan assistance earned by the student as described in paragraph (e)(2) of this section. *34 C.F.R. § 668.22(e)(3)*.

The percentage of the payment period or period of enrollment completed is determined-

- (i) In the case of a program that is measured in credit hours, by dividing the total number of calendar days in the payment period or period of enrollment into the number of calendar days completed in that period as of the student's withdrawal date; and
- (ii) In the case of a program that is measured in clock hours, by dividing the total number of clock hours in the payment period or period of enrollment into the number of clock hours scheduled to be completed as of the student's withdrawal date. *34 C.F.R. § 668.22(i) (1)*.

The total number of calendar days in a payment period or period of enrollment includes all days within the period, except that scheduled breaks of at least five consecutive days are excluded from the total number of calendar days in a payment period or period of enrollment and the number of calendar days completed in that period. *34 C. FR. §668.22(i)(2)*.

Noncompliance: The R2T4 calculations were incorrect for Students #4 and # 14. The institution used the incorrect number of days in the quarter, incorrect financial aid and rounded incorrectly.

Student 4

Student #4 withdrew from BMC-Cincinnati on 5/4/2010 from the *2010 Quarter – April* payment period. The student received a Pell Grant in the amount of \$892.00, a Subsidized Stafford Loan in the amount of \$1,148.51 and an Unsubsidized Stafford Loan in the amount of \$1,970.00 for a total of \$4,010.51 in Title IV funds. According to the *Refund of SFA Calculation Worksheet* the student completed 36.6% (30 days divided by 82 days) of the payment period which had a start date of 4/5/2010 and an end date of 6/25/2010. The institution calculated that the student earned \$1,467.26 in Step 3, and that \$2,543.25 should be returned in Step 4. In Step 5 BMC-Cincinnati determined that the institution was responsible for returning \$2,243.97. BMC-Cincinnati returned \$2,543.25.

According to the *Academic Calendar: 2010* and the academic transcript the payment period actually started on 4/5/2010 and ended on 6/26/2010, resulting in the student completing 36.1% (30 days divided by 83 days) of the payment period. The actual amount earned in Step 3 should be \$1,447.79 (\$4,010.51 times 36.1%) and the amount to be returned in Step 4 should be \$2,562.72. The amount for the institution to return in Step 5 should be \$2,261.15. According to the student's ledger card BMC-Cincinnati returned \$2,543.25 (\$1,970.00 unsubsidized and \$573.25 subsidized) to the loan program which was more than required according to the worksheet.

Although, the R2T4 worksheet BMC-Cincinnati provided indicated percentages are rounded to three decimal places, the actual calculation is not rounding before performing calculations in Step 3 and Step 5 of the worksheet resulting in BMC-Cincinnati returning more Title IV aid than required.

Student #14

Student #14 was academically dismissed from BMC-Cincinnati on 9/28/2009 from the *Summer 2009 Quarter- September* and the last date of attendance was 9/24/2009. The student received a Pell Grant in the amount of \$446.00, a Subsidized Stafford Loan in the amount of \$1,470.00 and an Unsubsidized Stafford Loan in the amount of \$1,960.00 for a total of \$3,876.00 in Title IV funds. According to the *Refund of SFA Calculation Worksheet* the student completed 32.5% (25 days divided by 77 days) of the payment period which had a start date of 8/31/2009 and an end date of

11/25/2009 and a scheduled break from 9/25/2009 through 10/04/2009. The institution calculated that the student earned \$1,258.44 in Step 3, and that \$2,617.56 should be returned in Step 4. In Step 5 BMC-Cincinnati determined that the institution was responsible for returning \$2,193.45. BMC-Cincinnati actually returned \$3,430.00.

The actual amount earned in Step 3 should be \$1,259.70 (\$3,876.00 times 32.5%) and the amount to be returned in Step 4 should be \$2,616.30. The amount for the institution to return in Step 5 should be \$2,192.40. According to the student's ledger card BMC Cincinnati returned \$3,430.00 (\$1,970.00 unsubsidized and \$1,470.00 subsidized) to the loan program which was more than required according to the worksheet.

Although, the R2T4 worksheet BMC-Cincinnati provided indicated percentages are rounded to three decimal places, the actual calculation is not rounding before performing calculations in Step 3 and Step 5 of the worksheet resulting in BMC-Cincinnati returning more Title IV aid than required.

Required Action: No further action is required for Students #9 and #14. BMC Cincinnati returned more than required for both students due to the improper rounding in the institution's return of funds worksheet.

BMC-Cincinnati is required to verify that the *Refund of SFA Calculation Worksheet* the institution is currently using is correctly rounding when determining the amount of aid earned and to be returned. A sample of a completed worksheet to support the accuracy of the calculation must be provided to the Department.

BROWN MACKIE COLLEGE RESPONSE TO FINDING #1

BMC Cincinnati has verified that the *Refund of SFA Calculation Worksheet* that we are currently using was revised and is correctly rounding when determining the amount of aid earned and to be returned.

As requested, we have attached a sample of a completed *Refund of SFA Calculation Worksheet* which supports the accuracy of the calculation.

Finding #2, Crime Awareness Requirements Not Met- Failure to Distribute the Annual Security Report

Citation: The Clery Act and the Department's regulations require that all institutions participating in Title IV, HEA financial aid programs prepare a comprehensive annual security report (ASR) that contains, at a *minimum*, all of the statistical and policy elements described in 34 C.F.R. § 668.46(b). The ASR must be prepared and distributed as a single document. The only exception to this requirement is that the ASR may cross-reference information regarding the institution's alcohol and other drug abuse prevention programs required by § 120 (a)-(d) of the Higher Education Act. 34 C.F.R. §668.46(a)(10).

Further, an institution must include a statement of policy regarding its emergency response and evacuation procedures in the ASR. 34 C.F.R. § 668.46(g).

The Department's regulations also require the institution to provide a notice to prospective students and prospective employees that includes a statement of the report's availability, a description of its contents, and an opportunity to request a copy. An institution must provide its ASR to a prospective student or prospective employee. If the institution chooses to provide its ASR to prospective students and prospective employees by posting the disclosure on an Internet Web site, the notice described in this paragraph must include the exact electronic address at which the report is posted, a brief description of the report, and a statement that the institution will provide a paper copy of the report upon request. *34 C.F.R. 668.41 (e)(4)*.

Noncompliance: BMC-Cincinnati was not providing a notice to prospective students and respective employees that included a statement of the availability of the ASR, a description of its contents, and an opportunity to request a copy.

Failure to provide prospective students and prospective employees in accordance with Federal regulations deprives future students and employees of important security information.

Required Action: BMC-Cincinnati must implement a procedure and update their policies for disseminating information regarding the availability of the annual security report, a description of its contents and an opportunity to request a copy to prospective students and prospective employees. BMC-Cincinnati must provide the Department a copy of their updated policies and procedures, including copies of letters, e-mails, web information, etc. that is provided to prospective students and prospective employees.

BROWN MACKIE COLLEGE RESPONSE TO FINDING #2

We have attached a copy of our policies and procedures which require making the annual security report available to prospective students and prospective employees. We provide prospective students with a brochure that contains all the information to access our Consumer Information, including the annual security report, on our website. We have attached a copy of this brochure for your review.

We have made the most recent annual security report available to current and prospective students on the Student Services section of our Student Consumer Information website at:
<http://www.brownmackie.edu/cincinnati/student-consumer-information.aspx>

We have also posted the annual crime report on our website for prospective employees on our "Work with Us" careers website at:
<http://www.brownmackie.edu/cincinnati/work-with-us.aspx>

Checklist - FPRD Review	
Responsible Reviewer: Dianne Mickey	Delivery Tracking #: 7012 1640 0000 0215 7798
Institution Name: Brown Mackie College-Cincinnati	
OPE ID: 00512700	PRCN: 2011-20527452
Date: 02/28/2014	
Cover Letter	
<input checked="" type="checkbox"/>	Letter is addressed to the correct person
<input checked="" type="checkbox"/>	Letter includes certified mail information
<input checked="" type="checkbox"/>	Correct standard paragraphs included
FPRD Report	
<input checked="" type="checkbox"/>	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)
<input checked="" type="checkbox"/>	FPRD prepared in accordance with standard procedures
<input checked="" type="checkbox"/>	Findings and Final Determinations correctly stated
<input checked="" type="checkbox"/>	Citations are appropriate to the findings and cited correctly
<input checked="" type="checkbox"/>	Description of each instance of noncompliance is sufficiently detailed to clearly identify the institution's regulatory violations
<input checked="" type="checkbox"/>	Summary of Liabilities included with correct amounts
<input checked="" type="checkbox"/>	Payment Instructions prepared correctly
<input checked="" type="checkbox"/>	Student Sample Appendix is properly prepared with only first and last names and last four digits of students' SSNs
<input checked="" type="checkbox"/>	Other appendices, if any, are properly prepared or enclosed as attachments
PEPS Data Entry Worksheet	
<input checked="" type="checkbox"/>	PEPS Data Entry form correctly completed (including repayment method and liability amounts) Level of Review accurately reflects the deficiencies
NA	For FPRD - No Program Review Report Issued only: Deficiency codes are appropriate to the findings
Approvals	
<input checked="" type="checkbox"/>	For FPRDs with liabilities of at least \$100,000 but less than \$1,000,000, approval obtained from OGC
<input checked="" type="checkbox"/>	For FPRDs with liabilities of \$1,000,000 or more, approval obtained from OGC and SESG General Manager
CM Signature: (b)(6); (b)(7)(C)	Date: 3/5/2014
DD Signature: (b)(6); (b)(7)(C)	Date: 3/4/14