

Index Sheet

Ope Id No: 02606800

School Name: CAREER TECHNICAL COLLEGE

Subfolder: Program Review/FPRD

Doc Type: FPRD with Attachments

Rec Date:

Org Date:

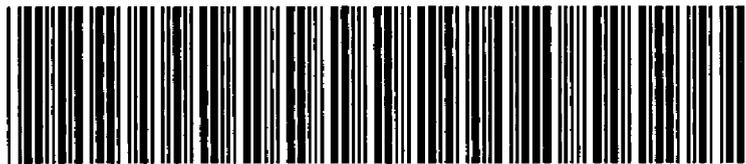
School Year: 2013

ACN:

PRCN: 201040627295

Box ID: 1483

Unique ID: SC1000000823441





February 13, 2013

Mr. Alan Sussna, President
Career Technical College
2319 Louisville Avenue
Monroe, LA 71201-6046

Certified Mail
Return Receipt Requested
7012 1010 0002 6534 1243

RE: **Final Program Review Determination**
OPE ID: 02606800
PRCN: 201040627295

Dear Mr. Sussna:

The U.S. Department of Education's (Department's) Dallas School Participation Division issued a program review report on December 14, 2011 covering Career Technical College's (CTC'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. CTC's response was received on September 20, 2012. CTC failed to address adequately 1 of the 12 findings, as detailed in the attached report. A copy of the program review report (and related attachments) and the institution's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by CTC upon request. The Department has made final determinations based on information obtained during the program review and from documentation already submitted by CTC. 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 \$8,993.44.

This final program review determination contains detailed information about the liability determination for all findings.

Protection of Personally Identifiable Information (PII):

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

Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the December 14, 2011 program review report. If CTC wishes to appeal to the Secretary for a review of monetary liabilities established by the FPRD, the institution must file a written request for an administrative hearing. The Department must receive the request no later than 45 days from the date CTC receives this FPRD. An original and four copies of the information CTC 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

CTC'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 CTC'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).

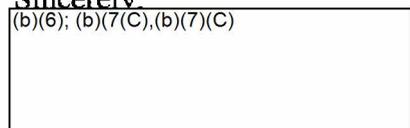
Record Retention:

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 Regina Krob at 214-661-9453. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,

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



Cynthia Thornton, Director
Dallas School Participation Division

Enclosure: Protection of Personally Identifiable Information

cc: Darrell Boyd, Financial Aid Administrator
J. Dean Hall, VP of Regulatory Compliance
Louisiana State Board of Regents
Council on Occupational Education
Department of Education/Sallie Mae

Prepared for

Career Technical College

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

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OPE ID 02606800

PRCN 201040627295

Prepared by

U.S. Department of Education

Federal Student Aid

Dallas School Participation Division

Final Program Review Determination

February 13, 2013

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Career Technical College

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A. Institutional Information

Career Technical Center

2319 Louisville Avenue

Monroe, LA 71201

Type: Proprietary

Highest Level of Offering: Associate's Degree

Accrediting Agency: Council on Occupational Education

Current Student Enrollment: 775 (2010)

% of Students Receiving Title IV: 81% (2010)

Career Technical Center (CTC) is owned by Delta Career Education Corporation (DCEC). CTC is one of 11 DCEC institutions that participate in the Title IV, HEA programs.

Title IV Participation (GAPS and PEPS Funding Data):

	<u>2009-2010</u>
Federal Pell Grant (Pell)	\$6,114,806
Federal Family Education Loan (FFEL)	9,796,641
William D. Ford Federal Direct Loan Program (DL)	1,143,198
Federal Supplemental Educational Opportunity Grant (FSEOG)	208,547
Academic Competitiveness Grant (ACG)	24,008
Federal Work Study (FWS)	48,141

Default Rate FFEL/DL:	2010	6.6%
	2009	21.7%
	2008	22.5%

Default Rate Perkins:	N/A
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B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Career Technical College (CTC) from July 26 to July 29, 2010. The review was conducted by Ms. Kimberly Walker-Brown, Ms. Nancy Mapes, and Mr. Michael Wade. Ms. Regina Krob joined the review off-site.

The focus of the review was to determine CTC's compliance with the statutes and regulations as they pertain to the institution's administration of the Title IV, HEA programs. The review consisted of, but was not limited to, an examination of CTC'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 15 files was identified for review from the 2009-2010 award year. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Two files that did not have any 2009-2010 award year disbursements were replaced with two additional random files. Appendix A lists the names and social security numbers of the students whose files were examined during the program review. A program review report was issued on December 14, 2011.

Disclaimer:

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

C. Findings and Final Determinations

Resolved Findings

Findings: 1-6, 8, and 10-12

CTC has taken the corrective actions necessary to resolve findings 1-6, 8, and 10-12 of the program review report (Appendix D). Therefore, these findings may be considered closed. Findings requiring further action by CTC are discussed below.

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 9. Improper Loan Certification

Citation: *In the case of any student who seeks an unsubsidized Stafford loan for the cost of attendance at a school that participates in the Stafford Loan Program, the student must receive a determination of need for a subsidized Stafford loan. 34 C.F.R. §§ 682.201(a) and 685.200(a)*

Noncompliance: *Student #5 was certified for an unsubsidized loan prior to the determination of eligibility for a subsidized loan. The student's eligibility for a subsidized loan is demonstrated as follows:*

COA	\$25,857
Less EFC	<u>-22,291</u>
Remaining need	\$3,566

Student #11 was certified for an unsubsidized loan prior to the determination of eligibility for a subsidized loan. The student's eligibility for a subsidized loan is demonstrated as follows:

COA	\$8,095
Less EFC	<u>-0</u>
Remaining need	\$8,095

Required Action: *CTC must perform a file review of all students who were awarded FFEL and Direct Loan Stafford loans during the 2009-10 award year with a COA that includes room and board, transportation, and miscellaneous, in addition to tuition and fees, and books as stated in Finding 1. CTC must determine if any reallocations/reapportions are necessary for the students whose eligibility changes as a result of the file review and must correct all corresponding student ledgers.*

CTC must electronically submit the results of the file review in the following format for every student whose eligibility was adjusted and/or loan types were revised.

1. Student's Name
2. Social Security Number (Last 4)
3. Award Year
4. Original Loan Type
5. Original Loan Amount
6. Revised Loan Type
7. Revised Loan Amount
8. Transaction Date for corrections

For each student, CTC must also submit a copy of the acknowledged change request from the FFEL lender or Direct Loan originations.

CTC's Response: CTC concurred with this finding. CTC completed a file review for loans certified/originated during the 2009-2010 award year resulting in 57 loans that need to be reallocated either to a subsidized or to an unsubsidized loan. Of these loans, 8 were DL and were reclassified in COD. The remaining 49 loans are FFEL, which were unable to be reallocated because they were being transferred to the Department. CTC is working with Sallie Mae to execute the reallocations and will provide the requested documentation once Sallie Mae is able to confirm the transactions. Because there are no liabilities associated with the reallocation, this finding is considered closed.

Final Determination: CTC must continue to work with Sallie Mae to reallocate all the appropriate FFEL loans that were identified in the review.

Findings with Final Determinations

The program review report finding requiring further action is summarized below. At the conclusion of the finding is a summary of CTC's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on December 14, 2011 is attached as Appendix D.

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

Finding 7. Returns to Title IV, HEA Programs Not Made and/or Made Late

Citation: *When a student withdraws from an institution during a payment period or period of enrollment, the institution must return the lesser of the total amount of unearned Title IV assistance or an amount equal to the total institutional charges incurred by the student for the payment period or period of enrollment multiplied by the percentage of Title IV grant or loan assistance that has not been earned by the student. 34 C.F.R. § 668.22(g).*

An institution must return the amount of Title IV, HEA funds for which it is responsible as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew. The timeframe for returning funds is further described in 34 C.F.R. § 668.173(b). 34 C.F.R. § 668.22(j)(1)

Noncompliance: *CTC failed to make required returns or downward adjustments.*

CTC did not return funds for the following students: #4 and 12.

- *Student #4: A return for this student was calculated on May 21, 2010 but no Title IV, HEA program funds were returned or downward adjustments made.*

- *Student #12: A return for this student was calculated on May 12, 2010 but no Title IV, HEA program funds were returned or downward adjustments made.*

The failure to return Title IV, HEA program funds or to make necessary downward adjustments demonstrates and reinforces Finding 1 that CTC failed in its fiduciary responsibilities.

Required Action: *CTC must perform a file review of all students who enrolled in the 2009-10 award year and withdrew or otherwise ceased attendance before completing their program of study.*

CTC must electronically submit the results of the file review in the following format for every student who withdrew or otherwise ceased attendance before completing their program of study, or who failed to return from an approved a leave of absence:

1. *Student's Name*
2. *Social Security Number (Last 4)*
3. *Award Year*
4. *Withdrawal Date*
5. *Payment Period Start Date*
6. *Payment Period End Date*
7. *Original Return Calculation Results, by Amount and Program*
8. *Difference Owed to Title IV, HEA program(s) (if applicable)*

For each student, CTC must also submit the following supporting documentation:

1. *Return Calculation*
2. *Student Account Ledger*
3. *Transcripts*
4. *Attendance records*
5. *For returns previously paid, copies of cancelled checks, front and back and proof that downward adjustments were made.*

Instructions for repayment of returns not previously paid will be provided in the Final Program Review Determination.

CTC's Response: CTC submitted the required R2T4 calculations and all supporting documents requested. In addition, CTC included the required spreadsheet detailing returns previously paid, as well as the amounts of unpaid or improperly paid returns.

Final Determination: Each return calculation submitted as part of the file review was examined. The examination of the remaining submitted records resulted in the determination that the following liabilities exist as a result of the corrected return calculations for the 2009-2010 award year:

Student #12 – The student’s attendance history shows the student began attendance on 4/14/2010 and withdrew on 5/8/2010. CTC disbursed the DL funds prior to the determination of the student’s eligibility for those funds and after the student had withdrawn.

The following funds were disbursed:

Amount	Program	Date Disbursed
\$1,783.00	Pell	4/26/2010
1,322.00	DL Unsubsidized	5/17/2010
1,162.00	DL Subsidized	5/17/2010

CTC incorrectly calculated a R2T4 on 5/12/2010 and did not include any DL funds in the return calculation. In addition, CTC returned the Federal Pell Grant and a portion of the loan funds late. These returns are identified with the Late Returns chart. The DL funds should have been listed in the R2T4 calculation in Step 1 as the Net Amount that Could Have Been Disbursed to determine if the student was eligible for a Post-Withdrawal Disbursement.

The following amounts were returned by the institution:

Amount	Program	Date Returned
\$435.00	Pell	8/4/2010
1,322.00	DL Unsubsidized	7/29/2010
1,014.13	DL Subsidized	7/29/2010

CTC correctly determined that \$435.00 Federal Pell Grant as the amount of unearned aid to return in the calculation. CTC incorrectly disbursed DL funds after the student was withdrawn; therefore, all loan funds should have been returned. The revised R2T4 calculation determined that the student was not eligible for any DL funds.

The institution returned all of the DL Unsubsidized funds on 7/29/2010; however, CTC returned only \$1,014.13 of the DL Subsidized funds instead of the disbursed amount of \$1,162.00. CTC must return the additional \$147.87 as listed in the Additional DL to Return chart.

Additional Pell Returned as a Result of R2T4 corrections for 2009-2010:

Student Number ¹	Additional Pell Returned on 4/30/12
B6	\$814.34
B9	18.26
Total Liabilities:	\$832.60

¹ Student numbers starting with a "B" were not included in the original sample and are identified in Appendix B

Additional Federal Loans To Return as a Result of R2T4 corrections for 2009-2010:

Student Number ²	Loan Amount to Return	Program
1	\$323.00	FFEL PLUS
12	147.87	DL Subsidized
B2	454.80	FFEL Unsubsidized
B3	851.68	FFEL Subsidized
B4	2,244.18	\$1,477.50 FFEL Unsubsidized and \$766.68 FFEL PLUS
B5	2.94	FFEL Subsidized
B7	684.24	FFEL Subsidized
B8	5.63	FFEL Subsidized
B10	257.93	FFEL Unsubsidized
B12	499.00	FFEL Subsidized
B13	706.18	FFEL Plus
B14	175.04	FFEL Subsidized
B15	1,582.25	\$1,436.78 FFEL Unsubsidized and \$145.47 Subsidized
Total		
Liabilities:	\$7,934.74	

A review of the R2T4 worksheets and COD records indicates that CTC did not return the Title IV, HEA program funds identified as a result of the original R2T4 calculations for students #4, #12, and #B11. Therefore, these are now considered late returns:

Late Returns for 2009-2010:

Student Number ³	Pell Grant Returned	Loans Returned	Loan Program	Date of School's Determination	Date of Return
4 ⁴	\$1,766.00	1,470.00	DL Unsubsidized	6/21/2010	8/11/2010
12	435.00	2,336.13	FFEL Unsubsidized and Subsidized	5/12/2010	Pell: 8/11/2010 FFEL: 7/29/2010
B11	505.72			3/6/2012	4/30/2012
	\$2,706.72	\$3,806.13			

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

² Student numbers starting with a "B" were not included in the original sample and are identified in Appendix B

³ Student numbers starting with a "B" were not included in the original sample and are identified in Appendix B

⁴ This student was mistakenly identified as student #2 in the Program Review Report

CTC previously returned all Federal Pell Grant funds owed; however, CTC must return \$76.76 in Federal Pell Grant program interest fees, \$147.87 in DL funds plus \$60.48 loan interest fees to the Department, \$7,786.87 in FFEL funds and \$921.46 in FFEL interest to FFEL lenders. Repayment instructions are included in Section E of this report.

D. Summary of Liabilities

The total amount calculated as liabilities from the findings in the program review determination is as follows. This information is provided so that the institution understands the liabilities associated with each finding. The payment instructions in Section E have been adjusted to reflect the unduplicated liabilities.

Established Liabilities				
Liabilities	Pell (Closed Award Year)	FFEL	DL	
Finding 7	\$0.00	\$7,786.87	\$147.87	
Interest to Lenders		\$921.46		
Interest to ED	\$76.76	\$51.48	\$9.00	
TOTAL	\$76.76	\$8,759.81	\$156.87	\$8,993.44
				Totals
Payable To:				
Department	\$76.76	\$51.48	\$156.87	\$285.11
Lenders		\$8,708.33		\$8,708.33

E. Payment Instructions

1. Liabilities Owed to the Department

Liabilities Owed to the Department Less Than \$1,000

Since the total liability amount owed to the Department is minimal (\$285.11), a receivable is not being established with the Department's Accounts Receivable Group. However, CTC remains responsible, in its role as a fiduciary for Title IV, HEA federal funds, for making restitution to the appropriate account in the amounts indicated in the applicable finding and must satisfy all program reporting requirements in making any required adjustments in COD. Upon making any necessary adjustments in COD, any funds owed must be returned to the Department via G5. In addition, CTC must ensure that it has corrected its procedures so that this type of finding does not recur or is not repeated. A copy of the adjustment to each student's COD record, as well as proof that the funds were returned through G5, if applicable, must be sent to Regina Krob **within 45 days of the date of this letter.**

2. Liabilities Owed to FFEL Lenders and the Department for Direct Loans

Federal Family Education Loan (FFEL) Liabilities:

Finding: 7
 Appendix: B

FFEL			
Amount (Principal)	Amount (Interest to ED)	Amount (Interest to Lenders)	Award Year
\$7,786.87	\$51.48	\$921.46	2009-2010
Total Principal	Total Interest	Total Interest	
\$7,786.87	\$51.58	\$921.46	

CTC must pay the amount above, identified in the attached Late or Unmade Returns (Loans) – Cost of Funds spreadsheet included as Appendix C, to the holders of the FFEL loans on behalf of the students identified in the appendix listed above. The “Interest to Lenders” amount is identified on the spreadsheet as interest “To Students”; however, that amount must be returned, along with the principal, to the current holders of the students’ loans. Because the amount of interest to ED is de minimis, CTC will not be required to return those funds to the Department.

CTC must access NSLDS to determine if the FFEL loans have been purchased and/or are serviced by the Department. See Chapter 4, Volume 4 (Returning funds from FFEL loans purchased/serviced by the Department) of the FSA Handbook for additional guidance.

As proof of payment, a copy of the front and back of the canceled checks, or proof of electronic transfer of the funds, must be provided to Regina Krob **within 45 days of the date of this letter.**

William D. Ford Federal Direct Loan (DL) Liabilities:

Direct Loan Closed Award Years (Request Extended Processing)

Finding: 7
 Appendix: B

CTC must repay the following DL liabilities:

DL Closed Award Year		
Amount (Principal)	Amount (Interest)	Award Year
\$147.87	\$9.00	2009-2010
Total Principal	Total Interest	
\$147.87	\$9.00	

The disbursement record for student #12 must be adjusted in the Common Origination and Disbursement (COD) system based on the recalculated amount identified. A copy of the adjustment to the student's COD record must be sent to Regina Krob **within 45 days of the date of this letter.**

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

Federal Pell Grant – Closed Award Year

Finding: 7

Appendix: B

Pell Closed Award Year			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
\$0.00	\$76.76	Pell	2009-10
Total Principal	Total Interest		
\$0.00	\$76.76		

CTC adjusted the disbursement record in the Common Origination and Disbursement (COD) system for each Federal Pell Grant return identified in Finding 7.

A copy of the adjustment to each student's COD record was sent to Regina Krob with the Program Review Response from the institution. Therefore, no further action is required.

F. Appendices

Appendix A, Student Sample, and Appendix B, Additional Student Roster contain personally identifiable information and will be emailed to CTC as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file(s) will be sent in a separate email.

Appendices C through E are attached to this report.

Career Technical College

OPE ID: 02606800

PRCN: 201040627295

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Appendix A: Student Sample

Sent via encrypted email



CAREER TECHNICAL COLLEGE (CTC)

2319 Louisville Avenue
Monroe, Louisiana 71201

OPE ID: 02606800

2009-2010 AWARD YEAR SAMPLE

STUDENT NAME

SOCIAL SECURITY NUMBER

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.
- 13.
- 14.
- 15.
- 16.
- 17.

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

Federal Student Aid, School Participation Team - Dallas
1999 Bryan Street, Suite 1410, Dallas, Texas 75201-6817

FEDERAL STUDENT AID  START HERE. GO FURTHER.

Career Technical College

OPE ID: 02606800

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Appendix B: Additional Student Roster

Sent via encrypted email

Appendix B: Additional Student Roster

Student Number	Student Name	Social Security Number
B2	(b)(6); (b)(7)(C), (b)(7)(C)	
B3		
B4		
B5		
B6		
B7		
B8		
B9		
B10		
B11		
B12		
B13		
B14		
B15		

Appendix C: Cost of Funds Spreadsheets

Late or Unmade Returns (Loans) - Cost of Funds

Name of Institution: 02606800 Career Technical College

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

No.	Description/Name	Return Amount	Program	W/D Date	Institution Del Date	Return Paid Date	Return Due Date	Days Late	Days ED	Days Stud	Imputed CVFR	FFEL Interest	Special Allow	To ED	To Student
1	Unmade Return	\$323.00	FFEL PLUS	05/19/10	06/21/10	09/20/12	8/5/2010	777	0	777		4.50%	0.0000%	\$ -	\$ 30.94
4	Late Return	\$1,470.00	DL Unsub	05/06/10	05/21/10	08/11/10	7/5/2010	37			1.00%			\$ 1.00	
B2	R2T4 Calc Error - Unmade	\$454.80	FFEL Unsub	5/17/2010	6/1/2010	09/20/12	7/16/2010	797	0	797		4.50%	0.0000%	\$ -	\$ 44.69
B3	R2T4 Calc Error - Unmade	\$851.68	FFEL Sub	8/20/2009	9/21/2009	09/20/12	11/5/2009	1050	150	900		5.60%	0.0000%	\$ 19.60	\$ 117.60
B4	R2T4 Calc Error - Unmade	\$1,477.50	FFEL Unsub	5/7/2010	5/10/2010	09/20/12	6/24/2010	819	0	819		5.60%	0.0000%	\$ -	\$ 185.65
B4	R2T4 Calc Error - Unmade	\$766.68	FFEL PLUS	5/7/2010	5/10/2010	09/20/12	6/24/2010	819	0	819		5.60%	0.0000%	\$ -	\$ 96.33
B5	R2T4 Calc Error - Unmade	\$2.94	FFEL Sub	5/17/2010	6/3/2010	09/20/12	7/18/2010	795	150	645		4.50%	0.0000%	\$ 0.05	\$ 0.23
B7	R2T4 Calc Error - Unmade	\$684.24	FFEL Sub	8/26/2009	9/21/2009	09/20/12	11/5/2009	1050	150	900		5.60%	0.0000%	\$ 15.75	\$ 94.48
B8	R2T4 Calc Error - Unmade	\$5.63	FFEL Sub	11/19/2009	12/7/2009	09/20/12	1/21/2010	973	150	823		5.60%	0.0000%	\$ 0.13	\$ 0.71
B10	R2T4 Calc Error - Unmade	\$257.93	FFEL Unsub	5/20/2010	6/9/2010	09/20/12	7/24/2010	789	0	789		4.50%	0.0000%	\$ -	\$ 25.09
B12	R2T4 Calc Error - Unmade	\$499.00	FFEL Sub	5/26/2010	6/9/2010	09/20/12	7/24/2010	789	150	639		4.50%	0.0000%	\$ 9.23	\$ 39.31
B13	R2T4 Calc Error - Unmade	\$706.18	FFEL PLUS	8/13/2009	9/18/2009	09/20/12	11/2/2009	1053	0	1053		5.60%	0.0000%	\$ -	\$ 114.08
B14	R2T4 Calc Error - Unmade	\$175.04	FFEL Sub	8/27/2009	12/7/2009	09/20/12	1/21/2010	973	150	823		5.60%	0.0000%	\$ 4.03	\$ 22.10
B15	R2T4 Calc Error - Unmade	\$1,436.78	FFEL Unsub	5/24/2010	6/14/2010	09/20/12	7/29/2010	784	0	784		4.50%	0.0000%	\$ -	\$ 138.88
B15	R2T4 Calc Error - Unmade	\$145.47	FFEL Sub	5/24/2010	6/14/2010	09/20/12	7/29/2010	784	150	634		4.50%	0.0000%	\$ 2.69	\$ 11.37

Total Principal \$ 9,256.87

\$ 52.48 \$ 921.46

Total DL Sub \$ -

\$ 973.94

Total DL Unsub \$ 1,470.00

Total FFEL Sub \$ 2,364.00

Total FFEL Unsub \$ 3,627.01

Total PLUS \$ 1,795.86

Ineligible Disbursements (Loans) - Cost of Funds

Name of Institution: 02606800 Career Technical College

Note: Only for FFEL loans not subject to Estimated Actual Loss

No.	Description/Name	Ineligible Disbrsmnt	Program	Disbursement Date	Loan Paid Date	No. of Days	Imputed CVFR	FFEL Interest	Special Allow	To ED
12	Inelig Disb -Late Return	\$1,322.00	DL Unsub	05/17/10	07/29/10	73	1.00%			\$3.00
12	Inelig Disb -Late Return	\$1,014.13	DL Sub	05/17/10	07/29/10	73	1.00%			\$2.00
12	Inelig Disb -Unmade Return	\$147.87	DL Sub	05/17/10	09/20/12	857	1.00%			\$3.00

Total Principal \$ 2,484.00 Total \$ 8.00

Total DL Sub	\$ 1,162.00
Total DL Unsub	\$ 1,322.00
Total FFEL Sub	\$ -
Total FFEL Unsub	\$ -
Total PLUS	\$ -

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

Name of Institution: 02606800 Career Technical College

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

No.	Description/Name	Return Amount	Program	W/D Date	Institution Det Date	Return Paid Date	Return Due Date	Days Late	Imputed CVFR	Federal Share	To ED	To Inst Accounts
B6	R2T4 Calc Error	\$814.34	Pell Grant	09/09/09	9/23/2009	4/30/2012	11/07/09	905	3.00%	\$ 814.34	\$ 60.57	\$ -
B9	R2T4 Calc Error	\$18.26	Pell Grant	02/03/10	2/17/2010	4/30/2012	04/03/10	758	1.00%	\$ 18.26	\$ 0.38	\$ -
B11	R2T4 Calc Error	\$505.72	Pell Grant	02/10/10	2/23/2010	4/30/2012	04/09/10	752	1.00%	\$ 505.72	\$ 10.42	\$ -
12	Late Return	\$435.00	Pell Grant	05/08/10	5/12/2010	8/11/2010	06/26/10	46	1.00%	\$ 435.00	\$ 0.55	\$ -

Total Returns	\$ 1,773.32
Total Campus-Based	\$ -
Totals By Program	
Pell Grant	\$ 1,773.32
FSEOG	\$ -
Perkins	\$ -
ACG	\$ -
SMART	\$ -
TEACH	\$ -
FSEOG-No Match	\$ -
Perkins-No Match	\$ -

Totals	\$ 71.92	\$ -
---------------	----------	------

Interest Breakdown

Pell Grant	\$ 71.92	\$ -
FSEOG	\$ -	\$ -
Perkins	\$ -	\$ -
ACG	\$ -	\$ -
SMART	\$ -	\$ -
TEACH	\$ -	\$ -
FSEOG-No Match	\$ -	\$ -
Perkins-No Match	\$ -	\$ -

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

Name of Institution: 02606800 Career Technical College

No.	Description/Name	Ineligible Disbrsmnt	Program	Disburseme nt Date	Return Paid Date	No. of Days	Imputed CVFR	Federal Share	To ED	To Inst Accounts
4	Ineligible Disb - Late Return	\$1,766.00	Pell Grant	4/26/2010	8/4/2010	100	1.00%	\$ 1,766.00	\$ 4.84	\$ -

Total Ineligible **\$1,766.00**

Totals **\$ 4.84 \$ -**

ACA Liability

Campus-Based Amounts Spent (from FISAP, Part VI, Section B)

Federal FWS	
Federal SEOG	
Federal Perkins	

Total C-B Spent	\$ -
ACA Percentage	

	Total	Federal Share
Pell	\$ 1,766.00	\$ 1,766.00
ACG	\$ -	\$ -
SMART	\$ -	\$ -
TEACH	\$ -	\$ -
FWS	\$ -	\$ -
FSEOG	\$ -	\$ -
Perkins	\$ -	\$ -
FWS-50% Match	\$ -	\$ -
FWS-No Match	\$ -	\$ -
FSEOG-No Match	\$ -	\$ -
Perkins-No Match	\$ -	\$ -

Total Campus-Based **\$ - \$ -**

Interest Breakdown

Pell Grants	\$ 4.84	\$ -
ACG	\$ -	\$ -
SMART	\$ -	\$ -
TEACH	\$ -	\$ -
FWS	\$ -	\$ -
FSEOG	\$ -	\$ -
Perkins	\$ -	\$ -
FWS-50% Match	\$ -	\$ -
FWS-No Match	\$ -	\$ -
FSEOG-No Match	\$ -	\$ -
Perkins-No Match	\$ -	\$ -

ACA Breakdown

FWS	
FSEOG	
Perkins	
FWS-50% Match	
FWS-No Match	
FSEOG-No Match	
Perkins-No Match	

Career Technical College

OPE ID: 02606800

PRCN: 201040627295

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Appendix D: Copy of the Program Review Report

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Prepared for

Career Technical Center



START HERE
GO FURTHER
FEDERAL STUDENT AID

OPE ID 02606800

PRCN 201040627295

Prepared by

U.S. Department of Education

Federal Student Aid

School Participation Team - Dallas

Program Review Report

December 14, 2011

1999 Bryan St., Suite 1410, Dallas, TX 75201

www.FederalStudentAid.ed.gov

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A. Institutional Information

Career Technical Center
2319 Louisville Avenue
Monroe, LA 71201

Type: Proprietary

Highest Level of Offering: Associate's Degree

Accrediting Agency: Council on Occupational Education

Current Student Enrollment: 775 (2010)

% of Students Receiving Title IV: 81% (2010)

Career Technical Center (CTC) is owned by Delta Career Education Corporation (DCEC). CTC is one of 11 DCEC institutions that participate in the Title IV, HEA programs.

Title IV Participation (GAPS and PEPS Funding Data):

	<u>2009-2010</u>
Federal Pell Grant (Pell Grant)	\$6,114,806
Federal Family Education Loan (FFEL)	9,796,641
William D. Ford Federal Direct Loan Program (Direct Loan)	1,143,198
Federal Supplemental Educational Opportunity Grant (FSEOG)	208,547
Academic Competitiveness Grant (ACG)	24,008
Federal Work Study (FWS)	48,141

Default Rate FFEL/DL: 2009 21.7%
 2008 22.5%
 2007 20.8%

Default Rate Perkins: N/A

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review on-site at Career Technical Center (CTC) from July 26 to July 29, 2010. The review was conducted by Ms. Kimberly Walker-Brown, Ms. Nancy Mapes, and Mr. Michael Wade. Ms. Regina Krob joined the review off-site.

The focus of the review was to determine CTC's compliance with the statutes and federal regulations as they pertain to the institution's administration of the Title IV, HEA programs. The review consisted of, but was not limited to, an examination of CTC'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 fifteen files was identified for review from the 2009-2010 award year. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Two files that did not have any 2009-2010 award year disbursements were replaced with two additional random files.

Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review. Appendix A will be emailed to CTC using encryption and password protected.

Disclaimer:

Although the review was thorough, it cannot be assumed all-inclusive. The absence of statements in the report concerning CTC'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 CTC 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 CTC to bring the operations of the financial aid programs into compliance with the statutes and regulations. Findings 1, 2, and 3 are systemic violations that occurred as the result of policies and procedures prescribed by DCEC, and by inference, are extrapolated to all DCEC institutions that participate in the Title IV, HEA programs.

1. Failure to Award Title IV, HEA Funds to Students Who Demonstrated Financial Need

Citation: To receive Title IV, HEA funds, a student must have "financial need." 20 U.S.C. § 1087kk. To determine a student's financial need, an institution must consider a student's cost of attendance, minus the expected family contribution for the student, minus the estimated financial assistance received from sources other than Title IV (as defined at § 480(j) of the HEA, 20 U.S.C § 1087vv(j)). Section 471 of the HEA defines cost of attendance for students enrolled at least half-time as: (1) tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study; (2) an allowance for books, supplies, transportation, and miscellaneous personal expenses, including a reasonable allowance for the documented rental or purchase of a personal computer, for a student attending the institution on at least a half-time basis, as determined by the institution; (3) an allowance (as determined by the institution) for room and board costs incurred by the student which – (A) shall be an allowance determined by the institution for a student without dependents residing at home with parents; (B) for students without dependents residing in institutionally owned or operated housing, shall be a standard allowance determined by the institution based on the amount normally assessed most of its residents for room and board; and (C) for all other students shall be an allowance based on the expenses reasonably incurred by such students for room and board. 20 U.S.C. § 1087ll.

34 C.F.R. § 685.301(a)(8) provides that a school may refuse to originate a Federal Direct Loan or may reduce the borrower's determination of need for the loan if the reason for that action is documented and provided to the borrower in writing and if the determination is made on a case-by-case basis; the documentation supporting the determination is retained in the student's file; and the school does not engage in any pattern or practice that results in a denial of a borrower's access to Federal Direct Loans because of the borrower's race, gender, color, religion, national origin, age, disability status, or income. See also 20 U.S.C. § 1087tt(c).

34 C.F.R. Part 668, Subpart F prohibits a school from misrepresenting the nature of its financial charges to prospective students or to students. See in particular 34 C.F.R. §§ 668.71 and 668.73.

Noncompliance: CTC violated 34 C.F.R. § 685.301(a)(8) and 20 USC § 1087tt(c) by systematically under-awarding Federal Loans to its students and by misrepresenting that they must use funds other than Title IV, HEA funds to meet 10% of their direct educational costs, despite the fact that they are eligible to receive Title IV, HEA funds to cover 100% of those costs.

In response to the Department's request for institutional policies and procedures for Title IV administration, DCEC officials provided the *Delta Education Corporation Financial Aid Policies and Procedures Manual 2009-10* (no revision date [provided to the Department on 4/28/2011] (2009-10 P&P Manual)). The DCEC interview procedures refer to its philosophy on financial aid packaging in Section VII of the 2009-10 P&P Manual, page 17, bullet point 3. DCEC states in its Title IV Authorization policy that "this form contains authorizations to hold credit balance funds, cover prior year minor charges and 90/10 restrictions requiring students to assist in their education with monthly student payments".

While no further mention is made of the 90/10 restrictions in the 2009-10 P&P Manual, the *Delta Education Corporation Financial Aid Policies and Procedures Manual 2008-09* (revised 8/1/2008)(2008-09 P&P Manual) states that the DCEC policy on financial aid packaging, as described in Section XI of the P&P Manual (pages 26 and 27), is that its policies "are designed to help control student indebtedness and its impact on defaults as well as to insure compliance with regulatory requirements set forth by the U.S. Department of Education which limit the amount of Title IV financial aid an institution's students may receive (90/10 rule)." The policies are:

For all new students not sponsored by an agency such as Rehab, WIA, etc., Title IV financial aid will be limited to 90% of direct educational costs. 10% of direct educational costs must be paid through one of the following methods

- Cash paid upon enrollment in the program
- Monthly payments paid directly to the school
- Loan through SLM Financial or other private loan program
- Payment by Visa, MasterCard, or American Express
- Payment guarantee from a corporate sponsor
- Private scholarship funds

Such students should not be awarded Title IV aid for living expenses.
[emphasis in original]

The Financial Aid Director, in consultation with the School Director, may deviate from the above packaging policy if, in their opinion, such a decision would be in the best interest of the student. Such decisions are expected to be rare and due to unusual circumstances.

This policy improperly limits eligible students' access to Title IV, HEA funds, and violates cost of attendance requirements noted in the HEA. Cost of attendance may not be limited to direct educational costs (except in very specific circumstances that are not met here). This policy also causes the school to misrepresent the nature of its financial charges to students and potential students.

As evidence of CTC's practice in this regard, the reviewers found individual students' award letters and other documentation of receipt of Title IV, HEA funds. In order to obtain an understanding of how CTC implements DCEC's packaging policy, the reviewers relied upon the roles and responsibilities of Financial Aid Planners that are outlined in the P&P Manual in conjunction with financial aid application procedures published in CTC's consumer information catalogs.

Roles and Responsibilities of Financial Aid Staff

The roles and responsibilities of a Financial Aid Planner (FAP) are described on pages 8 and 9 of the 2009-10 P&P Manual. A synopsis of the FAP's job description reads: "The Financial Planner is primarily responsible for packaging all new students in a customer service manner, ensuring consistency with institution, state and federal guidelines, while assisting admissions in closing the sale. The Financial Aid Officer provides support to the Financial Aid Director in meeting the goals of the department."

The FAP's job description is divided into five Duties and identifies several tasks for which the employee is responsible. Three of the Duties describe 23 tasks that must be completed with respect to financial aid packaging of students. In summary, the FAP's are responsible for:

- Financial aid counseling
- Completing Budget Worksheets and generating concomitant Award Letters
- Entering FAFSA information for subsequent electronic submission to CPS
- Ensuring students sign e-promissory notes
- Maintaining financial aid files while in pending status until an Institutional Student Information Report (ISIR) is received.

The roles and responsibilities of a Financial Services Manager (FSM) are described on pages 5 through 7 of the 2009-10 P&P Manual. They are financial aid directors who supervise the FAPs and are members of the campus management team. Their role in the packaging process of students includes:

- Ensuring financial aid packaging of new start students is consistent with institution, federal and state guidelines to ensure compliance audits result in zero findings
- Final review of all documentation in a packaging file, including verification
- Maintaining a valid ISIR in the student's file
- Final approval of all professional judgments/dependency overrides
- Transmitting FAFSA applications via EdConnect daily
- Import/Print ISIRs daily
- Update ISIR information on needs analysis and Pell information, if applicable
- Prepare and update cost of attendance budgets on CLASS (the legacy campus management software replaced by CampusVue); document rationale of budget changes

DCEC's Financial Aid Application Procedures

Under DCEC's enrollment procedures (described in further detail under Finding 2), a student meets with a Financial Aid Planner (FAP) on two occasions (referred to as appointments in the DCEC 2009-10 P&P Manual) prior to a scheduled group orientation and starting classes.

A student's first contact with an FAP takes place in a meeting during the Admissions appointment. A second, "follow-up" meeting takes place during the Financial Aid appointment.

The activities that take place during the Admissions appointment are described in the student catalogs as follows:

Admission Procedure

1. The applicant sets an appointment with an admissions representative for a tour of the campus and discussion of various enrollment options.
2. The applicant completes the *Career Information Profile* along with other pertinent documents.
3. The applicant reviews financial aid alternatives with a Financial Aid Officer to the extent possible, given the availability of applicant eligibility information.
4. The applicant pays a \$30 reservation fee as well as a \$45 registration fee.
5. The applicant completes the enrollment agreement and any final Admissions Department paperwork.
6. The Institute notifies the accepted student of enrollment.
7. Administration will schedule a date for orientation and will notify the applicant.

The activities that take place during the Financial Aid appointment are described in the student catalogs as follows:

How to Apply:

Students should obtain a copy of The Student Guide, a helpful publication provided by the U.S. Department of Education. The Student Guide is available in the financial aid office.

Students applying for financial aid need to do the following:

- Obtain a Free Application for Federal Student Aid called a FAFSA. The FAFSA is available from the School or high school guidance offices. Students must complete the FAFSA in addition to other required financial aid forms.
- Complete the FAFSA and gather any financial information needed to establish eligibility (normally, a tax return) before meeting with the financial planner.
- Then schedule an appointment and meet with the financial planner to have all forms reviewed and to have eligibility for financial aid electronically processed.

CTC's Implementation of DCEC Financial Aid Packaging Policy

During the Admissions appointment, the admissions representative introduces the prospective student to an FAP. During this counseling session, the FAP uses the *Career Information Profile* along with other pertinent documents to estimate the student's Title IV eligibility and prepares a monthly payment plan or other option for non-Title IV funding.

Once the monthly payment plan has been negotiated with the student, the FAP generates a preliminary (prior to the student's filing of the Free Application for Federal Student Aid [FAFSA]) estimated financial aid award letter. The monthly payment plan (or any down-payment the student has agreed to provide) is labeled as "Student Payment" or "Cash" on the award letter. The award letter includes an attached schedule of monthly payments required by the student to pay the balance of any Student Payment-award.

At the conclusion of this planning session, the FAP schedules the Financial Aid appointment with the prospective student. This appointment is scheduled to take place within 48-72 hours allowing time for a FAFSA Personal Identification Number (PIN) to be activated. Students who have already filed a FAFSA can complete both appointments in one session.

During the Financial Aid appointment, students complete CTC's Application for Financial Aid. Next, students present their completed FAFSA and their tax returns to the FAP. The FAP enters the FAFSA information in CampusVue for later transmission to the CPS by the FSM. The filing of the FAFSA may result in a change to the student's estimated financial aid package. The FAP continues to work with the student through the orientation, with the goal of completing the student's package prior to the start of their educational program.

Harm to Students

The Department's review of the financial aid packaging documents revealed that CTC followed DCEC's non-compliant packaging policy and thereby limited the student's cost of attendance for the purpose of awarding Title IV, HEA funds to that of direct educational charges (tuition and fees) and loan fees.

The Department finds that 11 of 15 students in the review sample were not awarded the maximum amount of Stafford loan amounts that they were eligible to receive. The students are identified in the sample as files numbered 1, 3, 4, 5, 7, 8, 9, 10, 11, 12, and 15.

Student #1 was not awarded the maximum amount of Parent PLUS loan amounts that they were eligible to receive.

Financial Disadvantage

In many cases, the FAP directed these students into financing arrangements that were less advantageous than Title IV loans. The following describes the alternative arrangements and how they are detrimental to the student:

Retail Installment Contracts (RIC)

These in-school payment plans provide a 0% Annual Percentage Rate (APR) of interest, a feature that is better than an Unsubsidized Loan. However, RIC borrowers are disadvantaged in comparison to Title IV borrowers in a number of ways:

- The student must make the payments within the time they are in attendance;
- Unlike Title IV loans, RIC's have unfavorable late fees of five dollars or 5% whichever is less and acceleration provisions for defaults;
- RICs do not have the deferment, forbearance, and income contingency repayment rights afforded to borrowers of Title IV loans;
- The payment plans require an immediate payment to the RIC as of the date the student signed.

Affected Students: 1, 5, 7, 9, and 15

Some of the students left school while still owing a balance on their accounts. As a result, they were subject to DCEC's collection policy, which provides the following:

Collections – Within one week after a student has been dropped from school, their account should be calculated and any remaining balance of \$25 or more should be assigned to the third-party servicer, The Rickenbacker Group, for pre-collection services. The servicer will attempt to contact the student and refer them back to the school to make payment arrangements. If the servicer is unable to contact the student, the account will automatically roll over to collection status unless notified by the school to cancel the process. At this point, the balance is written off in CampusVue. Also, refer to the Drop/Refund Process and Policy on Title IV Refunds.

Bad debts – All inactive accounts that have moved from pre-collection status to collection status are written off. Inactive out-of-school accounts over 30 days delinquent should be written off and sent to collections. The write-off amount is charged off to a reserve account specifically set up for bad debt. When an account is sent to collections, the ledger card should be flagged regarding which agency it has been sent to. The total cash received on these accounts (whether the former student paid the school directly or through a collection agency) will be posted to the ledger card (#121030-xx-00) and any collection fees posted as Miscellaneous Cash coded to collection costs (560067-xx-10) as a negative.

Out-of-school students with outstanding balances are denied transcripts, graduation, and other services until the balance is paid. Students who complete their program and who have an outstanding balance are placed on Hold status within CampusVue until the balance is paid in full at which time the Hold status would be removed.

Statements – on at least a monthly basis, students with payment plans should receive a statement showing the current payment amount and the balance due. This would be in addition to phone calls, notes and other collection efforts that are pursued by the business office.

Affected Student: 9

Required Action: DCEC must establish and implement a policy and procedures that will assure that prospective and enrolled students are fully and accurately advised of all Title IV amounts to which they are entitled. The institution's policies and procedures

must reflect the requirement that an institution may not engage in a practice of certifying Stafford loans only in the amount needed to cover the school's direct charges, or to limit unsubsidized Stafford borrowing by students.¹ A copy of these procedures must be submitted to this office in DCEC's response to this Report. Corrective procedures must specifically address what information is to be given to prospective and enrolled students, who is responsible for providing such information, and when such information is to be provided.

2. Credit Balance Violations

Citation: An institution may use Title IV, HEA program funds to credit a student's account at the institution to satisfy current award year charges for tuition and fees, room and board (if the student contracts with the institution for the room and board), and if the institution obtains the student's or parent's authorization, other educationally related charges incurred by the student at the institution.

An institution may use Title IV, HEA program funds, for a total of not more than \$200, to credit a student's account at the institution to satisfy prior award year charges for tuition and fees, room and board and if the institution obtains the student's or parent's authorization, other educationally related charges incurred by the student at the institution. C.F.R. 34 §§ 668.165(b) and (d)

When an institution disburses Title IV, HEA funds by crediting a student's account and the total of all Title IV, HEA funds credited exceeds the amount of tuition and fees, room and board and other authorized charges the institution assessed the student, the institution must pay the resulting credit balance directly to the student or parent as soon as possible but:

- No later than 14 days after the balance occurred if the credit balance occurred after the first day of class of a payment period; or
- No later than 14 days after the first day of classes of a payment period if the credit balance occurred on or before the first day of class of that payment period. 34 C.F.R. § 668.164(e).

Noncompliance: CTC did not pay credit balances to students within the required timeframes. In addition, CTC returned Federal Stafford loan funds to the appropriate programs (FFEL or Direct Loan) without student authorization (refer to finding 3).

¹ Reference: 2009-10 Federal Student Aid Handbook, Volume 3, Page 139

The ability to return Title IV credit balances to the lender rather than the student/parent is beneficial for 90/10 purposes because of the regulatory presumption that any Title IV disbursement pays for institutional charges, regardless of whether the institution credits the student's account or pays the student/parent directly.

The following students had credit balances on their account ledgers, inaccurate authorizations on file, and had loan funds returned to either the FFEL program or the Direct Loan program: Students #2, 5, 7, 8, and 15.

The following students had credit balances on their account ledgers, did not have any authorizations on file, and had loan funds returned to either the FFEL program or the Direct Loan program: Students #1, 6, 11, and 14.

Students #4 had \$2,837.77 in excess credit balance as of June 15, 2010 and #12 had \$2,336.13 in excess credit balance as of July 22, 2010.

Required Action: CTC must perform a file review of all corrected account ledgers for students who either completed or withdrew from their program of study during the 2009-10 award year to determine whether any credit balances are still owed (after accounting for all required returns to the Title IV, HEA programs).

For each student for whom a credit balance is owed, CTC must electronically submit the results of the file review in the following format, by award year:

1. Student's Name
2. Social Security Number (Last 4)
3. Credit Balance Amount

CTC must immediately pay the credit balances owed and provide a copy of a cancelled check (front and back) to demonstrate that each credit balance was paid.

3. Authorization Violations

Citation: If an institution obtains written authorization from a student or parent, as applicable, the institution may use the student's or parent's Title IV, HEA funds to pay for prior year charges and hold on behalf of the student or parent any Title IV, HEA funds that would otherwise be paid directly to the student or parent as a Title IV credit balance. A student or parent may authorize an institution to carry out the activities granted under the authorization for the period during which the student is enrolled at the institution. 34 C.F.R. §§ 668.165(b)(1) and (3).

In obtaining this authorization, the institution:

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

If an institution holds excess student funds, the institution must identify the amount of funds the institution holds for each student or parent in a subsidiary ledger account designed for that purpose. 34 C.F.R. § 668.165(b)(5)(i).

Notwithstanding any Title IV credit balance authorization, an institution must pay any remaining balance on loan funds by the end of the loan period and any remaining other Title IV, HEA funds by the end of the last payment period in the award year for which they were awarded. 34 C.F.R. § 668.165(b)(5)(iii).

When a student withdraws from a payment period or period of enrollment, an institution must determine whether a Title IV credit balance exists, and if so, pay the balance in accordance with the 14-day timeframe. The institution makes this determination in accordance with guidance contained in Dear Colleague Letter GEN 04-03 (revised November 2004).

If the institution obtains the student's authorization, the institution may use FWS funds to credit a student's account. 34 C.F.R. §§ 675.16(b) and (d).

Noncompliance: Under its financial aid application procedures, DCEC provides students an option to authorize the retention of Title IV credit balances. The authorization reads:

I authorize do not authorize [name of school] to hold any amount of a Title IV credit balance that may exist on my account to assist me in meeting future education expenses.

Should I withdraw from school and a Title IV credit balance exists on my account, I authorize do not authorize [name of school] to return the amount of such credit balance to my lender to help reduce my loan indebtedness.

I further understand that I may modify or rescind this authorization at any time.

CTC uses Title IV, HEA funds to pay for non-contractual charges, i.e. books without authorization from the student. The authorization form does not obtain proper

authorization to use Title IV, HEA funds for "other educationally related charges incurred by the student..." as stated in 34 C.F.R. § 668.164(e)(1)(ii).

The stated purpose of assisting a student in meeting future education expenses is not sufficient. The statement must identify the types of allowable charges that the school is authorized to retain during the applicable period of enrollment.

An authorization must clearly explain how the school will carry out an activity, but it does not need to detail every aspect pertaining to the activity. However, a blanket authorization that only identifies the activities to be performed is not acceptable. For instance, an authorization permitting a school to use an FSA credit balance...must provide detail that is sufficient to give the student or parent a general idea of what the credit balance would be used to pay. A blanket statement that the credit balance would cover any charges is not acceptable.²

The 2009-10 P&P Manual states on pages 18 and 40, "An authorization is signed by the student in the financial aid process to retain credit balance funds for future expenses. The school also obtains one from the parent borrower, if applicable." This statement is in contradiction with the authorization form where the student may decline the holding of credit balances. In the sample of 15 students, the reviewers did not find any instances where the student did not grant authorization to retain Title IV credit balances.

Students #2, 4, 5, 7, 8, 9, and 15 did not have any authorization forms in their files.

Required Action: CTC must revise its P&P Manual and Authorization forms to conform to federal regulations. CTC must submit to this office a copy of the revised affected policies and authorization form. CTC must also provide the revised form to each currently enrolled student and obtain a new authorization if the student decides to sign one.

4. Consumer Information Disclosure Violations

Citation: In accordance with the regulations at 34 C.F.R. § 668.41(d), an institution must make available to any enrolled student or prospective student, on request, through appropriate publications, mailings or electronic media, information concerning –

- Financial assistance available to students enrolled in the institution (pursuant to 34 C.F.R. § 668.42);
- The institution (pursuant to 34 C.F.R. § 668.43); and

² Reference: 2009-10 Federal Student Aid Handbook, Volume 4, Chapter 1, Page 4-7

- The institution's completion or graduation rate (pursuant to 34 C.F.R. § 668.45).
- A prospective student means an individual who has contacted an eligible institution requesting information concerning admission to that institution. 34 C.F.R. § 668.41(a).

Noncompliance: CTC and DCEC do not provide prospective students with consumer information when requested by the prospective students and as required by the above regulations. Evidence of this regulatory violation is provided in the following description.

The program review team reviewed the web site reported by CTC in its Electronic Application to Participate in the Federal Student Financial Aid Programs, at <http://www.careertc.edu/> to determine whether it discloses the required consumer information described in the regulations. A review of the site merely identifies the programs offered at CTC, and a listing of different financial aid programs. The site is permeated by a chat window asking the visitor to establish a chat with an online representative. If a user clicks on the chat link, they are directed by the online representative to make an appointment with an Admissions Representative (AR) and to go on a campus tour.

After reviewing each link in the website, the reviewers determined that CTC does not use the website to provide the required consumer information disclosures and that prospects must request information regarding costs and financial aid by contacting an AR at its schools.

During the review, the Team also obtained a copy of the *Delta Career Education Corporation Changing Futures. Changing Lives. Training Program (revised July 2009)*. As provided in the training program ARs are prohibited from providing any of the aforementioned required consumer information to prospective students over the phone, even if such information is requested by the student. Instead, AR's are required to employ aggressive recruiting tactics designed to get the prospective student to show up in person for an appointment, preferably in 24 hours.

For example, Module 2 Journal Pages 49 and 50 of the *Program* is entitled, "Phone Scheduling Tip: Do's and Don'ts (Mark this page so you can review it prior to making phone calls to prospects)". On this page are a series of directives, including:

- **DO** take control of the phone call from the start and maintain control throughout;

- DO expect questions about brochures, financial aid, catalogs, tuition, start dates, course specifics etc.
- DO NOT give out too much information on the phone call, the more information given the least likely that the prospect will show up;
- DO NOT get involved with intimate details about financing, school procedures etc.;
- DO NOT give out tuition on the phone;
- DO NOT say “we’re not allowed to give tuition, mail brochures, etc.”; and,
- DO NOT act like your appointment schedule is an open book, give prospects a limited choice of times/dates to visit.

The goal of the phone contact is to get the student to participate in an in-person interview, a prerequisite for enrollment. The interview consists of a six-step process described in the training manual and summarized as follows:

1. **Personal Information.** AR’s learn about the prospect’s educational background, employment history, support system, childcare, and motivation (Module 3-36). The prospect uses touch screen activity to listen to student testimonials (Module 3-39).
2. **College Information.** The prospect is guided through touch screen activity showing agencies that accredit the school, including the U.S. Department of Education (Module 3-44). AR’s are instructed to not spend too much time on this step and NEVER say the words loans or grants (Module 3-45). Instructors are discussed as well as campus information, including guaranteed tuition and all-inclusive packaging (Module 3-50). Career services are also discussed.
3. **Career Assessment.** The student is required to take a career assessment test. AR’s are instructed not to ask whether the prospect wants to do it or to tell them how long it takes unless they ask. AR’s are not to tell the prospect whether they pass or fail. They are instructed to say, “You did so well on part 1, you don’t even need to take part 2!” (Module 3-57)
4. **Career Information.** The AR discusses schedules/classes, externships, program requirements and career opportunities. The AR is to present a Trial Close (getting a commitment to enroll) during this step (Module 3-62).

5. **Financial Planning.** The AR reviews the Cost Sheet showing costs per credit and fees. He introduces the prospect to a Financial Planner and says, "While they work up your budget, let's go see your new school." (Module 3-66)
6. **Campus Tour.** AR's are to follow the Tour Script from the Director of Admissions and Assume the Sale -- "this will be your classroom." The AR is to present further Trial Closes (Module 3-70).

The training manual requires AR's to follow scripted communications throughout the six-step process. The dialog in these scripted communications actively deflect questions and concerns prospects have about the cost of tuition or other information related to the school in order to first complete the enrollment process. Most notably are the scripts used during a series of "Trial Closes" (i.e., closing the sale, ergo enrollment). Trial Closes require the AR to test a prospect for objections and to respond by rephrasing a commitment. For example, if a prospect asks, "How much does the program cost?" The AR is to respond, "That's the BENEFIT of Financial Aid. You want to be sure you're able to afford skill training...don't you?"

The prospect hears the following scripted Close:

"Well, John, we covered a lot of information today. What are your thoughts on everything we covered? We definitely spent a lot of time reviewing your personal information and I tell you what, it feels like I have known you my entire life! We reviewed some of your concerns. We worked out a schedule that should fit in your very busy life and you told me how supportive your husband will be. We had the opportunity to look at a FA estimate for you and it seems we were able to work up a very affordable plan for you, would you say that's correct?"

Great, you definitely earned my recommendation to my director today John. But she is going to quiz me and ask me what makes you a future graduate and why will you be successful with us. What do you want me to tell her? That's a great response John! Wonderful! I am going to go meet with her now. John, while I am doing that I want you to start filling out the paperwork with the application process. Also John as I mentioned to you earlier we have a \$50 application fee. How will you be paying that today? Cash, check, or credit?"

[John says, "Can I pay that later?"] Well John I know how important it is for you to get in and out as quickly as possible. I really need to get this paperwork started and get a seat reserved for you so I think its best we start the process since I know how committed you are."

Following completion of the application and enrollment agreement, the student is asked to participate in three additional "stitch-in" appointments before they start classes. One appointment is to be scheduled within 48 hours and requires the student to bring in their tax documents and FAFSA Personal Identification Number (PIN) to meet with the Financial Planner.

In conclusion, CTC's aggressive student recruitment process does not provide prospective students with sufficient consumer information upon request, as required under the regulations. DCEC's use of the term accreditation in describing its relationship with the Department is an illusory inducement, whereby the prospective student could rely upon a greater degree of accreditation than what is granted to the school.

Required Action: DCEC must establish and implement procedures that will assure that prospective students are provided consumer information materials required under the regulations in order to make fully informed decisions on whether to proceed with the admissions process and ultimately enroll in DCEC schools. These procedures must abolish any conditions on providing required consumer information materials requested by prospective students (e.g., requiring the prospective student to attend an in-person interview). A copy of the newly established procedures must be provided in response to this report.

In addition, DCEC must remove any reference to the U.S. Department of Education's accreditation of its schools from all presentations, pamphlets or other consumer information/training materials. DCEC must describe the specific actions it has taken to correct this noncompliance in its response to this report.

5. Ineligible Disbursement/Student Attendance Not Verified Prior to Disbursement

Citation: Prior to disbursing Title IV, HEA funds, an institution must determine and document that a student remains eligible to receive them. An otherwise eligible student becomes ineligible for the Federal Pell Grant and the FSEOG on the date that the student is no longer enrolled. If an institution makes a disbursement of a grant to an ineligible student, then the institution must restore the amount equal to the disbursement to the institution's Federal Pell and FSEOG funds, even if the institution cannot collect the disbursement from the student. All Pell Grants that are being returned to stay compliance with the excess cash requirements, must be offset by downward reductions in students records in COD. In general, excess cash is any Title IV, HEA funds other than Perkins that are not disbursed by the end of the third business day after funds are received from the Department. 34 C.F.R. §§ 668.164(g), 668.139(c), and 668.166

No additional disbursements may be made to the student for the payment period or period of enrollment after the student becomes ineligible until a Return to Title IV is completed. 34 C.F.R. § 668.22(a)(3)(ii)

Noncompliance: Student #9 withdrew on December 9, 2009. The following disbursements were posted to the student ledger after the student withdrew:

12/23/2009	FSEOG 2009-10	85.50
12/23/2009	FSEOG Institutional Match	28.50
12/30/2009	Pell Grant 2009-10	892.00
1/11/2010	Pell Grant 2009-10	891.00
2/1/2010	Refund - SEOGINST 2009-10	(28.50)
2/5/2010	Refund - PELL 2009-10	(891.00)
2/5/2010	Refund - SEOG 2009-10	(85.50)

The student was ineligible for a late disbursement as of December 9, 2009. CTC did not verify the student's enrollment prior to disbursing the above funds. The student's eligibility for the 12/30/2009 disbursement of Pell Grant and the 12/23/2009 disbursement of FSEOG could only have been determined through the Return of Title IV (R2T4) process for that payment period. The student was not eligible to receive the 1/11/2010 Pell Grant disbursement because the student did not begin the payment period for which the funds were intended. The student earned only the funds as calculated in the R2T4.

Required Action: CTC must review its disbursement procedures to ensure that student eligibility is verified prior to disbursement. CTC must submit a copy of the disbursement procedures to this office.

6. Return of Title IV Funds Improperly Calculated and Post-Withdrawal Disbursement Not Paid

Citation: When a recipient of Title IV, HEA 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, HEA assistance the recipient earned as of the date he/she withdraws. The institution must determine how much aid a recipient earned by determining how much of the payment period he/she completed and then multiplying that percentage by the amount of Title IV, HEA funds the student received or could have received. 34 C.F.R. § 668.22(a)

If the student withdrew from the institution during a payment period or period of enrollment, the institution must make any post-withdrawal disbursement: 34 C.F.R. § 668.22(a)(4)

Noncompliance: Student #9 withdrew from school on December 9, 2009. On January 29, 2010, CTC performed a R2T4 calculation, which indicated that the student had completed 82% of the payment period, and included a Pell Grant payment disbursed on December 30, 2009, as aid disbursed. However, the Pell Grant should have been marked

as aid that could have been disbursed because the student had withdrawn prior to disbursement. CTC did not include the \$85.50 in FSEOG funds that the student was awarded and therefore, eligible to receive in the R2T4 calculations as aid that could have been disbursed.

Required Action: CTC must complete a revised R2T4 calculation and disburse any post-withdrawal disbursements including the institution's portion of the FSEOG award to the student ledger. If there is a balance due on the student ledger, then the post-withdrawal amount may be applied to reduce the balance otherwise any remaining credit balance must be sent to the student. CTC must submit to this office:

- Revised R2T4 calculation worksheet
- Copy of student ledger
- Copy of notice to debt collector, if applicable, of reduction of bad debt or
- Copy of front and back of cancelled check issued to student for credit balance

7. Returns to Title IV, HEA Programs Not Made and/or Made Late

Citation: When a student withdraws from an institution during a payment period or period of enrollment, the institution must return the lesser of the total amount of unearned Title IV assistance or an amount equal to the total institutional charges incurred by the student for the payment period or period of enrollment multiplied by the percentage of Title IV grant or loan assistance that has not been earned by the student. 34 C.F.R. § 668.22(g)

An institution must return the amount of Title IV, HEA funds for which it is responsible as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew. The timeframe for returning funds is further described in 34 C.F.R. § 668.173(b). 34 C.F.R. § 668.22(j)(1)

Noncompliance: CTC failed to make required returns or downward adjustments.

CTC did not return funds for the following students: #2 and 12.

- Student #2: A return for this student was calculated on May 21, 2010 but no Title IV, HEA program funds were returned or downward adjustments made.
- Student #12: A return for this student was calculated on May 12, 2010 but no Title IV, HEA program funds were returned or downward adjustments made.

The failure to return Title IV, HEA program funds or to make necessary downward adjustments demonstrates and reinforces Finding 1 that CTC failed in its fiduciary responsibilities.

Required Action: CTC must perform a file review of all students who enrolled in the 2009-10 award year and withdrew or otherwise ceased attendance before completing their program of study.

CTC must electronically submit the results of the file review in the following format for every student who withdrew or otherwise ceased attendance before completing their program of study, or who failed to return from an approved a leave of absence:

1. Student's Name
2. Social Security Number (Last 4)
3. Award Year
4. Withdrawal Date
5. Payment Period Start Date
6. Payment Period End Date
7. Original Return Calculation Results, by Amount and Program
8. Difference Owed to Title IV, HEA program(s) (if applicable)

For each student, CTC must also submit the following supporting documentation:

1. Return Calculation
2. Student Account Ledger
3. Transcripts
4. Attendance records
5. For returns previously paid, copies of cancelled checks, front and back and proof that downward adjustments were made.

Instructions for repayment of returns not previously paid will be provided in the Final Program Review Determination.

8. Inaccurate Recordkeeping

Citation: The records that an institution must maintain include but are not limited to: the Institutional Student Information Record (ISIR) used to determine eligibility for Title IV, HEA program funds; application data submitted by the institution on behalf of the student or parent; documentation of each student's or parent borrower's eligibility for Title IV, HEA program funds; and documentation relating to each student's or parent borrower's receipt of Title IV, HEA program funds. 34 C.F.R. § 668.24

Noncompliance: CTC did not reflect student #6's previously earned credit hours on his/her transcript when the student re-enrolled.

In addition, CTC deducted unconsummated loans from student ledgers even though the original funds were never posted to the student ledger. The definitions for the terms on the Eagle (Sallie Mae) action report, per Sallie Mae representatives, are as follows:

Consummated Loan:

A loan for which a disbursement check has been negotiated or EFT or master check funds have been delivered to the borrower. For example, the loan would be considered consummated if the borrower had cashed the check, if an individual check, or the school had applied the proceeds to the student's account, if included in a master check or EFT transmission before the school returned the proceeds to the lender.

Unconsummated Loan:

Loan proceeds that the school returned to the lender prior to the borrower's having cashed the check, if an individual check, or the school having applied the proceeds to the student's account, if included in a master check or EFT transmission. This includes checks that may have been released by the school but remain uncashed by the 120th day following disbursement and EFT and master check transactions that have not been completed by the 120th day following disbursement.

Refund:

The difference between the amount the student paid toward institutional charges and the amount the school can retain under the appropriate (e.g., institutional, state, or accrediting agency) refund policy.

Unconsummated cancels were processed as returns on the following students:

Eagle report	Student #1	Student #7	Student #15
Unconsummated cancel	\$1,477.50	\$748.60	\$656.66
Unconsummated cancel		748.60	
Student ledger			
Refund – SUB 2009-10	(2,502.72) ¹		
Refund – UNSUB 2009-10		(1,497.20)	(656.66)
¹ Difference of \$1,025.22 reported to Sallie Mae as a school refund.			

Required Action: CTC must review Student #6's transcript and make corrections showing all credit hours earned at the institution. CTC must electronically submit the corrected transcript to this office.

CTC must perform a file review of all students who had loan funds returned to the lender for the 2009-10 award year and for whom an unconsummated cancel appears on the

Sallie Mae Eagle report: CTC must correct all student ledgers by crediting all unconsummated cancels back to the student ledger if amount was inappropriately debited. If a credit remains on the student ledger, CTC must issue the refund to the student.

CTC must electronically submit the results of the file review in the following format for every student who had an unconsummated cancel debited on the student ledger.

1. Student's Name
2. Social Security Number (Last 4)
3. Award Year
4. Original Transaction Date
5. Original Return Calculation Results, by Amount and Program
6. Transaction Date for corrections
7. Difference Owed to Student and/or Title IV, HEA program(s) (if applicable)

For each student, CTC must also submit the following supporting documentation:

1. Student Account Ledger
2. Eagle Report
3. Copies of the front and back of the cancelled checks and proof applicable refunds were sent to the student.

9. Improper Loan Certification

Citation: In the case of any student who seeks an unsubsidized Stafford loan for the cost of attendance at a school that participates in the Stafford Loan Program, the student must receive a determination of need for a subsidized Stafford loan. 34 C.F.R. §§ 682.201(a) and 685.200(a)

Noncompliance: Student #5 was certified for an unsubsidized loan prior to the determination of eligibility for a subsidized loan. The student's eligibility for a subsidized loan is demonstrated as follows:

COA	\$25,857
Less EFC	<u>-22,291</u>
Remaining need	\$3,566

Student #11 was certified for an unsubsidized loan prior to the determination of eligibility for a subsidized loan. The student's eligibility for a subsidized loan is demonstrated as follows:

COA	\$8,095
Less EFC	<u>-0</u>

Remaining need
 \$8,095

Required Action: CTC must perform a file review of all students who were awarded FFEL and Direct Loan Stafford loans during the 2009-10 award year with a COA that includes room and board, transportation, and miscellaneous, in addition to tuition and fees, and books as stated in Finding 1. CTC must determine if any reallocations/reapportions are necessary for the students whose eligibility changes as a result of the file review and must correct all corresponding student ledgers.

CTC must electronically submit the results of the file review in the following format for every student whose eligibility was adjusted and/or loan types were revised.

1. Student's Name
2. Social Security Number (Last 4)
3. Award Year
4. Original Loan Type
5. Original Loan Amount
6. Revised Loan Type
7. Revised Loan Amount
8. Transaction Date for corrections

For each student, CTC must also submit a copy of the acknowledged change request from the FFEL lender or Direct Loan originations.

10. Loan Exit Counseling Not Performed

Citation: An institution must ensure that exit counseling is conducted with each Direct Subsidized Loan or Direct Unsubsidized Loan borrower shortly before the student borrower ceases at least half-time study at the institution. If a student borrower withdraws without the institution's prior knowledge or fails to complete the exit counseling as required, exit counseling must be provided either through interactive electronic means or by mailing written counseling materials to the student borrower at the student borrower's last known address within 30 days after the institution learns that the student borrower has withdrawn or failed to complete the exit counseling as required. 34 C.F.R. § 685.304(b)

Noncompliance: There was no evidence of loan exit counseling for Student #3. The student's last date of attendance was December 14, 2009.

Required Action: CTC must mail exit-counseling materials to the student listed above and submit proof that the documents were mailed in response to this finding.

11. Return of Title IV, HEA Funds Policy Inadequate

Citation: An institution must have a Return of Title IV, HEA funds (R2T4) policy that clearly describes the requirements for the treatment of Title IV, HEA funds when a student withdraws. The policy must identify the process for officially withdrawing from the school as well as provide a summary of the requirements for returning funds, including but not limited to, the effects of withdrawing, post-withdrawal disbursement information, how the institution will determine the withdrawal date for students who unofficially withdraw, and the timeframe and order for the return of funds. 34 C.F.R. §§ 668.16(h), 668.22, and 668.43(a)

Noncompliance: The 2009-10 P&P Manual does not contain an R2T4 policy.

Required Action: The institution must develop and submit with its response a R2T4 policy.

12. Improper Heightened Cash Monitoring 1 Disbursements

Citation: Under the cash monitoring payment method, an institution must first make disbursements to students and parents for the amount of Title IV, HEA program funds that those students and parents are eligible to receive, before the institution submits a request for funds and may not exceed the amount of the actual disbursements the institution made to the students and parents included in that request. 34 C.F.R. § 668.162(e)(1)

Noncompliance: CTC received loan funds prior to disbursing to students accounts in violation of the Heightened Cash Monitoring 1 (HCM1) regulations. Student #5's loans were drawn down on May 14, 2010 and disbursed on the student ledger on May 17, 2010. Student #10's loans were drawn down on April 30, 2010 and disbursed on the student ledger on May 3, 2010.

Required Action: CTC must adhere to the regulations for HCM1 and develop procedures to ensure that HCM1 regulations will be met. CTC must provide a copy of the procedures and a response indicating how compliance will be met to this office.

D. Appendices

Appendix A (Student Sample) contains personally identifiable information and will be emailed to CTC as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file will be sent in a separate email.

Career Technical Center
OPE ID 02606800
PRCN 201040627295
Page 26

Appendix A: Student Sample
(provided under separate cover)

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Career Technical College

OPE ID: 02606800

PRCN: 201040627295

Page 20

Appendix E: Institution's Written Response to the PRR

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Rec 5-1-12 y8

4525 Columbus Street, Suite 101 • Virginia Beach, VA 23462

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April 30, 2012

Regina Krob
U.S. Department of Education
Federal Student Aid
School Participation Team – Dallas
1999 Bryan St., Suite 1410
Dallas, TX 75021

Re: Career Technical College, Monroe, LA
OPE ID: 02606800
PRCN: 201040627295

Dear Ms. Krob:

In regards to Kim Peeler's letter of December 14, 2011, we are providing the enclosed response to the findings that are noted in the Program Review Report for Career Technical College, Monroe, LA. Due to the size of the documentation needed to support our responses, we are sending the documentation in two packages.

We appreciate the many suggestions and additional guidance given during the program review visit, and trust that you will find our response adequately addresses the concerns noted in this report.

Should you have any additional questions, please feel free to contact me directly.

Sincerely,

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

J Dean Hall
VP or Regulatory Compliance

Career Technical College

Program Review Report Response

OPE ID: 02606800
PRCN: 201040627295
Dated: April 30, 2012

This is the definitive response of Delta Career Education Corporation ("Delta"), on behalf of its institution, Career Technical College ("CTC" or "the school"), to the Department of Education's Program Review Report, dated December 14, 2011. The Report is based on an on-site program review conducted July 26-29, 2010. Shortly after the on-site program review, and as part of its ongoing efforts to enhance compliance performance at all of its institutions, Delta launched a comprehensive, company-wide initiative it called "Students First." The Students First initiative included a comprehensive review of policies, procedures and forms across a wide range of functional areas, and it resulted in numerous new standard operating procedures and forms. As was the case in Delta's interim responses dated February 29 and March 30, 2012 (which are incorporated into this definitive response), we refer to the Students First initiative throughout this definitive response.

Finding 1 - Failure to Award Title IV, HEA Funds to Students Who Demonstrated Financial Need

We agree that the policy on awarding Title IV funds, specifically the packaging philosophy, that was in the 2008-09 financial aid policy and procedures manual was inadequate. As pointed out by the reviewers, however, that policy was not found in the 2009-10 financial aid policy and procedures manual, and for good reason, because that policy no longer applied. It was eliminated, and a correct policy instituted, as one of the many compliance enhancements that resulted from the Students First initiative.

We do not agree with the assertion that the certifying of loans for an amount less than a student's full eligibility constitutes a failure to award Title IV or a denial of a student's access to Title IV. The packaging policy in effect during the 2009-10 period included informing the student of his/her full eligibility while providing entrance loan counseling to the student on the issue of debt management and on what amount of loan funds might be appropriate for his/her needs, and included soliciting monthly payments from students who were willing and able to pay a portion of their costs while attending school. In every case, however, the school permitted the student ultimately to decide what amount of loan funds was appropriate for his/her circumstances.

The Students First initiative included guidance to all of Delta's institutions that clarified that in general a school must, upon a student's request, permit a student to borrow the full amount of loan funds for which he/she is otherwise eligible; however, if a student was fully informed of his/her eligibility, understood and appreciated the benefits of voluntarily limiting borrowing, stated that he/she could handle a cash down payment or monthly payment, and agreed to a package that included such, we encouraged our institution to package that student for less than full loans. While we continue to believe

that such practices were not in violation of applicable regulations, we no longer package students in this manner.

Policies and procedures implemented as part of the Students First initiative now ensure, among other things, that all students receive adequate consumer information on all aid available to them, and require that students be packaged for full loans.

The institutions also provide each student with the Department's publication "Funding Education Beyond High School" along with an internal form entitled "Summary of Title IV Aid Sources" (see "Summary of Title IV Aid Sources.pdf") which are provided to teach student upon his/her visit to the campus or on request. These publications clearly state the maximum funds for which a student might be eligible. The use of the Department's publication is noted in the Delta Code of Conduct signed by every employee (See "Code of Conduct - Delta RC008.pdf", item 12b).

In addition to informing each applicant of his/her full Title IV eligibility, it is now the policy of Delta that all new and continuing students be automatically packaged with full loans if eligible. This is stated in the "Financial Aid Standard Operating Procedure" manual (see "FA - Financial Aid SOP.pdf", Page 47), which states "Students are packaged for the maximum amount allowable for loans." If a student does not want full loans, they are asked to confirm their request by signing a Loan Reduction Request Form (see "FA - Loan Reduction Request Form 1.pdf").

Finally, we have provided a copy of the Financial Aid Estimate Script (see FA - Estimate Script 08-22-2011.pdf") which shows that students are presented with a clear and complete description of the aid that they are eligible to receive.

In summary, the aid awarding practice in effect at the time of the on-site program review visit was that the institution simply awarded the amount of loan funds that the student agreed was needed to fund the portion of the student's cost of attendance that best met that individual student's circumstances; however, the institution now funds all students to their maximum eligibility in loans unless the student requests less funds in writing. These changes, along with the additional consumer information, ensure that all students receive the full funding that they request and for which they are eligible.

Finding 2 - Credit Balance Violations

During March 2012, we reviewed all student ledgers for students who either completed or withdrew from their program of study during the 2009-10 award year to determine if any Title IV credit balances were still owed. There were no instances identified in which a Title IV credit balance was still owed.

Finding 3 - Authorization Violations

The Title IV Credit Balance Authorization Form has been reviewed and revised to clearly specify what types of additional allowable charges the credit balance may be used to pay (see "FA - Title IV Credit

Authorization Form 1.pdf"). The new form was rolled out as an e-form that is e-signable. All current students were given the opportunity to sign the new form, and their election choice was automatically updated in our CampusVue system so that the business office will know how to properly handle any Title IV credit balance that may be generated.

Of the 1,016 active students in the OPEID as of April 25, 2012, 790, or 78%, have elected to sign a new authorization form via the e-document process.

The policy and procedure for obtaining a signed Title IV Credit Balance Authorization Form is included as an addendum to the Financial Aid SOP (see "FA SOP addendum - Title IV Credit Authorization Form.pdf") which will be incorporated into the Financial Aid SOP at its next revision. The procedure for recording the student's credit balance authorization election in CampusVue (if not e-signed) can be found on page 146 of the Student Accounts Standard Operating Procedure (see "SA - Student Accounts SOP.pdf"). If a student chooses not to sign a form we treat that as "not authorized" to hold the credit balance.

These revised procedures and forms ensure that future credit balances are handled in the manner authorized by the student (or parent, if applicable).

Finding 4 - Consumer Information Disclosure Violations

The Students First initiative included the review and revision of all admissions processes, scripts and training materials. It is now our policy to provide student consumer information upon request, regardless of whether that request is by phone, by mail, or in person, and without conditions. To facilitate such open disclosure of information, CTC's web site (www.careertc.edu) has been revised to provide full access to complete school catalogs, program disclosures, a net price calculator, and numerous student consumer information documents that prospective students or other interested parties can use to make an informed decision.

The *Changing Futures. Changing Lives (July 2009)* admissions training document noted in the Report was removed from use and replaced with alternate documents and training processes which removed all language that implied aggressive recruiting tactics were permissible. All admissions training was migrated into an online format in 2010, which provides Delta the flexibility to update training materials for admissions representatives more frequently and to ensure compliance.

Delta's approved admissions presentation was edited to remove the reference to the Department as an accreditor (see "Provisional - TOUCH Adult COE.pptx" slide #8). Phone and interview scripts were updated in 2010 to remove any sales rhetoric and to better provide a tool for the admissions representative to identify any issues that may prevent a prospective student from being successful in one of the school's programs (see "AM - Inquiry Worksheet 101" [phone script] and "AM - Interview Questionnaire" [interview script which accompanies the presentation]). Additionally, these scripts and presentations are housed online allowing Delta to more quickly provide updates and changes.

In September 2010, Delta also instituted a "mystery shopping" program, executed by an independent quality assurance services provider. The services provider reviews each Delta campus on a monthly basis by anonymously calling as a prospective student. Calls are evaluated to assure admissions staff are following the standard script for such calls, as well as providing responses within compliance boundaries. Campus management receives a written report, quantitative scoring, and audio file for use in their training sessions. The services provider also provides data on customer satisfaction and unsolicited information provided. Delta has also initiated and staffed an internal audit function that provides Delta management with a periodic review and analysis of the compliance of the campus with Delta policies and procedures. These two processes provide valuable feedback on the compliance of the campus admissions function.

Finally, Delta established a Code of Conduct (see "Code of Conduct - Delta RC008.pdf") signed by all employees that demands a high level of ethics when recruiting students. Among these provisions are the following:

13. Student recruitment, enrollment, and admissions duties will be geared toward the enrollment of qualified applicants who are likely to complete and benefit from the training provided by the school and not geared toward enrolling students simply to obtain enrollments.
14. Student recruitment and admissions personnel will only provide truthful and accurate statements, descriptions, and explanations regarding the school and its personnel, training, facilities, equipment, services, and accredited status.
15. Student recruitment and admissions personnel will work to ensure that students are fully informed and able to make considered enrollment decisions without undue pressure.

We believe that these changes to policies and procedures coupled with the full disclosure of consumer information on the school's web site provide assurance that prospective students, without conditions, receive adequate access to the student consumer information needed to make an informed decision about the school.

Finding 5 - Ineligible Disbursement/Student Attendance Not Verified Prior to Disbursement

We believe this error occurred due to the procedures of our servicer at the time, Global Financial Aid Services. When a student ceased to be enrolled, that fact was transmitted to the servicer automatically in a data dump so that all future disbursements could be cancelled; however, in cases where a disbursement had reached a certain point in the payment cycle, the servicer refused to delete the disbursement, and instead required the school to post the disbursement and generate a refund.

In the case of Student #9, her last day of attendance was December 12, 2009, which was near the end of a term. The date of determination was January 1, 2010, when she did not return for the next term and had accumulated 14 days of absence. The disbursement in question was made January 11, 2010, likely

because it was already in process when the student's status changed, so it was posted and subsequently refunded.

It is the school's policy that every disbursement be reviewed to ensure it is proper before funds are released. To ensure this type of error is not repeated, we ended our relationship with this servicer and centralized this process at the main corporate office beginning with the 2011-12 year. Disbursements are scheduled within the institution's student data system and highly experienced regional financial aid directors review all such scheduled disbursements before they are posted. This ensures that ineligible amounts are caught before they can be released.

As part of the Students First initiative, a new standard operating procedure was developed entitled the "Approve to Pay Process" (see "Approve to Pay SOP.pdf") that details how the school ensures that only eligible students receive Title IV funds. One of the many steps in this process is to "Verify the student is eligible for the award based on EFC, Credits Scheduled and Award Amount", as well as to "Verify SAP is met" (see page 10). The approved to pay screen also displays the current student status and LDA so that the approver has all relevant information in front of them concerning the eligibility of the student to receive that disbursement.

The policies and procedures followed by the approved to pay team can be found in the above referenced "Approved to Pay Standard Operating Procedures (SOP) manual" that accompanies this submission. These procedures should ensure that such inadvertent overpayments do not recur.

Finding 6 - R2T4 Funds Improperly Calculated and PWD not Paid

In regards to Student #9, a revised R2T4 calculation was run which indicated that the student earned 100% of the \$892 Pell grant and \$85.50 SEOG that could have been paid. Since those two amounts had been paid as inadvertent overpayments, they should have been retained at that time as they would have been a legitimate Post Withdrawal Disbursement; however, the \$85.50 SEOG (and the school match of \$28.50) was refunded in error.

Because SEOG for 2009-10 is no longer available, the school has posted a miscellaneous credit to the student's account for the amount of the SEOG and school match so that the student still receives the benefit of those funds that were returned in error. Furthermore, while the \$891 Pell grant was legitimately refunded, we felt it appropriate to further reduce this student's bad debt by that amount. As a result, the school posted a credit to her account to offset the refunded Pell amount as well. The result of these credits is that the student now owes the school a reduced balance of \$678.75.

A copy of the revised R2T4 calculation (see "Student #9 r2t4.pdf"), account card (see "Student #9 account card.pdf"), and bad debt reduction letter (see "Student #9 letter.pdf") accompanies this submission.

Finding 7 - Returns to Title IV Not Made and/or Made Late

In response to this finding, the school conducted a 100% review of all students who were enrolled in the 2009-10 award year and subsequently withdrew in that period. The results of this review are provided on the "CTC Program review Finding 7 100% review_" spreadsheet, and will be accompanied by PDF copies of supporting documents (ledger cards, attendance records, copies of the return calculations, transcripts, and for already paid refunds, proof of payment) in files named "Finding 7 documentation". The supporting documentation is an extraordinarily large amount of data. We will provide it in a separate mailing to arrive to you by Wednesday, May 2, 2012.

As a result of the review, CTC identified 17 refunds that needed to be paid. Of those, three were Pell refunds totaling \$ 1338.32 that have since been refunded. The remaining 14 are refunds for FFEL loans that were subsequently bought by the Department. We stand ready to return those funds when instructed how to proceed.

Finding 8 - Inaccurate Recordkeeping

In regards to the transcript for student #6, a corrected transcript is included with this response (see "Student #6 - Transcript.pdf").

In regards to the issue of "Unconsummated Cancels" for students #1, #7 and #17 (the report said #15, but the amount indicates the Department meant #17), we have reviewed the records and do not agree with the Report's conclusion in the finding. In each case the return being made was for funds already received and posted. The business officer who scheduled these returns selected "Unconsummated Cancel" in error. We have provided documentation of this in our response (see "Backup for unconsummated refunds on Eagle report - 3 students.pdf").

As stated in our February 29, 2012 interim response, we do not agree with the premise of this finding that because some refunds were erroneously coded as "Unconsummated Cancels" in Sallie Mae's system, there could be instances where refunds of actual "Unconsummated Cancels" were posted to the students' accounts when the original loan disbursements were not. The review did not identify any such instances, and we continue to believe that the Report's observation in this finding does not lead to the conclusion. Instead, the error was that when the return was scheduled in Sallie Mae's system, the business officer selected "Unconsummated Cancel" in error as the reason for the return, when in fact these were all consummated loans, and should have been coded accordingly.

Our CampusVue system does not permit the posting of refunds to a student's account unless the original loan transaction was also posted. Our processes are such that all loan funds received must be posted to the student's account in order for the loan ACH account to reconcile at month's end. There was never a case where a loan amount was received, not posted to the student's account, and then returned to Sallie Mae with only the refund posted to the account. Even in cases in which the student was no longer eligible for the disbursement, the fact that the loan funds were received in the ACH account necessitated that the funds be posted to the account and then returned. As a result, actual "Unconsummated Cancels" would never be posted to a student's account.

In our February 29, 2012 interim response, we noted that we strongly felt that a 100% review was inappropriate for the type of error noted. To resolve this finding, we suggested an alternative to the 100% review requirement, which was to take the Excel version of the Eagle report for 2009-10 that was supplied to us by Sallie Mae, and test a sample of the transactions to prove no such posting error had occurred. Not having heard any feedback from the Department to the contrary, we proceeded as we proposed. Using the above referenced Excel report we selected the first and last transaction of each month and reviewed the documentation (see "Backup for unconsummated refunds on Eagle report.pdf"). This review revealed no cases of actual "Unconsummated Cancels" being posted to a student's account (the original Eagle report data, along with the sample selected for testing, are listed on the "Sallie Mae Eagle Report Analysis.xls" spreadsheet that accompanies this response).

As a result, we believe that the actual error that occurred was one of coding, not posting.

Finding 9 - Improper Loan certification

In response to this finding CTC conducted a 100% review of the 2,063 students with loans certified for 2009-10 and identified 57 that needed to be reallocated. We have provided the requested spreadsheet (see "CTC Program Review - Finding #9 - USED Detail.xlsx") detailing the results for every student whose eligibility was adjusted and/or loan types were revised, along with documentation of the changes (see "CTC Finding#9 - COD Screen Prints.pdf").

Reallocations for Direct Loans were not difficult to complete, however, we were unable to complete any of the reallocations for FFEL loans. Of the total loans needing to be reallocated, eight were Federal Direct loans and 49 were FFEL. The FFEL loans were unable to be completed prior to this definitive response due to a "blackout period" arising out of a potential sale of loans to the Department. The lender/servicer explained that during this blackout period it could not initiate the reallocation because the loans were in the process of being transferred/sold.

We have been working with Sallie Mae to effect these reallocations, and will provide the requested documentation of their completion once Sallie Mae confirms they have been completed.

Finding 10 - Loan Exit Counseling Not Performed

As required, an exit package was produced through our CampusVue system and mailed to this student on February 29, 2012. We have included copies of the forms sent as proof of completion (see "Student #3 Exit Letter.pdf" and "Student #3 Loan Management.pdf").

The school's policy requires that all students who leave school receive exit counseling, either in person or via mail. We believe this was completed at the time and that a clerical oversight caused it not to be documented in the file. Current procedures will ensure that this error does not recur.

Finding 11 - Return of Title IV, HEA Funds Policy Inadequate

A detailed Return of Title IV (R2T4) Policy can be found in on pages 15-17 of the schools' campus catalogs included with this response (see "Monroe - 2012 April.pdf" and "Shreveport - 2012 April.pdf").

Finding 12 - Improper Heightened Cash Monitoring 1 Disbursements

During the 2009-10 and 2010-11 award years, the school utilized a servicer, Global Financial Aid Systems, in the administration of its Title IV programs. Among other things, the servicer produced disbursement lists that they called check registers, which were imported by the school to review and approve, and then post. Once posted, the school would forward the posted batch file to Global who would in turn draw the funds. Apparently there were instances where Global deviated from this procedure and drew the funds before the school confirmed that the funds were posted.

Beginning with 2011-12, the school ceased using Global's services and these processes were centralized by Delta for all of its institutions. The procedure now is that disbursement rosters are reviewed, and approved-to-pay batches are posted on a daily basis to the CampusVue data system by the Business Office staff. The G5 Account Manager runs a report daily that gathers these posted batches from the prior day's posting. The batch data is sorted by award year, school, type of fund source, and the data recorded on a G5 spreadsheet that includes the batch numbers. Then and only then are the funds drawn down through the G5 system to reimburse the school for funds already posted.

By utilizing the system to identify batches already posted, and then drawing those funds, there will never be another instance of federal funds being drawn down before they are posted. The Cash Monitoring Procedures can be found beginning on page 42 of the Student Accounts Standard Operating Procedure manual (see "SA - Student Accounts SOP.pdf") provided with this response.



December 14, 2011

Alan Sussna
Career Technical College
2319 Louisville Avenue
Monroe, LA 71201-6046

Certified Mail
Return Receipt Requested
7011 2000 0000 8054 4899

RE: **Program Review Report**
OPE ID: 02606800
PRCN: 201040627295

Dear Mr. Sussna:

From July 26, 2010 through July 29, 2010, Ms. Kimberly Walker-Brown, Ms. Nancy Mapes, and Mr. Michael Wade (on-site) and Ms. Regina Krob (off-site) as representatives of the U.S. Department of Education conducted a review of Career Technical College's (CTC) 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 CTC. The response should include a brief, written narrative for each finding that clearly states CTC's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, CTC 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 Aid, School Participation Team - Dallas
1999 Bryan St, Suite 1410, Dallas, TX 75021
www.FederalStudentAid.ed.gov

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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 CTC upon request. 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 Regina Krob 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 does 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 Regina Krob at 214-661-9453 or regina.krob@ed.gov.

Sincerely,

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

Kim Peeler
Team Leader

cc: Kelly McAbee, Financial Aid Administrator

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.

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

Institution: Career Technical College

City, State: Monroe, LA

PRCN: 40627295

TIN: 721132608

DUNS: 604640292

Reviewer: Regina Krob

Region: Dallas

Date: February 13, 2013

Section A - Use if no adjustments are being made in COD

Programs	Type	Amount	Funding Code	Object Class
Federal Pell Grant (Closed AY)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
ACG	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
National SMART	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
FSEOG (No FISAP Corrections)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
FWS (No FISAP Corrections)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
Direct Loan and Direct Loan EAL	Principal		4253XNOYR	53020 or 53010
	Interest		4253XNOYR	53040
FFEL and FFEL EAL	Interest/ SA/EAL		4251XNOYR	53020
Federal Perkins	Principal		2915RNOYR	53054

Section B: Use if the Institution is instructed to make adjustments in COD

Add rows if necessary			Amount			G5 Program Award # *
Pell, ACG, SMART, TEACH	Program / Award Year	Principal		3875FNOYR	69020	
	Program / Award Year	Imputed Interest		1435RNOYR	64020	
Direct Loan (do not use for estimated loss)	Award Year	Principal	147.87	3875FNOYR	69020	P268K106644
	Award Year	Imputed Interest	9.00	4253XNOYR	53040	

Comments:

* G5 Award # (P063P104306, first 5 digits = program, next 2 digits = award year, next 4 digits = code unique to school). Note: It is important that the year in the G5 award number correspond to the award year for which any adjustments are being made, or for which the balance has been incurred (in the case of an unsubstantiated cash or negative cash balance). If the reviewer is unsure after looking in G5, contact Susan Lewey for Pell or DL, or Tremia Haythe for FWS or FSEOG.

Example of G5 award numbers for a single school for the 2009-2010 award year, Pell vs. DL:

Pell is designated by "P063P" and DL is designated by "P268K"

P063P091445 (Pell 2009-2010 award - Pell uses the final two digits of the leading award year in the award number)

P268K101445 (Direct Loan 2009-2010 award - DL uses the final two digits of the trailing award year in the award number)

Example of G5 award number for FWS and FSEOG

FWS is designated by "P033A" and FSEOG is designated by "P007A"

P033A092121 (FWS 2009-2010 award - FWS uses the final two digits of the leading award year in the award number)

P007A092121 (FSEOG 2009-2010 award - FSEOG uses the final two digits of the leading award year in the award number)

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



April 12, 2013

Alan Sussna
Career Technical College
2319 Louisville Avenue
Monroe, LA 71201-6046

Certified Mail
Return Receipt Requested
7012 3460 0001 9207 5773

RE: **Final Program Review Determination Closeout Letter**
OPE ID: 02606800
PRCN: 201040627295

Dear Mr. Sussna:

This letter is in reference to the documentation received in response to the instructions provided in the Final Program Review Determination. All requirements have been addressed. The institution may now consider the program review closed, with no further action required.

Program records relating to the period covered by this program review are now subject to the record retention requirements in 34 C.F.R. § 668.24(e)(1), (2), which generally require that records be retained until the close of the third award year following the award year in which the student last attended the institution or the aid was awarded.

The courtesy and cooperation extended during the program review process is appreciated. If you have any questions, please do not hesitate to contact Regina Krob at 214-661-9453.

Sincerely,

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

Cynthia Thornton, Director
Dallas School Participation Division

cc: Darrell Boyd, Financial Aid Administrator
Dean Hall, Vice President, Compliance

Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION

Dallas School Participation Division
1999 Bryan Street, Suite 1410, Dallas, TX 75201-6817
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