

DCI-ERM



November 7, 2013

Dr. Richard Shaink, President  
Charles Stewart Mott Community College  
1401 E. Court St.  
Flint, MI 48503

Certified Mail  
Return Receipt Requested  
#7012 1640 0000 0567 8986

RE: **Final Program Review Determination**  
OPE ID: 00226100  
PRCN: 200940827007

Dear Dr. Shaink:

The U.S. Department of Education's (Department's) Chicago/Denver School Participation Division issued a program review report on March 22, 2010 covering Charles Stewart Mott Community College's (Mott Community College) 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 2007/08 and 2008/09 award years. Mott Community College's final response was received on September 21, 2012. A copy of the program review report (Appendix B) and Mott Community College's initial response (Appendix C) are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Mott Community College upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

**Purpose:**

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to: (1) identify liabilities resulting from the findings of this program review report, (2) provide instructions for payment of liabilities to the Department, and (3) notify the institution of its right to appeal.

The total liabilities due from the institution from this program review are \$3,772. This final program review determination contains detailed information about the liability determination for all findings.

**Federal Student Aid**  
An OFFICE of the U.S. DEPARTMENT of EDUCATION  
Chicago/Denver School Participation Division  
1244 Speer Boulevard, Suite 201  
Denver, Colorado 80204

### **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, the finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, (Student Sample). Any appendices that contain PII will be encrypted and sent separately to the institution via email.

### **Appeal Procedures:**

This constitutes the Department's FPRD with respect to the liabilities identified from the March 22, 2010 program review report. If Mott Community College wishes to appeal to the Secretary for a review of financial liabilities established by the FPRD, the institution must file a written request for an administrative hearing. Please note that institution may appeal financial liabilities only. The Department must receive the request no later than 45 days from the date Mott Community College receives this FPRD. An original and four copies of the information Mott Community College 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

Mott Community College'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. 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 Mott Community College'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 Mitch Cary at (303) 844-3145. 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)

Douglas A. Parrott  
Director  
Chicago/Denver School Participation Division

Enclosures: Program Review Report (with attachments)  
Mott Community College's response to the Program Review Report  
Protection of Personally Identifiable Information sheet

cc: Emily Varney, Financial Aid Administrator  
North Central Association of Colleges and Schools  
Michigan Department of Education

Prepared for:

**Charles Stewart Mott  
Community College**

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OPE ID: 00226100

PRCN: 200940827007

Prepared by:

**U.S. Department of Education**

**Federal Student Aid**

**Chicago/Denver School Participation Division**

## **Final Program Review Determination**

November 7, 2013

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**Appendix A: Student Sample**

**Appendix B: Program Review Report**

**Appendix C: Institution's Response to the Program Review Report**

Charles Stewart Mott Community College  
OPE ID: 00226100  
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**A. Institutional Information**

Charles Stewart Mott Community College  
1401 E. Court St.  
Flint, MI 48503

Type: Public

Highest Level of Offering: Associates Degree

Accrediting Agency: Higher Learning Commission/North Central Association of Colleges and Schools

Student Enrollment: 17,637 (Fall 2009)

% of Students Receiving Title IV: 48% (Fall 2009)

Title IV Participation, per U.S. Department of Education Data Base (Postsecondary Education Participants System):

	<u>2009/10 Award Year</u>
Federal Pell Grant Program	\$28,644,779
Federal Family Education Loan Program	24,270,282
Federal SEOG Program	250,183
Federal Work-Study Program	444,330

FFEL Default Rates:        2011 – 14.1%  
                                     2010 – 17.5%  
                                     2009 – 16.01%

Perkins Default Rates: NA (Does not participate)

## **B. Scope of Review**

The U.S. Department of Education (Department) conducted a program review at Mott Community College from September 1 to September 3, 2009. The review was conducted by Mitch Cary and Joseph Hajek.

The focus of the review was to determine Mott Community College's compliance with the statutes and federal regulations as they pertain to the institution's administration of the Title IV programs. The review consisted of, but was not limited to, an examination of Mott Community College'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 31 files was identified for review from the 2007/08 and 2008/09 award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Of the 31 files, 25 were reviewed. In addition, 10 files were selected and reviewed for the purpose of determining the institution's compliance with requirements for performing marital status overrides when determining aid eligibility. This issue was examined because the Department determined that Mott Community College performed a significant number of marital status overrides for students in the 2008/09 award year. The 10 files were selected randomly from data that was generated by the Department, which listed the names of students that shared this characteristic (i.e., change in marital status). Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review. A program review report was issued on March 22, 2010.

### **Disclaimer:**

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning Mott Community College'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 Mott Community College 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 - 2, 4, 5, 6, and 7

Mott Community College has taken the corrective actions necessary to resolve findings 2, 4, 5, 6, and 7 of the program review report. Therefore, these findings may be considered closed. Appendix C lists the institution's written response related to the resolved findings. Findings requiring further action by Mott Community College are discussed below.

### **Resolved Finding with Comments**

#### Finding 1

This 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.

### **Findings with Final Determinations**

The program review report findings requiring further action or further discussion are quoted below in italics. At the conclusion of each finding is a summary of Mott Community College's response to the finding, and the Department's final determination for the finding. A copy of the program review report issued on March 22, 2010 is attached as Appendix B.

#### ***1. Additional Locations Not Reported To The Department***

**Citation:** *The Department determines if an applicant or participating institution satisfies statutory and regulatory eligibility requirements for the Title IV programs. Title IV eligibility does not automatically extend to any location that an eligible institution establishes after it receives its eligibility designation. If an institution adds a location, it must notify the Department if at least 50 percent of an educational program is being offered at that location. 34 C.F.R. § 600.10(b)(3). Upon being notified, the Department will make a determination regarding the eligibility of the additional location(s). 34 C.F.R. § 600.10(b)(3)(i). A Title IV eligible institution that wishes to expand the scope of its eligibility, including disbursing title IV funds to students that are enrolled in that expanded scope must apply to the Secretary and wait for approval to add a location at which the institution will be offering at least 50% or more of an educational program. 34 C.F.R. § 600.20(c)(1).*

**Noncompliance:** *Based on institutional documentation (i.e., 2009-2011 school catalog) and conversations with aid office personnel, it was determined that Mott Community College is currently operating five additional locations (Southern Lakes Branch Center, Lapeer Extension Center, Northern Tier Center, Michigan Technical Education Center and Livingston Center) where more than*

*50 percent of an educational program is being offered, and students are receiving Title IV aid for attending, but only one (Southern Lakes Branch Center) of these locations has been reported to the Department. The other four additional locations of Mott Community College have not been recognized as eligible locations by the Department. It is noted however, that four of the five additional locations have been reported to the institution's accrediting agency and are listed on accreditation documentation. The Michigan Technical Education Center is not listed on documentation obtained from the accreditor.*

**Required Action:** *In response to this finding, Mott Community College must immediately report to the Department all additional locations, where 50% or more of an educational program is being offered. The reporting must be done via the Electronic Application for Approval to Participate in the Federal Student Financial Aid Programs. Additionally, Mott Community College must immediately cease disbursing Title IV funds to students who are attending any location that has not been reported to and approved by the Department. This includes the Lapeer Extension Center, Northern Tier Center, Michigan Technical Education Center and Livingston Center locations. Funding may resume upon the Department's approval of each additional location. Mott Community College must also provide the Department with the following information regarding the aforementioned five locations and any other locations where 50% or more of a program is being offered:*

- 1. Name and address of location*
- 2. Is 50% or more of an educational program being offered (yes or no)*
- 3. Date location opened*
- 4. Number of students enrolled at location*
- 5. Total Title IV funds (listed by program) disbursed since the date location began offering at least 50% of an educational program*

*Detailed student level data may be requested by the Department at a later date.*

*Instructions for the payment of liabilities attributable to this finding, if applicable, will be provided in the Department's Final Program Review Determination letter.*

**Mott Community College's Response:** *Mott Community College acknowledged that it has a total of four additional locations where students can complete at least 50% of an educational program, and that three of these sites had not previously been reported to the Department. Mott Community College provided Title IV funding totals for these locations. The three additional locations that were not reported and the date each location opened are as follows: 1) Lapeer Extension Center – 1/4/94, 2) Livingston Regional Technology Center – 1/3/01, and 3) Northern Tier Center – 9/3/02. The fourth additional site, which has been reported and recognized by the Department as an eligible institution,*

is the Southern Lakes Branch Center. Mott Community College indicated during telephone conversations with the Department subsequent to the review that the Livingston Regional Center is also known as the Michigan Technical Education Center. Accordingly, there are only four additional locations of the main campus in Flint because the Michigan Technical Education Center does not constitute a fifth site.

Subsequent to the program review Mott Community College reported the three previously unreported locations via the Department's Electronic Application for Approval to Participate (E-App).

On April 4, 2011 the Department requested additional information from Mott Community College regarding the Lapeer Extension Center and Livingston Regional Center locations. Specifically, the Department requested a summary report of all Title IV disbursement activity that occurred at these two locations from the inception of these locations until the time of approval by the Department. The Lapeer Extension Center was approved by the Department on December 6, 2010. The Livingston Regional Center is currently not recognized by the Department as an approved location.

On April 29, 2011 Mott Community College provided funding information for students that attended the Lapeer Extension Center. Funding totals were provided for the 1999-2000 award year through the date that eligibility was established on December 6, 2010. Mott Community College determined that Title IV disbursements totaling \$7,309,248 were made during this time period. Mott Community College claims it no longer maintains records prior to the 1999-2000 award year. The institution also indicated that Title IV funds have never been disbursed to any students attending the Livingston Regional Center. Therefore, it did not provide disbursement records for this location.

In July 2012 Mott Community College requested that it be granted an opportunity to modify its April 29, 2011 response. Specifically, the institution claimed that staff members who were responsible for compiling the original response to the program review report assumed that the Lapeer Extension Center has always offered students the opportunity to complete 50% or more of an educational program since its inception, but now asserts that this was not necessarily the case. As such, the institution claimed that the funding totals that were originally represented to the Department were not an accurate reflection of the numbers pertaining to the students who had an opportunity to complete 50% or more of an educational program at this location.

On September 21, 2012 Mott Community College provided modified student enrollment information for the Lapeer Extension Center. The institution modified the information it originally reported, and provided new totals to specify student and related Title IV funding totals for students who had an opportunity to complete 50% or more of an educational program at this location. The institution indicated that subsequent to its initial response to the program review report it completed a study of approximately 80 programs that were offered at this location beginning with the 1999-2000 award year

through the 2009-1010 award year. The institution reported that 1,792 students were enrolled during this time period, and of the 1,792 students, 603 students took classes at this location but had no opportunity to complete 50% of their degree requirements.

### **Final Determination**

Between September 3, 1991 and September 3, 2002 Mott Community College opened four additional locations to its main campus in Flint, Michigan. Each location currently offers educational programs that afford students the opportunity to complete at least 50% or more of their degree requirements. Prior to the program review Mott Community College had not reported three of the four additional locations to the Department. Mott Community did report and receive Department approval for the first additional location (Southern Lakes Branch Center) it opened on September 3, 1991.

Mott Community College failed to initially report its Lapeer Extension Center, Northern Tier Center, and Livingston Regional Center locations to the Department. The institution has disbursed Title IV funds to students attending the Lapeer Extension Center and Northern Tier Center locations. The institution claims that no Title IV funds have ever been disbursed at the Livingston Regional Center. Subsequent to the program review Mott Community College reported the three previously unreported additional locations to the Department via the E-App. The Department granted approval of the Lapeer Extension Center and Northern Tier Center effective December 6, 2010. The Livingston Regional Center has not been approved as an eligible institution.

Prior to July 1, 1994 institutions were not required to report or get approval from the Department provided that less than 100% of an educational program was offered at the location. Effective July 1, 1994 the percentage benchmark changed to 50%. Specifically, institutions were required to report to the Department any additional locations in which 50% of an educational program is offered, and subsequently wait for the Department's approval prior to making any Title IV disbursements. This provision applied to all institutions, without exception. Effective July 1, 2001, provisions under 34 C.F.R. § 600.20(c) require an institution which is expanding its eligibility, by virtue of opening additional locations, to report those locations to the Department, but to wait for the Department's approval only under certain conditions.

Mott Community College opened three additional locations to its main campus in Flint between January 1994 and September 2002 which were not reported to the Department timely. The Lapeer Extension Center represents the location with the greatest potential for non-compliance and resulting liabilities, since it was operating during a time period when institutions which met the program completion requirement were required to report additional locations and wait for Department approval prior to disbursing Title IV funds. The Livingston Regional Center opened during the time period when Department approval was required, but no Title IV funds have been disbursed at this location. The

Northern Tier Center opened subsequent to the Department approval time frame.

Mott Community College has disbursed Title IV funds on behalf of students attending the Lapeer Extension Center and Northern Tier Center. When the Northern Tier Center opened the location should have been reported to the Department, but Department approval was not required. The Lapeer Extension Center opened during the time frame when reporting was only required if the institution offered programs in which students had an opportunity to complete 100% of an educational program. Based on changes in reporting requirements during the time frame in which the Lapeer Extension Center opened and has been operating, and due to Mott Community College's lack of records prior to July 1, 1999, it is difficult to ascertain the extent of Mott Community College's non-compliance with the provisions of its Program Participation Agreement for this location.

Notwithstanding Mott Community College's failure to report these three additional locations to the Department at the time of inception, the institution still had an obligation to report these locations, and had additional opportunities to accomplish this, but failed to do so. Specifically, these locations should have been reported to the Department during the institution's Title IV recertification process which was completed on October 3, 1996, and then again on July 17, 2000, but the institution failed to disclose these locations on its recertification applications.

The three additional locations identified in this finding were not reported to the Department timely. However, Mott Community College did report all three locations to its accrediting agency (North Central Association of Colleges and Schools) and all of the locations are recognized by the agency as eligible institutions. Additionally, the State of Michigan has indicated that it does not require approval for additional public college locations. Since there are no conflicts with these other governing bodies and since there appears to be no direct consequences or harm to any involved students, the Department will not require Mott Community College to reimburse funds that were disbursed to students attending these additional locations. In lieu of assessing liabilities for this violation the Department will treat this instance of noncompliance as a technical violation.

On August 2, 2013, the Department's Administrative Actions and Appeals Service Group executed a Settlement Agreement with Mott Community College to resolve this finding. In this finding, the Department finds that Mott Community College disbursed Title IV, HEA program funds to students attending additional locations where more than 50% of an educational program was being offered, which had not been reported to the Department. In the agreement Mott Community College agreed to pay a fine to the Department in the amount of \$82,500, plus interest of \$137.50, totaling \$82,637.50, to resolve this finding. Mott Community College made payment of the fine upon executing the agreement, thus this finding is considered closed.

3. ***Dependency Override Not Justified/Adequately Documented***

***Citation:*** *In order for the appropriate needs analysis to be performed, an institution must make a determination of a Title IV applicant's dependency status. This determination is made as a result of a student's responses to the student status questions that are listed on the Free Application for Federal Student Aid (FAFSA). Pursuant to 480(d) of the Higher Education Act of 1965, as amended, an independent student is one who meets one or more of the following criteria:*

- 1) *Is 24 years of age or older by December 31 of the award year;*
- 2) *Is an orphan or ward of the court or was a ward of the court until the individual reached the age of 18;*
- 3) *Is a veteran of the Armed Forces of the United States;*
- 4) *Is a graduate or professional student;*
- 5) *Is married as of the date the application was completed, or*
- 6) *Have legal dependents other than a spouse*

*An individual who does not qualify as an independent student under one of the proceeding criteria may be considered independent if the financial aid administrator makes a documented determination of independence by reason of unusual circumstances. Higher Education Amendments of 1986, Section 480(d)(7). Dependency status override requirements are stipulated in a Department issued Dear Colleague Letter, Gen-03-07, and in the 2006-07 Financial Aid Handbook, Application and Verification Guide.*

*If unusual circumstances warrant the use of a dependency status override, the institution must thoroughly document its rationale for the change. Dependency status overrides must be made on a case-by-case basis and must be reaffirmed each award year. Self-sufficiency cannot be used as the sole reason for a dependency override. In addition, a student's adverse relationship with his or her parents or living away from the parents does not automatically affect the student's dependency status.*

*If the aid administrator determines that a dependency status override is appropriate, a statement detailing the determination, along with supporting documentation must be included in the student's file. Generally, third party documentation from the appropriate agency (e.g., law enforcement or Social Services) is required.*

*The Application and Verification Guide states that none of the conditions listed below, singly or in combination, qualify as unusual circumstances meriting a dependency override:*

- 1) *Parents refuse to contribute to the student's education;*
- 2) *Parents are unwilling to provide information on the application or for verification;*
- 3) *Parents do not claim the student as a dependent for income tax purposes;*
- 4) *Student demonstrates total self-sufficiency.*

**Noncompliance:** *Student #2 did not meet any of the criteria required to be automatically categorized as an independent student. Mott Community College performed a dependency status override to make this student independent, without proper justification or documentation. Documentation is on file that indicates the override was performed because the student moved out of her adoptive parent's home and that her parents refused to provide her with copies of their tax returns. There was no documentation on file that indicates the student was estranged from her parents as a result of abuse.*

*Based on the living situation noted for this student, a dependency status override was not warranted. A student cannot automatically be considered independent by virtue of his or her living situation (not living with parents) or based on self-sufficiency.*

**Required Action:** *In response to this finding, Mott Community College must review the records of the cited student and determine if unusual circumstances (e.g., abusive relationship with parents) exist that meet the requirements set forth in GEN 03-07. If it is determined that the student does meet these requirements, the student's file must be properly documented. Acceptable documentation must include verification from a third-party agency. Simply living away from parents or the parent's refusal to cooperate does not constitute acceptable unusual circumstances.*

*If the appropriate documentation cannot be obtained to support independent status, Mott Community College must require the student to obtain parental data and reprocess the student as dependent. If the student's Expected Family Contribution (EFC) changes as a result of the revised dependency status, Mott Community College must recalculate Title IV awards for the student based on the new EFC. If parental data cannot be obtained for reprocessing, Mott Community College will be liable for the Title IV funds disbursed to this student.*

*With its response to this report, Mott Community College must submit copies of any new documentation it obtains to support the override, or documentation to support the results of a Title IV eligibility recalculation based on a change in the student's status from independent to dependent.*

*Instructions for payment of any liabilities attributable to this finding will be provided in the Department's Final Program Review Determination letter.*

**Mott Community College's Response:** Mott Community College concurred that the cited student did not meet the criteria to be categorized as an independent student. Additionally, the institution indicated that parental data could not be obtained for this student. Therefore, the student could not be reprocessed as a dependent student.

### **Final Determination**

Mott Community College awarded and disbursed Title IV funds in the 2007/08 award year to a student based on an incorrect determination of dependency status. The student did not meet the criteria required to be classified as independent and a dependency status override was not warranted based on the rationale provided by the student. The student claimed to have moved out of her adoptive mother's home because her mother was unwilling to contribute towards college expenses, and her mother was also unwilling to provide any financial information (i.e., income tax return).

Notwithstanding the fact that the student's mother was unwilling to cooperate with the student and/or financial aid office, the student did not meet the criteria required to be classified as independent. As such, all Title IV funds disbursed based on the improper determination of independent status represent ineligible disbursements.

Since Mott Community College was unable to reprocess this student as a dependent student, the institution will be liable for all Title IV funds disbursed to this student. Mott Community College disbursed Title IV funds in the amount of \$3,772 to the cited student based on an improper determination of dependency status. These disbursements consisted solely of Federal Pell Grant Program funds. Mott Community College is liable to the Department for the improperly disbursed Federal Pell Grant Program funds in the amount of \$3,772.

Instructions for payment of this liability are provided in the Payment Instructions section of this letter.

### **D. Summary of Liabilities**

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

Finding#	Pell (closed Award year)
Three	\$3,772
Totals	\$3,772
Total Payable To:	
Department	\$3,772

### E. Payment Instructions

#### 1. Liabilities Owed to the Department

##### **Liabilities Owed to the Department \$1,000 or More but Less Than \$100,000**

Mott Community College owes to the Department \$3,772. Payment must be made by forwarding a check made payable to the "U.S. Department of Education" to the following address within 45 days of the date of this letter:

U.S. Department of Education  
P.O. Box 979026  
St. Louis, MO 63197-9000

Remit checks only. Do not send correspondence to this address.

***Payment must be made via check and sent to the above Post Office Box. Payment and/or adjustments made via G5 will not be accepted as payment of this liability. Instead, the school must first make any required adjustments in the Common Origination and Disbursement (COD) system as required by the applicable finding, remit payment, and upon receipt of payment the Department will apply the funds to the appropriate G5 award.***

The following identification data must be provided with the payment:

Amount: \$3,772  
DUNS: 020095311  
TIN: 381914697  
PRCN: 200940827007

#### Terms of Payment

As a result of this final determination, the Department has created a receivable for this liability and payment must be received by the Department within **45 days of the date of this letter**. If payment is not received within the 45-day period, interest will accrue in monthly increments from the date of this determination, on the amounts owed to the Department, at the current value of funds rate in effect as established by the Treasury Department, until the date of receipt of the payment. Mott Community College is also responsible for repaying any interest that accrues. If you have any questions regarding interest accruals or payment credits, contact the Department's Accounts Receivable Group at (202) 245-8080 and ask to speak to Mott Community College's account representative.

If full payment cannot be made within **45** days of the date of this letter, contact the Department's Accounts Receivable Group to apply for a payment plan. Interest charges and other conditions apply. Written request may be sent to:

U.S. Department of Education  
OCFO Financial Management Operations  
Accounts Receivable Group  
550 12<sup>th</sup> Street, S.W., Room 6114  
Washington, DC 20202-4461

If within 45 days of the date of this letter, Mott Community College has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the Department, the Department intends to collect the amount due and payable by administrative offset against payments due Mott Community College from the Federal Government. **Mott Community College may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt, Mott Community College must **timely appeal** this determination under the procedures described in the "Appeal Procedures" section of the cover letter. The Department will use those procedures to consider any objection to offset. **No separate appeal opportunity will be provided.** If a timely appeal is filed, the Department will defer offset until completion of the appeal, unless the Department determines that offset is necessary as provided at 34 C.F.R. § 30.28. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

2. **Liabilities Owed to the Department in the Case of Title IV Grants**

**Federal Pell Grant Program – Closed Award Year**

Finding: 3  
Appendix: A

Mott Community College must repay:

<b>Federal Pell Grant Program – Closed Award Year</b>		
Amount	Title IV Grant	Award Year
\$3,772	Federal Pell Grant	2007-08

Charles Stewart Mott Community College

OPE ID: 00226100

PRCN: 200940827007

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The disbursement record for the student identified in Appendix A to the applicable finding must be adjusted in COD based on the amount identified in this letter. **The adjustment in COD must be completed prior to remitting payment to the Department. Payment cannot be accepted via G5. Once the Department receives payment via check, the Department will apply the payment to the applicable G5 award.**

A copy of the adjustment to each student's COD record must be sent to Mitch Cary **within 45 days of the date of this letter.**

#### **F. Appendices**

Appendix A contains personally identifiable information and will be emailed to Mott Community College 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. The remaining appendices are included as attachments to the FPRD.

## 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.