



July 31, 2013

Dr. William H. Jones  
President  
Columbia International University  
7435 Monticello Road  
Columbia, SC 29230-3122

UPS  
Tracking # 1Z A54 67Y 01 9548 7229

RE: **Final Program Review Determination**  
OPE ID: #00342900  
PRCN: #201320428201

Dear Dr. Jones:

The U.S. Department of Education's (Department's) School Participation Division - Atlanta issued a program review report on May 22, 2013 covering Columbia International University's (CIU) 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 2011/2012 and 2012/2013 award years. CIU's final response was received on June 12, 2013. A copy of the program review report (and related attachments) and CIU's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by CIU 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, (3) notify the institution of its right to appeal.

The total liabilities due from the institution from this program review are **\$2,017**.

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

School Participation Division – Atlanta

61 Forsyth Street, S.W., Suite 18T40, Atlanta, GA 30303

StudentAid.gov

### Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the May 22, 2013 program review report. If CIU 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 institutions may appeal financial liabilities only. The Department must receive the request no later than 45 days from the date CIU receives this FPRD. An original and four copies of the information CIU 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

CIU'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 CIU'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).**

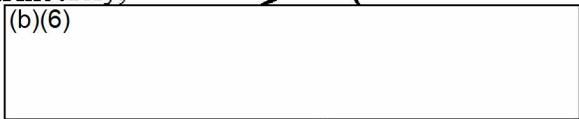
### Record Retention:

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).

If the institution has any questions regarding this letter, please contact Pat Gilbert at (404) 974-9292. 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)

A rectangular box with a black border, used to redact the signature of Charles Engstrom. The text "(b)(6)" is written in the top left corner of the box.

Charles Engstrom  
Division Director

Enclosure:  
Protection of Personally Identifiable Information

cc: Ms. Patty Hix, Director of Student Financial Aid  
Southern Association of Colleges and Schools Commission on Colleges  
SC Commission on Higher Education

## PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

Personally Identifiable Information (PII) being submitted to the Department must be protected. PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth).

PII being submitted electronically or on media (e.g., CD-ROM, floppy disk, DVD) must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip. However, files created with other encryption software are also acceptable, provided that they are compatible with WinZip (Version 9.0) and are encrypted with AES encryption. Zipped files using WinZip must be saved as Legacy compression (Zip 2.0 compatible).

The Department must receive an access password to view the encrypted information. The password must be e-mailed separately from the encrypted data. The password must be 12 characters in length and use three of the following: upper case letter, lower case letter, number, special character. A manifest must be included with the e-mail that lists the types of files being sent (a copy of the manifest must be retained by the sender).

Hard copy files and media containing PII must be:

- sent via a shipping method that can be tracked with signature required upon delivery
- double packaged in packaging that is approved by the shipping agent (FedEx, DHL, UPS, USPS)
- labeled with both the "To" and "From" addresses on both the inner and outer packages
- identified by a manifest included in the inner package that lists the types of files in the shipment (a copy of the manifest must be retained by the sender).

PII data cannot be sent via fax.

Prepared for

**Columbia International  
University**

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

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the AMERICAN MIND™

OPE ID #00342900  
PRCN #201320428201

Prepared by  
U.S. Department of Education  
Federal Student Aid  
School Participation Division - Atlanta

**Final Program Review Determination  
July 31, 2013**

- A. Institutional Information
- B. Scope of Review
- C. Findings and Final Determinations
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  - Findings with Final Determinations
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- D. Summary of Liabilities
- E. Payment Instructions.
- F. Appendices

Appendix A: Student Level Detail

Appendix B: Estimated Actual Loss Description

Appendix C: Estimated Actual Loss Formula

Appendix D: Cost of Funds

Appendix E: Institution's Written Response

Appendix F: Program Review Report

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**A. Institutional Information**

Columbia International University  
7435 Monticello Road  
Columbia, SC 29230-3122

Type: Private, Nonprofit

Highest Level of Offering: Master's Degree

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

Current Student Enrollment: 1113 (2012/2013)

% of Students Receiving Title IV: 58% (2012/2013)

**Title IV Participation (G5):**

	2011/2012
Federal Pell Grant	\$1,257,408.00
William D. Ford Direct Loan Program	\$6,523,490.00
Federal Supplemental Education Opportunity Grant (SEOG)	\$ 46,580.00
Federal Work Study (FWS)	\$ 107,079.00

Default Rate FFEL/DL:     2010 (3.5%)  
                                  2009 (2.5%)  
                                  2008 (1.2%)

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at Columbia International University (CIU) from March 4, 2013 to March 7, 2013. The review was conducted by Pat Gilbert, Sherry Blackman and Meghan Gladden.

The focus of the review was Ineligible Program. The review consisted of an examination of CIU's students attending the Study Abroad Program and/or enrolled in the Bible Certificate Program.

A sample of 30 files was identified for review from the 2011/2012 and 2012/2013 (year to date) award years. The files were selected based on students attending Study Abroad Programs, specifically "Jerusalem University College" and enrollment in the Bible Certificate Program. 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 May 22, 2013.

### **Disclaimer:**

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

## **C. Findings and Final Determinations**

### **Resolved Findings**

#### **Finding(s) 2-5**

CIU has taken the corrective actions necessary to resolve findings 2-5 of the program review report. Therefore, these findings may be considered closed. Appendix E contains the institution's written response related to the resolved findings. Findings requiring further action by CIU are discussed below.

### **Findings with Final Determinations**

The program review report finding(s) requiring further action are summarized below. At the conclusion of each finding is a summary of CIU's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on May 22, 2013 is attached as Appendix F.

**Finding #1: Ineligible Agreement**

**Citation Summary:** *An eligible institution may enter into a contractual agreement with an ineligible school or organization under which the ineligible school or organization provides part of the educational program of students enrolled at the eligible school.*

*An eligible school is prohibited from entering into a contract with an ineligible school or organization whose*

- *Eligibility or certification to participate in the FSA programs has been terminated or revoked by the Department, or*
- *Application for certification or re-certification to participate in the FSA programs denied by the Department.*

*Similarly, an eligible school is prohibited from entering into a contract with an ineligible school or organization that has voluntarily withdrawn from participating in the FSA programs under a termination, show-cause, suspension, or similar type proceeding initiated by the school's state licensing agency, accrediting agency, guarantor, or by the Department. 34 C.F.R. §668.5*

**Noncompliance Summary:** *CIU had a consortium agreement with Jerusalem University College (JUC) which was a Title IV eligible institution. JUC's recertification application was denied and it lost eligibility on 12/31/2000. The consortium agreement became invalid effective July 1, 2011.*

**Required Action Summary:** *The students below were identified during the program review as receiving Title IV funding for attending JUC:*

**Student #1:**

- *Fall 2010/2011: Direct Loan (DL) Unsubsidized \$1990 and \$3732 disbursed on 8/17/2010*
- *Spring 2010/2011: DL Unsubsidized \$1990 and \$3732 disbursed on 1/12/2011*
- *Spring 2011/2012: DL Unsubsidized \$3732 disbursed on 1/26/2012*

**Student #2:**

- *Fall 2011/2012: Pell \$278, DL Subsidized \$2737 and DL Unsubsidized \$995 disbursed on 9/1/2011*
- *Spring 2011/2012: Pell \$277, DL Subsidized \$2737 and DL Unsubsidized \$995 disbursed on 1/26/2012*

**Student #12:**

- *Fall 2011/2012: Pell \$1400 disbursed on 9/22/2011 and DL subsidized \$2239 disbursed on 9/1/2011.*

***Student #17:***

- *Fall 2012/2013: Pell \$2775, DL Subsidized \$2723 and DL Unsubsidized \$2465 disbursed on 8/31/2012. The funds were returned on 9/24/12.*

*The Institution must determine if the students identified above are the only students who received Title IV funding for attending JUC. The Department will not assert a liability for the entire loan amount and require the institution to purchase the loans, but will establish a repayment amount based upon estimated actual or potential loss that the liabilities owed by the institution. The amount of liabilities will be noted in the Final Program Review Determination (FPRD).*

**CIU's Response:** The Institution was unaware that the consortium agreement with Jerusalem University College (JUC) became invalid effective July 1, 2011 and continued to award federal aid to JUC students in the award year 2011/2012. CIU has verified that the only students who received Title IV funding to attend JUC after the consortium agreement became invalid were mentioned in the Department of Education's Program Review Report of May 22, 2013. CIU has also verified that any federal aid funds awarded for Fall 2012/2013 before learning that the consortium agreement was invalid were promptly returned.

**Final Determination:**

The total amount of Pell funds that CIU improperly disbursed for this finding is \$1,955.00.

CIU is responsible for returning the \$1,955.00 in ineligible grant funds to the Department. In addition the institution is liable for \$33.23 due to the Department for the cost of funds (COF) on the ineligible grant disbursements. The COF is the expense the Department incurred as a result of the institution disbursing ineligible funds. The rate of interest is based on when the funds should have been returned to the Department. Copies of the COF calculation are attached as Appendix D.

In lieu of requiring the institution to assume the risk of default by purchasing the ineligible loan from the holder, the Department has asserted a liability not for the loan amount, but rather for the estimated actual or potential loss that the government may incur with respect to the ineligible loan or loan amount. The estimated actual loss to the Department that has resulted or will result from those ineligible loans is based on CIU's most recent cohort default rate available.

The total amount of Direct Loan funds (subsidized and unsubsidized) disbursed to students who attended JUC during the 2010/2011 and 2011/2012 award years is \$24,879. The estimated actual loss to the Department that has resulted or will result from those ineligible loans is based on CIU's most recent cohort default rate available. As a result,

Columbia International University

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the estimated actual loss that CIU must pay to the Department for the ineligible loans is \$29.00. A copy of the results of that calculation is included as Appendix C.

The total liability for this finding is \$2,017.00.

***E. Payment Instructions***

CIU owes to the Department \$2,017. Payment must be made by forwarding a check made payable to the "U.S. Department of Education" to the following address within 45 days of the date of this letter:

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

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

**Payment must be made via check and sent to the above Post Office Box. Payment and/or adjustments made via G5 will not be accepted as payment of this liability. Instead, the school must first make any required adjustments in COD as required by the applicable finding(s) and Section II – Instructions by Title IV, HEA Program (below), remit payment, and upon receipt of payment the Department will apply the funds to the appropriate G5 award (if necessary).**

The following identification data must be provided with the payment:

Amount: \$2,017  
DUNS: 077440287  
TIN: 570352247  
Program Review Control Number: 201320428201

**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. CIU 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 ask to speak to CIU's account representative.

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

U.S. Department of Education  
OCFO Financial Management Operations

Accounts Receivable Group  
 550 12th Street, S.W., Room 6114  
 Washington, DC 20202-4461

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

**Pell – Closed Award Year**

Finding #1:  
 Appendices: A

CIU must repay:

Pell Closed Award Year			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
\$555.00	\$8.45	Pell	2011/2012
\$1400.00	\$24.78	Pell	2011/2012
<b>Total Principal</b>	<b>Total Interest</b>		
\$1955.00	\$33.23		

The disbursement record for each student identified below must be adjusted in the Common Origination and Disbursement (COD) system based on the recalculated amount identified above (see Appendix A for Name/SSN):

Student #2: \$ 555.00 P063P112186  
 Student #12: \$1400.00 P063P112186

**Adjustments in COD must be completed prior to remitting payment to the Department. Payment cannot be accepted via G5. Once the Department receives**

Columbia International University

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**payment via check, the Department will apply the principal payment to the applicable G5 award. The interest will be applied to the general program account.**

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

**Appendix A  
Student Sample**

**2011/2012**

**Student's Name**

**Student's SSN (last four digits  
Only)**

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

**20**

**Appendix B**

The Estimated Actual Loss Formula (EALF) is used for only certain types of findings on ineligible FFEL and Direct Loan liabilities. The EALF estimates (1) the principal amount that has or will default; and (2) the interest and special allowance on the entire ineligible loan amount.

The EALF uses an institution's applicable cohort default rate (CDR) to estimate the amount of defaults from the ineligible principal amount. This is usually the institution's latest published CDR. Draft CDRs are not used unless there is no prior CDR.

Example:      Ineligible Principal Loan Amount      \$100,000  
                  Cohort Default Rate                              10.0%  
                  Estimated Default Amount Due              \$ 10,000

The EALF calculates interest and special allowance (SA), where applicable, on the entire amount of ineligible loan principal. The number of days used to calculate interest and special allowance is based on average historical data for various time periods for different types of schools.

Period	School Type	One-Year	Two-Year	Four-Year	Rate Types
Disbursement to Repayment		584	774	969	Interest & SA
Repayment to Default		418	498	619	SA
Repayment to Paid In Full		1659	1580	1712	SA

The EALF uses the actual interest rates in effect when the ineligible loans were disbursed and an annualized average of the quarterly special allowance rates in effect. The EALF divides the number of days in each time period so that changes in interest and special allowance rates are considered. The EALF also assumes that the ineligible loans were made in two disbursements after a 30-day delay.

Example for the Disbursement to Repayment Period for a Two-Year Institution (2004-05)

Variable Rate Ineligible Loans: \$40,000 subsidized and \$60,000 unsubsidized  
 Interest Rates: 04-05 (2.77), 05-06 (4.70), 06-07 (6.54)  
 SA Rates:      04-05 (1.45), 05-06 (1.55), 06-07 (0.53)

Subsidized Loan Amount (Interest and Special Allowance)

$\$40,000/2 \times (451 \times (.0422/365))$   
 $+ \$40,000/2 \times (730 \times (.0625/365))$   
 $+ \$40,000/2 \times (367 \times (.0707/365)) = \$4,964.61$

Unsubsidized Loan Amount (Special Allowance Only)

$\$60,000/2 \times (451 \times (.0145/365))$   
 $+ \$60,000/2 \times (730 \times (.0155/365))$

---

$$+ \$60,000/2 \times (367 \times (.0053/365)) = \$1,627.36$$

NOTE: The number of days of 774 for this time period is doubled to 1548 (451+730+367) because the principal amount is divided by two.

Similar calculations are made for the other two periods. The total liability is the sum of the default amount with the interest and special allowance calculations for all three periods.

Final Program Review Determination  
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## Appendix C

### Estimated Loss Formula

**Estimated Loss Formula**

8/29/2012

Enter Institution Name

Columbia International University

Select Institution Type

4 Yr

Select Type of Loan	Select Award Year	Enter Ineligible Loan Amount	Enter School CDR	Total Subsidy Costs	Estimated Loss Liability
1 DL Subsidized	2011-2012	\$ 7,713.00	3.50%	0.38%	\$ 29.08
2					
3					
<b>Description</b>					
4 DL Unsubsidized	2010-2011	\$ 11,444.00	3.50%	-20.76%	\$ -
5 DL Unsubsidized	2011-2012	\$ 5,722.00	3.50%	-29.24%	\$ -
6					
<b>Description</b>					
7					
8					
9					
<b>Description</b>					
10					
11					
12					
<b>Description</b>					
<b>Original Ineligible Loan Liability</b>		\$ 24,879.00			
<b>Total Estimated Loss</b>					\$ 29.08

Appendix [C] - Estimated Loss Formula

To calculate estimated loss for a given ineligible loan amount, that amount is multiplied by the total subsidy rates calculated for the ineligible loans. Consolidation Loans will be obtained in the future to prepay some of the ineligible loans; the amount of Consolidation Loans divided by the Ineligible Stafford/PLUS loans equals the "Consolidation prepayment rate" (H) for those loans.

The Department's Budget Office calculates, on an annual basis, the rate per dollar of loan of default subsidies (DSRs) and all other subsidies (OSRs) (D & F) for Stafford and PLUS Loans, by cohort year, program, loan type, and risk group (note that 2008-2010 FFEL loan costs are calculated only by cohort year).

	A	B	C	D	E	F	G	H	I	J
School CDR	Sector CDR*	Ratio **	DSR ***	Adjusted DSR	OSR ***	Avg Cons Year	Cons Prepay %	Cons DSR ***	Cons OS ***	
1	3.50%	7.30%	0.48	2.44%	1.17%	2018	31.8%	3.19%	1.30%	
2										
3										
4	3.50%	7.30%	0.48	2.34%	1.12%	2017	40.1%	3.16%	-3.54%	
5	3.50%	7.30%	0.48	2.28%	1.09%	2018	40.2%	3.39%	-1.02%	
6										
7										
8										
9										
10										
11										
12										

Federal Student Aid (FSA) calculates the cohort default rates (CDRs) of the institution (A), and the average CDR for the sector for that institution (B). FSA applies the CDR comparison ratio (C), [A/B = C] against the Budget Office's cohort loan DSR (D) to determine the default subsidy rate for the institution (E). The Budget Office estimates the default subsidy rate and other subsidy rate for the Consolidation Loans that will prepay some of

Columbia International University

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Appendix [C] - Estimated Loss Formula

these Stafford and PLUS Loans (I & J).

The total subsidy rate for the ineligible Stafford and PLUS Loans is  $((E+F) + ((I+J) \times H))$ .

The total subsidy cost for these loans is the ineligible loan amount multiplied by the total subsidy rate.

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Appendix D  
Cost of Funds

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

Name of Institution: Columbia International University

No.	Description/Name	Ineligible Disbrsmnt	Program	Disbursement Date	Return Paid Date	No. of Days	Imputed CVFR	Federal Share	To ED	To Inst Accounts
1	Ineligible Consortium	\$278.00	Pell Grant	9/1/2011	5/22/2013	629	1.00%	\$ 278.00	\$ 4.79	\$ -
		\$277.00	Pell Grant	1/26/2012	5/22/2013	482	1.00%	\$ 277.00	\$ 3.66	\$ -
		\$1,400.00	Pell Grant	8/15/2011	5/22/2013	646	1.00%	\$ 1,400.00	\$ 24.78	\$ -

Total Ineligible \$1,955.00

Totals \$ 33.23 \$ -

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

Federal FWS	
Federal SEOG	
Federal Perkins	

Interest Breakdown		
Pell Grants	\$ 33.23	\$ -
ACG	\$ -	\$ -
SMART	\$ -	\$ -
TEACH	\$ -	\$ -
FWS	\$ -	\$ -
FSEOG	\$ -	\$ -
Perkins	\$ -	\$ -
FWS-50% Match	\$ -	\$ -
FWS-No Match	\$ -	\$ -
FSEOG-No Match	\$ -	\$ -
Perkins-No Match	\$ -	\$ -
ACA Breakdown		

Total C-B Spent	\$ -
ACA Percentage	\$ -

	Total	Federal Share
Pell	\$ 1,955.00	\$ 1,955.00
ACG	\$ -	\$ -
SMART	\$ -	\$ -
TEACH	\$ -	\$ -
FWS	\$ -	\$ -
FSEOG	\$ -	\$ -
Perkins	\$ -	\$ -
FWS-50% Match	\$ -	\$ -
FWS-No Match	\$ -	\$ -
FSEOG-No Match	\$ -	\$ -
Perkins-No Match	\$ -	\$ -

Total Campus-Based \$ - \$ -

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

Final Program Review Determination  
PRCN #: 201320428201

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Appendix E

CIU's Response  
to the Program Review Report



# Columbia International University

*"To know Him and to make Him known"*

June 12, 2013

Pat Gilbert

U.S. Department of Education

Federal Student Aid

School Participation Division – Atlanta

61 Forsyth Street, S.W., Suite 18T40

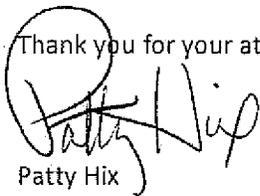
Atlanta, GA 30303-8918

Dear Pat,

Enclosed are our responses for the findings in the Program Review Report of May 22, 2013.

If you have questions or need any further information, please contact me.

Thank you for your attention.



Patty Hix

Director of Student Financial Services

Columbia International University

[phix@ciu.edu](mailto:phix@ciu.edu)

803-807-5037

Columbia International University

OPE ID #00342900

PRCN #201320428201

Program Review Report Responses

June 11, 2013

**Finding #1: Ineligible Consortium Agreement**

CIU was unaware that our consortium agreement with JUC (Jerusalem University College) became invalid effective July 1, 2011 and continued to award federal aid to JUC students in the award year 11-12. CIU has verified that the only students who received Title IV funding to attend JUC after the consortium agreement became invalid were mentioned in the Department of Education's Program Review Report of May 22, 2013. CIU has also verified that any federal aid funds awarded for Fall 12-13, before learning that the consortium agreement was invalid, were promptly returned.

**Finding #2: Credit Balance Forms Needs Revision**

CIU has revised its procedures for the payment of and authorization to retain student credit balance funds. The Student Financial Services (SFS) Office has added to both our Title IV Authorization form and our revised Credit Balance Policy the following statement, "The credit balance will be paid to the student no later than 14 days after the credit balance occurs." The SFS Office has also changed the terminology used on both documents to reflect that the student has the option to authorize CIU to apply any credit balance to future charges within the same award year or loan period. Both the revised policy and the revised Title IV Authorization Form are attached.

**Finding #3: Bank Accounts – Federal Funds Not Identified**

CIU's previous practice was to have federal funds deposited into its operating bank account (as opposed to a separate, federal-funds-only bank account) and CIU had not notified its bank that this operating account contained federal funds. Since the review team's visit in March, however, CIU has opened a separate bank account for federal funds, and has included the word "federal" in the account's name so as to comply with the notification requirement. Attached is the copy of a statement for this account as evidence of CIU's compliance with this requirement.

**Finding #4: Federal Work-Study (FWS) Timesheet Needs Revision**

The standard timesheets used on the CIU campus appear to be in compliance with the federal regulations that require the student to record his weekly hours, sign to verify the hours and then to have a supervisor verify and sign the hours recorded as well. Attached are 3 examples. However, one of the student files pulled during the Program Review contained a FWS student who worked in the cafeteria

where the students' hours were recorded by a punch clock which recorded exact hours but not the date. The date was handwritten on the timesheet and signed by the student and supervisor. Since our Program Review, our cafeteria management has replaced the punch clock with a computerized system that records exact hours, the date and requires signatures (an example is attached). The students' supervisor will sign all time cards before submitting them to the Payroll Office.

**Finding # 5: Update Eligibility and Certification Report (ECAR)**

The classification of the Bible Certificate as a short-term program was submitted in error in 1988 and was never corrected. The program should have been classified as a non-degree program with 600+ clock hours in length and full credit towards a degree program. The Director of the SFS Office has successfully submitted an E-APP for Changing Educational Measurement to the Department of Education on June 7, 2013. The supporting documents and signature page will be sent by priority mail on June 12, 2013. The current SFS Director will closely monitor the requirements and status of CIU's Application for Recertification to ensure that CIU remains in compliance with federal regulations.

COLUMBIA INTERNATIONAL UNIVERSITY

EXCESS TITLE IV FUNDS

CREDIT BALANCE POLICY

06/07/2013

A credit balance on a student account may result from the payment of grants, scholarships, loans, overpayment of charges, or adjustments for tuition, fees, or housing. Refunds are processed regularly when the student meets eligibility requirements. Credit balances resulting from federal loan money and from federal grants are refunded to the student within fourteen (14) days after the credit balance occurs on the student account. If a Parent PLUS Loan creates the credit balance, that credit balance will be paid to the parent unless the parent authorizes the school in writing to transfer the funds directly to the student.

Release of Excess Funds for Book Vouchers

As it relates to payment of excess funds during a registration period, the Accounting Office will release a bookstore voucher up to the current year's cost of attendance book allowance to the student, upon verifying that the student's financial aid funds will create an excess balance. During a Registration period, the Accounting Office will not verify the student's enrollment prior to the release of the voucher. In an effort to ease administrative burdens, the institution will assume monetary liability for these transactions, should the student be found ineligible for the Title IV funds that caused a credit on the student's account, the student will then owe a balance directly to the institution.

Title IV Authorization for Holding of Excess Funds

It is the practice of the institution to allow students the option to hold excess funds in the student's account at CIU. Therefore, the Financial Aid Office will collect Title IV Authorization Statements from students who receive financial aid. This document will give the student the option to allow the school to hold excess funds for the current award year or loan period, as well as charge the student's account for fees other than tuition, fees, room and board.

The maximum amount of prior year charges that may be paid with current year funds is \$200.

In addition to the Financial Aid requirements, Accounting requires the student to check in with the Accounting Office to verify that the student is actively attending classes.



# Title IV Authorization Form

If you have received or will receive Federal Title IV financial aid (i.e. Federal Pell Grant, Federal Direct Student Loan, Federal Direct PLUS Loan, Supplemental Educational Opportunity Grant) you are required to complete a Title IV Authorization Form. If you have not already submitted this form or you want to make changes to a previously submitted form, please complete all sections of the form and return it to the Office of Student Financial Services.

### 1. CURRENT TERM CHARGES AUTHORIZATION:

Federal regulations allow for the use of Federal Title IV funds to pay for allowable educationally related charges other than tuition, fees, and room and board if authorized by the student. Other charges can include, but are not limited to, books, health services, parking fines, graduation fees, and other miscellaneous charges. If you are eligible for Federal financial aid in excess of tuition, fees, and room and board and wish to use this money to cover other charges, you must authorize Columbia International University (CIU) to pay these charges.

I do authorize CIU to apply available Federal Title IV funds to educationally related charges other than tuition, fees, and room and board.

I do not authorize CIU to apply available Federal Title IV funds to educationally related charges other than tuition, fees, and room and board.

### 2. PRIOR TERM CHARGES AUTHORIZATION:

Federal Title IV funds are restricted to payment of current term tuition, fees, and room and board. Students may authorize the use of these funds to pay prior term expenses (up to \$200).

I do authorize CIU to apply Federal Title IV funds to prior term expenses (up to \$200).

I do not authorize CIU to apply Federal Title IV funds to prior term expenses (up to \$200).

### 3. CREDIT BALANCE AUTHORIZATION:

Once Federal Title IV funds are disbursed to your student account to be applied to tuition, fees, and room and board, those funds may exceed those charges. Students may choose to receive a refund or leave those funds on their student account for future charges. Please indicate your choice below.

Please refund any credit balance remaining on my account after current semester charges have been applied against available funds. The credit balance will be paid no later than 14 days after the credit balance occurs.

I authorize CIU to apply any credit balance that may result on my student account from application of Federal Title IV funds, state, institutional or outside aid to be applied to future charges within the same award year or loan period. I understand that I will not be given a refund for this amount, and I will not earn interest on the credit balance.

This authorization is valid from the date of signing through the date of graduation. The student has the right to rescind the above authorizations at any time by submitting a revised Title IV Authorization Form to the Office of Student Financial Services.

\_\_\_\_\_  
Student's Name (Print)

\_\_\_\_\_  
Student ID#

\_\_\_\_\_  
Student's Signature

\_\_\_\_\_  
Date

Submit completed form to:

Columbia International University, Office of Student Financial Services  
7435 Monticello Road, Columbia, SC 29203  
Office: (803) 807-5036 Fax: (803) 223-2505 Email: [finaid@ciu.edu](mailto:finaid@ciu.edu)



SCBT  
 P. O. BOX 100115  
 COLUMBIA SC 29202

001 00081 01  
 ACCOUNT:

PAGE: 1  
 (b) (6), (b) (7) 05/31/2013

www.SCBTonline.com

TELEPHONE: 800-277-2175

00000984 (1)  
 COLUMBIA INTERNATIONAL UNIVERSITY  
 FEDERAL FUNDS ACCOUNT  
 P O BOX 3122  
 COLUMBIA SC 29230-3122

30  
 0  
 0

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FREE BUSINESS ACCOUNT 1290003985

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LAST STATEMENT 04/30/13	.00
CREDITS	.00
DEBITS	.00
THIS STATEMENT 05/31/13	.00

- END OF STATEMENT -



1000000100000984001

Member FDIC.





# CIU NONEXEMPT EMPLOYEE TIME SHEET and LEAVE / ABSENCE

Previous MTH Partial  
Workweek  
"Carryover Hours"

Please Read your Employee Handbook ("Hours of Work" section)

(b)(6)

**CONVERSION TABLE**  
(minutes to hours)

5 min = .08 hrs	10 min = .16 hrs
15 min = .25 hrs	20 min = .33 hrs
25 min = .42 hrs	30 min = .50 hrs
35 min = .58 hrs	40 min = .67 hrs
45 min = .75 hrs	50 min = .83 hrs
55 min = .92 hrs	60 min = 1.0 hrs

- The "Hours Worked" column = hours actually worked.  
- The "Total" column = time you will be paid.

- Please record any Overtime (or Under-time) hours, in the appropriate space.  
*Remember: Overtime should be pre-approved by your supervisor.*

If you are full-time and your actual work hours are within 10 minutes of the hours scheduled to work for that day, put only your scheduled work hours in the Total column. Always record your IN / OUT times.

Both you and your supervisor should sign and date the time sheet.  
Time sheets are due in the Payroll Office according to the printed timesheet schedule.

\* Place next to the "OTHER" absence column the absence you're taking (such as Jury Duty, Death In Family, Family Leave (FMLA), Military, Accident On Job)

**Time Card Report**

Includes selected workgroups for all employees who are Active.

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

# FOOD SERVICE (New timesheet)

## EMPLOYEE TIME CARD

Week Ending: 6/8/2013

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

Date/Time	IN/OUT	Worked
6/5/2013 1:55:58 PM	IN	
6/5/2013 1:59:43 PM	OUT	0.06
6/6/2013 10:25:39 AM	IN	
6/6/2013 11:46:05 AM	OUT	1.34
6/6/2013 11:47:42 AM	IN	
6/6/2013 1:31:59 PM	OUT	1.74

Total Time Worked: 3.14

Signed:

SAMPLE

Final Program Review Determination  
PRCN #: 201320428201

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Appendix F  
Program Review Report



**FYI**

May 22, 2013

Dr. William H. Jones, President  
Columbia International University  
7435 Monticello Road  
Columbia, SC 29230-3122

UPS  
Tracking #1Z A54 67Y 02 9653 7626

RE: Program Review Report  
OPE ID: #00342900  
PRCN: #201320428201

Dear Dr. Jones:

From March 4, 2013 through March 7, 2013, Pat Gilbert, Sherry Blackman and Meghan Gladden as representatives of the U.S. Department of Education conducted a review of Columbia International University's (CIU) 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 CIU. The response should include a brief, written narrative for each finding that clearly states CIU's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, CIU 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 report<sup>1</sup> 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.

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

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

response will not be attached to the FPRD. However, it will be retained and available for inspection by CIU 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 Pat Gilbert of this office within 30 calendar days of receipt of this letter.

**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 Pat Gilbert at (404) 974-9292 or [Patricia.Gilbert@ed.gov](mailto:Patricia.Gilbert@ed.gov).

Sincerely,

(b)(6)

Chris Miller  
Compliance Manager

cc: Ms. Patricia J. Hix, Director of Student Financial Services

Enclosure:  
Protection of Personally Identifiable Information

## **PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION**

Personally Identifiable Information (PII) being submitted to the Department must be protected. PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth).

PII being submitted electronically or on media (e.g., CD-ROM, floppy disk, DVD) must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip. However, files created with other encryption software are also acceptable, provided that they are compatible with WinZip (Version 9.0) and are encrypted with AES encryption. Zipped files using WinZip must be saved as Legacy compression (Zip 2.0 compatible).

The Department must receive an access password to view the encrypted information. The password must be e-mailed separately from the encrypted data. The password must be 12 characters in length and use three of the following: upper case letter, lower case letter, number, special character. A manifest must be included with the e-mail that lists the types of files being sent (a copy of the manifest must be retained by the sender).

Hard copy files and media containing PII must be:

- sent via a shipping method that can be tracked with signature required upon delivery
- double packaged in packaging that is approved by the shipping agent (FedEx, DHL, UPS, USPS)
- labeled with both the "To" and "From" addresses on both the inner and outer packages
- identified by a manifest included in the inner package that lists the types of files in the shipment (a copy of the manifest must be retained by the sender).

PII data cannot be sent via fax.

Prepared for

**Columbia International  
University**

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

PROUD SPONSOR of  
*the AMERICAN MIND™*

**OPE ID #00342900  
PRCN #201320428201**

Prepared by  
**U.S. Department of Education  
Federal Student Aid  
School Participation Division-Atlanta**

## **Program Review Report**

May 22, 2013

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## Table of Contents

- A. Institutional Information
- B. Scope of Review
- C. Findings
  - Finding #1 Ineligible Agreement
  - Finding #2 Credit Balance Authorization Form needs Revision
  - Finding #3 Bank Account Not Identified as Federal Funds Account
  - Finding #4 FWS Timesheet needs Revision
  - Finding #5 Update ECAR
- D. Recommendation: Title IV Funds Co-Mingled
- E. Appendices
  - Appendix A: Student Sample

A. Institutional Information

Columbia International University  
7435 Monticello Road  
Columbia, SC 29230-3122

Type: Private, Nonprofit

Highest Level of Offering: Master's Degree

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

Current Student Enrollment: 1113 (2012/2013)

% of Students Receiving Title IV: 58% (2012/2013)

Title IV Participation (G5):

	2011/2012
Federal Pell Grant	\$1,257,408.00
William D. Ford Direct Loan Program	\$6,523,490.00
Federal Supplemental Education Opportunity Grant (SEOG)	\$ 46,580.00
Federal Work Study (FWS)	\$ 107,079.00

Default Rate FFEL/DL:      2010 (3.5%)  
   2009 (2.5%)  
   2008 (1.2%)

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at Columbia International University (CIU) from March 4, 2013 to March 7, 2013. The review was conducted by Pat Gilbert, Sherry Blackman and Meghan Gladden.

The focus of the review was Ineligible Program. The review consisted of an examination of all CIU's students attending the Study Aboard Program and/or enrolled in the Bible Certificate Program.

A sample of 30 files was identified for review from the 2011/2012 and 2012/2013 (year to date) award years. The files were selected based on students attending Study Aboard Programs, specifically "Jerusalem University College" and enrollment in the Bible Certificate Program. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review.

### **Disclaimer:**

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning CIU'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 CIU 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 CIU to bring operations of the financial aid programs into compliance with the statutes and regulations.

### **Finding #1: Ineligible Agreement**

**Citation:** An eligible institution may enter into a contractual agreement with an ineligible school or organization under which the ineligible school or organization provides part of the educational program of students enrolled at the eligible school.

An eligible school is prohibited from entering into a contract with an ineligible school or organization whose

- Eligibility or certification to participate in the FSA programs has been terminated or revoked by the Department, or
- Application for certification or re-certification to participate in the FSA programs denied by the Department.

Similarly, an eligible school is prohibited from entering into a contract with an ineligible school or organization that has voluntarily withdrawn from participating in the FSA programs under a termination, show-cause, suspension, or similar type proceeding initiated by the school's state licensing agency, accrediting agency, guarantor, or by the Department. *34 C.F.R. §668.5*

**Noncompliance:** CIU had a consortium agreement with Jerusalem University College (JUC) which was a Title IV eligible institution. JUC's recertification application was denied and it lost eligibility on 12/31/2000. The consortium agreement became invalid effective July 1, 2011.

**Required Action:** The students below were identified during the program review as receiving Title IV funding for attending JUC:

**Student #1:**

- Fall 2010/2011: Direct Loan (DL) Unsubsidized \$1990 and \$3732 disbursed on 8/17/2010
- Spring 2010/2011: DL Unsubsidized \$1990 and \$3732 disbursed on 1/12/2011
- Spring 2011/2012: DL Unsubsidized \$3732 disbursed on 1/26/2012

**Student #2:**

- Fall 2011/2012: Pell \$278, DL Subsidized \$2737 and DL Unsubsidized \$995 disbursed on 9/1/2011
- Spring 2011/2012: Pell \$277, DL Subsidized \$2737 and DL Unsubsidized \$995 disbursed on 1/26/2012

**Student #12:**

- Fall 2011/2012: Pell \$1400 disbursed on 9/22/1011 and DL subsidized \$2239 disbursed on 9/1/2011.

**Student #17:**

- Fall 2012/2013: Pell \$2775, DL Subsidized \$2723 and DL Unsubsidized \$2465 disbursed on 8/31/2012. The funds were returned on 9/24/12.

The Institution must determine if the students identified above are the only students who received Title IV funding for attending JUC. The Department will not assert a liability for the entire loan amount and require the institution to purchase the loans, but will establish a repayment amount based upon estimated actual or potential loss that the liabilities owed by the

institution. The amount of liabilities will be noted in the Final Program Review Determination (FPRD).

**Finding #2: Credit Balance Forms Needs Revision**

**Citation:** 34 C.F.R. § 668.164 (d) and (e) state that an institution may use Title IV program funds to credit a student's account to satisfy current year charges for—

- Tuition and fees;
- Room and board, if the student contracts with the school for room and board;
- With a student's authorization under § 668.165 (b), other educationally related charges; and prior award year charges for a total of not more than \$200.

If current year Title IV funds credited to a student's account exceed the amount of current year tuition, fees, and other authorized charges, 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 credit balance occurred if it occurred *after* the first day of class. If the credit balance occurred on or *before* the first day of class, it must be returned no later than 14 days after the first day of class.

An institution may secure a student's written permission to retain credit balance funds for budgeting purposes but it must be optional. The student must not be coerced into providing the school permission to retain the funds and the student must be informed of his or her right to rescind the authorization at any time. If an institution holds excess student funds, it must—

- Identify the amount of funds it holds for each student or parent in a subsidiary ledger account designed for that purpose;
- Maintain, at all times, cash in its bank account in an amount at least equal to the amount of funds the institution holds for the student; and
- Notwithstanding any authorization obtained by the institution, pay any remaining balance on loan funds by the end of the loan period and any other remaining Title IV funds by the end of the last payment period in the award year for which they were awarded.

If a school has lost contact with a student who is due a credit balance, it must use all reasonable means to locate him or her. If it still cannot find the student, the school must return the credit balance to the lender to reduce the borrower's loan balance, or, to the appropriate Title IV program(s).

**Noncompliance:** The authorization form is incorrect for the following reasons:

1. It does not inform the student of his or her right to have the credit balance returned to him/her within 14 days.

2. It improperly states that a remaining credit balance will be applied toward allowable future charges.

We also remind the institution that Title IV aid credited to a student's account may be used to satisfy current year charges (per 34 C.F.R. § 668.164 [d]). If a student's aid package includes a Title IV loan, the year is the loan period. If the student does not have a loan, the year is the award year. The maximum amount of prior year charges that may be paid with current year funds is \$200.

**Required Action:** CIU is required to revise its procedures for the payment of and authorization to retain student credit balance funds.

Please provide a copy of your revised policy and authorization form in response to this finding.

**Finding #3: Bank Accounts - Federal Funds Not Identified**

**Citation:** A participating institution must notify any bank in which it deposits federal funds of all accounts in that bank in which those funds are deposited. Proper notice of campus-based federal funds on deposit must be given either by using "Federal" in the account title or notifying the bank in writing that the account contains federal funds. Proper notice that Federal Pell Grant funds are on deposit in an account is given by including the word "Federal" in the name of the account. *34 CFR 675.19(a), 676.19(a) and 690.81(b)*

**Noncompliance:** The bank accounts in which the institution deposits Title IV Federal Student Aid funds are not properly identified as accounts containing federal funds.

**Required Action:** The institution's response to this report must include evidence of its compliance with this requirement.

**Finding #4: Federal Work-Study (FWS) Timesheet Needs Revision**

**Citation:** The institution must establish and maintain fiscal record for each student employed under the FWS Program which includes a certification that each student has worked and earned the amount being paid. The student's supervisor or an official of the institution or off-campus agency must sign the certification, which must include for students being paid on an hourly basis, a timesheet showing the hours each student worked. *34 C.F.R. § 675.19*

**Noncompliance:** The current FWS timesheets do not account for the hours worked.

**Required Action:** The Institution must revise the FWS Timesheet to include the exact hours worked.

A copy of the revised Timesheet must be submitted in response to this finding.

**Finding #5 Update Eligibility and Certification Report (ECAR)**

**Citation:** A school is required to report changes to certain information on its approved application. A school may also wish to expand its FSA eligibility and certification. Some of the changes require the Department's written approval before the school may disburse the FSA program funds, other do not. *34 C.F.R. §600.20(b)*

**Noncompliance:** The Bible Certificate program was inadvertently entered as a "Short Term" program by the Institution and approved by the Department.

**Required Action:** The Institution must update the ECAR to include the Bible Certificate program as a Non-Degree Program. The program length should be (600 + clock hours) week and credit hours with full credit toward a degree program. The required changes can be made at [www.http://www.eligcert.ed.gov](http://www.eligcert.ed.gov).

Institutional officials must also become familiar with the reporting requirements that can affect a school's participation and how and when to report these changes to the Department on the Electronic Application (E-APP).

**D. Recommendations**

The following is a recommendation based upon observations made by the review team during the program review. CIU is not required to provide a response to, nor is CIU required to act upon, this recommendation. However, the review team believes that adoption of this recommendation will assist the institution in its administration of Title IV, HEA program funds.

CIU currently uses one Bank Account to request funds from the Department and the same bank account is used as an operating account. Absent a separate bank account, the school must ensure that its accounting records clearly reflect that it segregates FSA funds.

The Department does not specify the type of system a school must use. However, the accounting and internal control system must be able to provide individuals examining the financial records of a school's participation in the federal student aid programs with the type of information described below.

A school's chart of accounts must identify all general ledgers and subsidiary ledger accounts relevant to the federal student aid programs. In addition, a school's accounts, journals, and records must follow federal cash from the moment the funds are drawn through G5 to when funds are disbursed to students, including when cash is:

- deposited into institutional bank accounts;
- transferred between bank accounts;
- posted to general and subsidiary ledgers;
- posted to the individual student account ledgers; and
- if applicable, disbursed directly to students

**Note:** An institution is not required to have a specific or minimum number of bank accounts. However, an institution's general and subsidiary ledgers must clearly identify the amount of Title IV, HEA funds, by program, in each account, including interest payments attributable to certain programs, such that a clear audit trail exists.

Per 34 C.F.R §668.163, If an institution maintains Direct Loans, Federal Pell Grant, ACG, National SMART Grant, FSEOG, and FWS program funds in an interest bearing or investment account, the institution may keep the initial \$250 it earns on those funds during an award year. By June 30 of that award year, the institution must remit to the Secretary any earnings over \$250.

CIU can evaluate its procedures by referring to "Fiscal Management" in the Managing Funds module of FSA Assessment at <http://ifap.ed.gov/qahome/qaassessments/fiscalmanagement.html>.

**Student Sample**

**2011/2012**

**Student's Name**

**Student's SSN (last four digits  
Only)**

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

**20**

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

**Checklist - FPRD Review**

Responsible Reviewer:  
Pat Gilbert

Delivery Tracking #: UPS  
1Z A54 67Y 01 9548 7229

(b)(7)(E)