



JAN 30 2015

January 28, 2015

Elizabeth A. Fleming, PhD
President
Converse College
580 East Main Street
Spartanburg, SC 29302-1931

UPS Next Day Air
1ZA879640299462102

**RE: Final Program Review Report
OPE ID: 00343100
PRCN: 201440428711**

Dear Dr. Fleming:

The U.S. Department of Education's (Department's) School Participation Division – Atlanta issued a program review report on September 15, 2014 covering Converse College's (Converse's) administration of 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), for the 2012-2013 and 2013-2014 award year. Converse's final response was received on January 20, 2015. A copy of the program review report (and related attachments) and Converse's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Converse 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, and (4) close the review.

The total liability due from the institution from this program review is \$14,212. This FPRD contains detailed information about the liability determination for Finding 1.

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

Atlanta School Participation Division
61 Forsyth St., SW, Room 18T40
Atlanta, GA 30303-8918

Protection of Personally Identifiable Information:

Personally Identifiable Information (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 findings reference students by the Appendices attached to this report.

Appeal Procedures:

This constitutes the Department's FPRD with respect to the findings identified from the September 15, 2014 program review report. If Converse wishes to appeal to the Secretary for a review of monetary liabilities established by the FPRD, the institution must file a written request for an administrative hearing. The Department must receive the request no later than 45 days from the date Converse receives this FPRD. An original and four copies of the information Converse 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

Converse'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 Converse'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 (c)(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 Lisa Lancaster at (404) 974-9296. 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)

Chris Miller, Division Director
School Participation Division-Atlanta

cc: Nancy T. Garmroth, Director of Financial Aid
Southern Association of Colleges and Schools, Commission on Colleges
SC Commission on Higher Education

Converse College
OPE ID: 00343100
PRCN: 201440428711
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Federal Student Aid
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Prepared for-
Converse College

OPE ID: 00343100
PRCN: 201440428711

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

Final Program Review Determination
January 28, 2015

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A. INSTITUTIONAL INFORMATION

Converse College
580 East Main Street
Spartanburg, SC 29302-1931

Type: Private, Non-Profit

Highest Level of Offering: Master's Degree

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

Current Student Enrollment: 1,413 (2013-2014)

% of Students Receiving Title IV: 64% (2013-2014)

Title IV Participation (per EDCAPS G5):

<u>Program</u>	<u>2013-2014</u>
Federal Direct Loan (FDL)	\$8,628,961
Federal Pell Grant (Pell)	\$1,414,115
Federal Supplemental Education Grant (FSEOG)	\$ 46,750
Federal Work Study (FWS)	\$ 76,352
Federal Perkins Loan	\$ 190,644
Federal TEACH Grant	\$ 35,086
Default Rate / FDL:	
2011	6.0%
2010	7.1%
2009	3.7%
Default Rate / Federal Perkins:	
2014	13.3%
2013	17.7%
2012	5.3%

B. SCOPE OF REVIEW

The U.S. Department of Education (the Department) conducted a program review at Converse College (Converse) from July 14 - 18, 2014. The review was conducted by Lisa Lancaster and Alicia Scott.

The focus of the review was to examine Converse's compliance with the statutes and Federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of Converse's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the 2012-2013 and 2013-2014 award years. The files were selected randomly from a statistical sample of the total population of students receiving Title IV, HEA program funds for each award year. **Appendix A** (program review report) lists the names and social security numbers of the students whose files were examined during the program review.

Personally Identifiable Information (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 report do not contain any student PII. Instead, each finding references students by the Appendices attached to this report.

Disclaimer:

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

C. FINDINGS AND FINAL DETERMINATIONS

Converse has taken the corrective actions necessary to resolve Findings 2 and 4 - 8 of the program review report. Therefore, these findings may be considered closed. Findings 1 and 3 are discussed as follows.

Findings With Final Determinations

The findings requiring further action are summarized below. At the conclusion of each finding is a summary of Converse's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on September 15, 2014, including the

sampled students, is attached to this letter as **Appendix A**. Converse's response is attached as **Appendix B**.

FINDING 1: SATISFACTORY ACADEMIC PROGRESS POLICY – NOT ALL ELEMENTS INCLUDED

Citation Summary:

An institution participating in the Title IV programs must establish, publish, and apply reasonable standards for measuring whether an otherwise eligible student is maintaining satisfactory academic progress (SAP) in his or her educational program. 34 C.F.R. § 668.16 (e). The Secretary considers an institution's standards to be reasonable if the standards—

- Are the same as or stricter than the institution's standards for a student enrolled in the same educational program who is not receiving Title IV assistance. 34 C.F.R. § 668.34 (a)(1).
- The policy provides for consistent application of standards to all students within categories of students, e.g., full-time, part-time, undergraduate, and graduate students, and educational programs established by the institution. 34 C.F.R. § 668.34(a)(2).
- The policy provides that a student's academic progress is evaluated—
 - At the end of each payment period if the educational program is either one academic year in length or shorter than an academic year; or
 - For all other educational programs, at the end of each payment period or at least annually to correspond with the end of a payment period. 34 C.F.R. § 668.34 (a)(3).
- The policy specifies a qualitative standard, or grade point average (GPA) that a student must achieve at each evaluation (if a GPA is not an appropriate qualitative measure, a comparable assessment measured against a norm). If a student is enrolled in an educational program of more than two academic years, the policy specifies that at the end of the second academic year, the student must have a GPA of at least a "C" or its equivalent. 34 C.F.R. § 668.34 (a)(4).
- The policy specifies a quantitative standard, or the pace at which a student must progress through his or her educational program to ensure that he will complete the program within the maximum timeframe, and provides for measurement of the student's progress at each evaluation. For an undergraduate program maximum timeframe means a period that is no longer than 150% of the published length of the educational program. For a graduate program, it means a period defined by the institution that is based on the length of the program. 34 C.F.R. §§ 68.34 (a)(5)(i),(b).
- An institution calculates the pace at which the student is progressing by dividing the cumulative number of hours the student has successfully completed by the cumulative number of hours the student has attempted. 34 C.F.R. § 668.34 (a)(5)(ii).

- The policy describes how a student's GPA and pace of completion are affected by course incompletes, withdrawals, repetitions, or transfers of credit from other institutions. Credit hours from another institution that are accepted toward the student's educational program must count as both attempted and completed hours. However, an SAP policy cannot exclude courses in which a student remained past the add/drop period and earned a grade of 'W', nor can it routinely exclude certain hours attempted, such as those taken during a Summer term. 34 C.F.R. § 668.34 (a)(6). Also see the Federal Student Aid Handbook, Volume 1, Chapter 1).
- The policy provides that, at the time of each evaluation, a student who has not achieved the required GPA, or who is not successfully completing his or her educational program at the required pace, is no longer eligible to receive assistance unless required steps are followed. 34 C.F.R. §§ 668.34 (a)(7),(c),(d).
- If the institution places students on financial aid warning, or on financial aid probation, the policy describes these statuses as—
 - Financial aid warning is a status assigned to a student who fails to make SAP only at an institution that evaluates academic progress at the end of each payment period. Financial aid warning may be assigned without an appeal or other action by the student. It is good for one payment period.
 - Financial aid probation is a status assigned by an institution to a student who fails to make SAP but who has appealed, and has had eligibility for aid reinstated. A student on financial aid probation may receive Title IV funds for one payment period. However, a student on financial aid probation may not receive Title IV funds for the subsequent payment period unless the student makes satisfactory academic progress or the institution places him on probation and develops an academic plan. 34 C.F.R. §§ 668.34 (a)(8),(b).
- If the school permits appeals, the policy must explain that the student may appeal on the basis of: his injury or illness, the death of a relative, or other special circumstances. The appeal must also explain why he or she failed to make satisfactory progress and what has changed in his situation that will allow him to make satisfactory progress at the next evaluation. 34 C.F.R. § 668.34 (a)(9).
- If the institution does not permit a student to appeal a determination that he or she is not making SAP, the policy must describe how the student may reestablish his or her eligibility to receive assistance under the Title IV programs. 34 C.F.R. § 668.34(a)(10).
- The institution must have a policy to notify students of the results of an SAP evaluation that impacts his or her eligibility for funds. 34 C.F.R. § 668.34 (a)(11).

If a student is not meeting an institution's SAP policy he/she is ineligible to receive additional Title IV funds. 34 C.F.R. § 668.32 (f).

Noncompliance Summary:

Converse's application of its published SAP policy for Title IV recipients was not compliant for several reasons as follows:

- A quantitative measurement of SAP should be based on a student's cumulative number of hours earned divided by the total number of hours attempted. Converse's quantitative measurement (of pace) for undergrad and graduate students was incorrectly calculated by examining credits attempted and earned on an *annual* basis rather than a cumulative basis. For example, **student 29** earned 89 out of 97 cumulative credits attempted by the end of Spring 2012 (91.7%). However, the SAP calculation conducted by the Financial Aid Office reported that the student earned 35 out of 35 credits attempted (100%). Although the student maintained SAP, her determination of pace was based on an annual calculation rather than a cumulative basis. In the case of **student 30**, it appeared that grades of 'F' were not included in the total number of credits attempted. The student earned 22 out of 35 credits attempted by the end of Spring 2014 (62.8%). Yet, the student's academic transcript reported that she earned 22 out of 29 credits attempted by the end of Spring 2014 (75.8%). It appears that the difference in 29 versus 35 attempted credits is that two 3-credit courses that the student failed ('F') were excluded from the calculation of pace. (A completion rate of 62.8% is below the school's published standard of 75%, therefore the student should be placed on financial aid probation for the 2014-2015 academic year¹.)
- A Title IV SAP policy must specify that at the end of the second academic year, a student must have a GPA of at least a 'C' or its equivalent (c.g., 2.0), or have academic standing consistent with the school's graduation requirements (for undergrad programs of more than two academic years). Nonetheless, Converse's GPA requirement for students completing their second year was 'C-' (1.75), which is below a grade of 'C'.
- Credit hours from another institution that are accepted toward a student's educational program must count as both attempted and completed hours. Converse's SAP policy did not properly account for transfer credit. For example, although students **1, 5, 9, 11, 14, 15, 21 and 24** were all making SAP, transfer credit was not factored into their quantitative measurement of SAP.
- An SAP policy also must describe how a student's GPA and pace of completion are affected by course incompletes, withdrawals and repeat coursework. Converse's SAP policy did not address how any of these elements would affect a student's progress.
- Another element that was omitted from the school's SAP policy was the requirement for a student who appealed a suspension of Title IV aid to explain what has changed in her situation to allow her to make satisfactory progress at the next evaluation.

¹ A determination of SAP was in progress during the program review.

- Institutional officials stated that the quantitative standard for graduate students changed from a required minimum completion rate of 80% (of attempted hours for the year), to a minimum rate of 75%. This change was not published in the school's Graduate Catalog.

Required Action Summary:

Converse was required to correct its SAP policy for Title IV recipients by requiring students who have completed their second year of study, to have a GPA of at least a 'C' or its equivalent (e.g., 2.0), or have academic standing consistent with the school's graduation requirements. The school's revised policy and procedures were to be immediately modified to provide for the calculation of qualitative and quantitative standards by dividing the cumulative number of hours the student successfully completed by the cumulative number of hours the student attempted.

It was necessary to explain that credits transferring from another institution (those accepted toward the student's educational program) will be counted as both attempted and completed. The policy was also required to clarify how grades of incomplete, withdrawal and repeat courses are to be treated in a student's GPA. Lastly, Converse was required to update the appeals procedures to include a statement from the student (who appeals SAP) explaining what circumstances have changed to allow her to make SAP at the next evaluation.

Next, Converse was also required to apply the corrected policy to all Title IV recipients starting with Summer 2012 enrollees (through the Summer 2014 term) in order to correct the academic status of each student and identify ineligible disbursements of aid from the 2012-2013 and 2013-2014 award years. (Specifically, the school was required to correct each student's qualitative and quantitative standard of SAP, including failed grades, grades of incomplete, withdrawal, transfer and repeat courses.)

Converse's Response:

The institution concurred with this finding.

Final Determination:

Using the correct standards of SAP, Converse officials conducted a comprehensive review of Title IV recipients for the 2012-2013 and 2013-2014 award years. The review resulted in the school's identification of ineligible disbursements to students not meeting SAP standards.

The review conducted by the institution identified ineligible Title IV disbursements to students (not making SAP). **Please refer to Appendix C (Ineligible Disbursements) for the names of the students for whom Federal Pell and TEACH Grants must be adjusted in the amounts of \$5,645 and \$1,000 respectively.**

Appendix C also shows the Interest/Cost of Funds (COF) calculation. The COF is the expense the Department incurred as a result of Converse retaining ineligible Pell Grant; Federal Supplemental Education Grant (FSEOG) and TEACH Grant; and Federal Perkins Loan funds in the amount of **\$11,645**. The rate of interest is based on when the funds should have been returned to the Department.

In addition, the Estimated Actual Loss (EAL) to the Department that has resulted or will result from the \$657,634 in ineligible Federal Direct Loans (FDLs) is based on the most recent sector cohort default rate available. In lieu of requiring the institution to assume the risk of default by purchasing the ineligible loans from the holder, the Department has asserted a liability not for the loans, but rather for the estimated actual or potential loss that the government may incur with respect to the ineligible loans. The EAL that Converse must pay to the Department for this finding is **\$2,505**. A copy of the results of that calculation is included as **Appendix D**.

Including Federal Pell Grant, FSEOG, TEACH Grant, COF and EAL, the total liability amount resulting from this finding is \$14,212 as follows.

Title IV Program	Liability Amount
Pell Grant	\$ 5,645
FSEOG	\$ 2,000
TEACH	\$ 1,000
Interest/COF	\$ 62
EAL (on FDL)	\$ 2,505
<i>Subtotal</i>	<i>\$ 11,212</i>
Perkins Loan	\$ 3,000
Total	\$ 14,212

Please refer to the Payment Instructions on pages 15-16 for detailed steps Converse must follow to (1) make student-level adjustments, (2) return funds to the Federal Perkins Loan Fund, and, (3) pay the liability for this finding.

FINDING 3: INACCURATE AND LATE ENROLLMENT REPORTING

Citation Summary:

As required by 34 C.F.R. § 685.309, schools are required to confirm and report the enrollment status of Title IV student aid recipients to the Department's National Student Loan Data System (NSLDS). This process is called Enrollment Reporting (or the Student Status Confirmation Report [SSCR]). NSLDS is the Department's central database for aid disbursed under the Title IV programs. It monitors attendance and enrollment status of Title IV recipients. NSLDS enrollment information is also used by the Department for a variety of purposes, including:

- Tracking interest subsidy payments;
- Ensuring the accuracy of loan repayment dates;
- Processing in-school deferments; and,
- Evaluating the effectiveness of the Title IV programs, including completion data.

The accuracy of enrollment reporting by schools is critical for many reasons, including ensuring that the obligations and benefits of Title IV recipients are respected. Title IV institutions must:

- Recertify enrollment status of all students on the enrollment roster even if there is no change in enrollment status.
- Provide completion/graduation data accurately and timely when students complete their academic program.
- Accurately and timely report students with a less than half-time enrollment status.
- Add transfer students who have received Title IV aid elsewhere to their enrollment roster even if the students are not receiving aid at your school.
- Provide an Anticipated Completion Date (ACD) for students.

The 'Certification Date' is the date a school certifies the enrollment information. Upon receipt of an enrollment report, a school must update all information included and return the report to the Department within the prescribed timeframes.

Unless it expects to submit its next updated enrollment report to the Department within the next 60 days, a school must notify the Department within 30 days after it discovers that:

- a) A Title IV loan was made to or on behalf of a student who ceased to be enrolled on at least a half-time basis or failed to enroll on at least a half-time basis for the period for which the loan was intended; or
- b) A Title IV loan recipient changed his or her permanent address.

Please refer to the Department's April 2014 *NSLDS Enrollment Reporting Guide* and Dear Colleague Letter (DCL-GEN-14-07, April 14, 2014) for changes to NSLDS enrollment reporting. These changes include: reporting of additional data; reporting at the academic program level; and, more frequent reporting.

Noncompliance Summary:

There were several students whose enrollment status was reported incorrectly to NSLDS as follows:

- **Student 2** graduated in December 2012 but was reported as a withdrawal as of March 2013. In February 2014, the school erroneously reported her as enrolled even though she graduated in 2012. Currently, her status is reported as 'less than half-time'.

- **Student 7's** initial enrollment date was incorrectly reported. In addition, she graduated in December 2012 but was reported as a withdrawal.
- **Student 17** enrolled at Converse in August 2013 but was not reported to NSLDS until May 2014.
- **Student 19** enrolled at Converse in August 2013 but was not reported to NSLDS until May 2014.
- **Student 22** graduated in December 2013 but was incorrectly reported as a withdrawal.
- **Student 27** enrolled at Converse in August 2012 but was not reported to NSLDS until May 2014.
- **Student 28** enrolled at Converse in August 2011 but was not reported to NSLDS until May 2014.
- **Student 29's** initial enrollment date of Fall 2009 was not reported until May 2012. In addition, she graduated in December 2013 but was reported as a withdrawal.
- **Student 30** enrolled at Converse in August 2013 but was not reported to NSLDS until May 2014.

Enrollment status was also certified up to a year late for **students 1, 3 - 6, 8 - 16, 18, 20 and 23 - 26**. Institutional officials could not explain these errors.

Title IV schools are ultimately responsible for timely and accurate reporting, even when they use an enrollment reporting servicer to submit Enrollment Reporting files. Schools may perform internal oversight or may receive a request for an audit history of Enrollment Reporting. Also, NSLDS provides tools for a school to monitor certification records that have been provided to NSLDS by the school or its servicer. Schools that do not comply may have their eligibility for Title IV aid revoked, or they may have fines imposed.

Required Action Summary:

Converse was required to implement corrective actions to ensure that student enrollment data is accurately and timely reported to NSLDS in the future.

In addition, Converse officials were required to review and correct the enrollment status of all graduated Title IV loan recipients in the NSLDS system.

Converse's Response:

The school reported that it identified the cause of this finding to be early reporting in some cases, and not reviewing reports for accuracy in other cases.

Final Determination:

In order to improve the accuracy of student enrollment status, Converse will report enrollment status to NSLDS through the National Student Clearinghouse (NSC) one week after add/drop.

Graduated students will be reported to the NSC three times per year to identify all students with degrees conferred by the institution.

In addition, Converse has incorporated a process to compare reports from NSLDS to student-level data in the school's system, and correct applicable data. A quality control check will be implemented following the school's Spring 2015 reporting.

Lastly, enrollment data for students who have graduated has been updated in NSLDS.

The school's response is acceptable; therefore this finding is closed.

D. SUMMARY OF LIABILITIES

Please refer to the below Payment Instructions for detailed steps that the institution must follow to make the necessary adjustments and pay these liabilities.

Below is a summary of the funds to be returned directly to the Department:

Title IV Program	Liability Amount
Pell Grant	\$ 5,645
FSEOG	\$ 2,000
TEACH	\$ 1,000
Interest/COF	\$ 62
EAL (on FDL)	\$ 2,505
TOTAL	\$ 11,212

E. PAYMENT INSTRUCTIONS

Federal Perkins Loan Program

Within **45 days of the date of this letter**, Converse must deposit **\$3,000** into its Federal Perkins Loan fund, and, notify the applicable borrower (identified in **Appendix C**) that her Perkins Loan balance has been adjusted. Please provide a copy of the notification sent to the borrower as well as a copy of the **\$3,000** deposit to the Perkins Fund. Converse may email this documentation to lisa.lancaster@ed.gov or via regular mail.

Federal Award Adjustments

The Pell and TEACH Grant disbursement record for each student identified in the **Appendix C** must be adjusted in the Department's Common Origination and Disbursement (COD) system. Because the liability established for this finding is for a closed award year, Converse must contact COD School Relations at codsupport@acs-inc.com or by telephone at 1-800-848-0978 to

request extended processing relief before any student-level adjustments can be processed. Extended processing will allow Converse to transmit student-level adjustments to COD System for closed award years.

Adjustments 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 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 Lisa Lancaster within 45 days of the date of this letter. The institution may choose to email this documentation to lisa.lancaster@ed.gov or via regular mail to:

Lisa Lancaster
U.S. Department of Education – School Participation Division
61 Forsyth Street, S.W. – Room 18T40
Atlanta, GA 30303-8918

Please refer to the enclosed instructions for submitting PII.

Liabilities Owed to the Department

Converse owes \$11,212 to the Department resulting from the above finding.

The institution's 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 GAPS/G5 will not be accepted as payment of this liability.**

The following identification data must be provided with the payment:

Amount:	\$ 11,212
DUNS:	069331676
TIN:	570314380
PRCN:	201440428711

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. Converse is also responsible for repaying any interest that accrues. If the institution has any questions regarding interest accruals or payment credits, contact the Department's Accounts Receivable Group at (202) 245-8080 and asks to speak to Converse'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 6111
Washington, DC 20202-4461
Attn: Cindy Dixon, Acting Supervisor, Accounts Receivable Group

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

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).

If applicable, 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, DHI, 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.