



March 28, 2013

Mr. Chi Do, President  
ICC Technical Institute  
3333 Fannin, Suite 203  
Houston, TX 77004-2930

Certified Mail  
Return Receipt Requested  
7012 3460 0001 9207 5568

RE: **Final Program Review Determination**  
OPE ID: 03075400  
PRCN: 201240628012

Dear Mr. Do:

The U.S. Department of Education's (Department's) Dallas School Participation Team issued a program review report on October 24, 2012 covering ICC Technical Institute's (ICC) 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. ICC's final response was received on December 19, 2012. A copy of the program review report (and related attachments) and ICC's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by ICC 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 liabilities due from the institution from this program review are \$615.61.

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

**Protection of Personally Identifiable Information (PII):**

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth).

The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the finding 1 in the attached report does not contain any student PII. Instead, the finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. In addition, Appendices B – Institutional File Review Results and E – Cost of Funds Calculations also contains PII. These appendices were encrypted and sent separately to the institution via e-mail.

### **Appeal Procedures:**

This constitutes the Department's FPRD with respect to the liabilities identified from the October 24, 2012 program review report. If ICC 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 ICC receives this FPRD. An original and four copies of the information ICC 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

ICC'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 ICC'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 notes.**

**Record Retention:**

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. §§ 668.24(e)(1), (e)(2), and (e)(3).

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Shereé Porter at 214-661-9576. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,



Cynthia Thornton, Director  
Dallas School Participation Division

Enclosure:  
Protection of Personally Identifiable Information

cc: Loan K. Tran, Financial Aid Administrator  
Texas Department of Licensing and Regulation  
Council on Occupational 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  
ICC Technical Institute

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

PROUD SPONSOR of  
the AMERICAN MIND™

**OPE ID** 03075400  
**PRCN** 201240628012

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

# Final Program Review Determination

March 28, 2013

## Table of Contents

<b>A. Institutional Information.....</b>	<b>2</b>
<b>B. Scope of Review .....</b>	<b>3</b>
<b>C. Findings and Final Determinations .....</b>	<b>3</b>
Resolved Findings.....	3
Findings with Final Determinations.....	3
Finding 1. Verification Violations/Information in Student Files	
Missing/Inconsistent .....	4
<b>D. Summary of Liabilities .....</b>	<b>7</b>
<b>E. Payment Instructions .....</b>	<b>8</b>
Liabilities Owed to the Department in the case of Title IV Grants .....	8
<b>F. Appendices .....</b>	<b>9</b>
Appendix A: Student Sample.....	10
Appendix B: Institutional File Review Results .....	11
Appendix C: Program Review Report .....	12
Appendix D: Institutional Program Review Response .....	13
Appendix E: Cost of Funds Calculation .....	14

**A. Institutional Information**

ICC Technical Institute  
3333 Fannin, Suite 203  
Houston, TX 77004-2930

Type: Private, Non-Profit

Highest Level of Offering: Non-degree 1 Year (900-1799 hours)

Accrediting Agency: Council on Occupational Education

Current Student Enrollment: 122 (Fall 2011)

% of Students Receiving Title IV, HEA funds: 70% (2011-2012)

Title IV, HEA Program Participation (NSLDS/G5 Funding):

Federal Pell Grant Program	2011-2012 \$247,394
----------------------------	------------------------

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at ICC Technical Institute (ICC) from August 6, 2012 to August 10, 2012. The review was conducted by Ms. Shereé Porter and Ms. Dalinda Lasater.

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

A sample of 15 files was identified for review from the 2011-2012 award year. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. 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 October 24, 2012.

### **Disclaimer:**

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

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

### **Resolved Findings**

Findings 2, 3, 4, 5, 6, 7, 8, 9, and 10.

ICC has taken the corrective actions necessary to resolve findings 2, 3, 4, 5, 6, 7, 8, 9, and 10 of the program review report. Therefore, these findings may be considered closed. Findings requiring further action by ICC are discussed below.

### **Findings with Final Determinations**

The program review report findings requiring further action are summarized below. At the conclusion of each finding is a summary of ICC's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on October 24, 2012 is attached as Appendix C.

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

### **Finding 1. Verification Violations/Information in Student Files Missing/Inconsistent**

**Citation:** *An institution is responsible for verifying the information used to calculate an applicant's Expected Family Contribution (EFC) as part of the determination of need for student financial assistance. The Student Assistance General Provisions regulations have incorporated a verification process as a part of the Title IV, HEA financial aid program requirements. Verification is required to determine the accuracy of the information submitted by applicants for need-based financial assistance. The regulations also require an institution to verify discrepancies in information received from different sources regarding a student's financial aid application. 34 C.F.R. §§ 668.51 through 668.61*

*The ability of an institution to coordinate the information it collects and to resolve discrepancies are critical elements in an evaluation of administrative capability. Institutions are required to develop an adequate system to ensure the consistency of information related to a student's application for Title IV, HEA assistance, regardless of the source of that information. The institution is responsible for reconciling all information received. 34 C.F.R. § 668.16(f)*

**Noncompliance:** *Per the written information provided to students entitled "Policies and Procedures for Verification," ICC has adopted a 100% verification policy. As such, regardless of whether the CPS or the school selects the application for verification, the institution is required to adhere to all verification requirements, such as deadlines and allowable tolerances. In addition, interim disbursement rules apply equally to all students who are being verified.*

*ICC did not complete the verification process for two students selected by the CPS during the 2011-12 award year. In addition, ICC was not consistent in the verification of students who were selected by the institution. As a result, ICC disbursed Title IV, HEA funds to the following students prior to completing verification.*

#### CPS Selected

*Student #7 – The student's Institutional Student Information Record (ISIR) indicates a household size of 2 with 1 in college, however, the Verification Worksheet lists only 1 in the household. The financial aid counselor's notes in the file indicate that the student is separated and has one child that lives with the student, however, there is nothing in the file from the student verifying this information. In addition, the student's adjusted gross*

*income (AGI) is \$21,558 with a filing status of "Will File." It is unclear whether the student ever filed taxes.*

*Student #8 – The student file did not have a non-filer statement and was missing a support statement for 2011-2012.*

*It is the institution's policy to collect a support statement, or a "Low Income Statement" for every student who reports little or no income. Per the institution's policy, there was no supporting documentation in this student's file.*

*Institutional Selected*

*Student #1 – The ISIR was signed but not dated. The student and parent did not file a 2010 tax return. The father's income from work is listed as \$1,716.00. Per the institution's policy, there was no low income worksheet in the student's file.*

*Student #2 – The \$800.00 in untaxed income (Making Work Pay Tax Credit) reported on the 1040 tax return was not listed on the ISIR.*

*Student #3 – The Verification Worksheet does not include student or parent income information. The student's ISIR indicates a filing status of "Not Filing" for both the student and parents. The father's income from work is listed as \$2,052 and the mother's income from work is listed as \$50. Per the institution's policy, there was no low income worksheet in the student's file.*

*Student #5 – The student reported an income of \$685. The support statement lists a source of support that began in 12/2012, however, the student began the program in January 2012. Per the institution's policy, there was no low income worksheet in the student's file.*

*Student #9 – The student's ISIR indicated that the student did not file a 2010 tax return and no income was reported on the ISIR, however, a copy of the student's 2010 tax return was in the student's file. The parent's income on the ISIR was reported as \$9,600.00, however, there was no documentation to substantiate the income reported. The ISIR indicated that parent did not file a 2010 tax return. Per the institution's policy, there was no low income worksheet in the student's file.*

*Student #11 - The filing status reflects "Not Filing" for both the student and parent. The student's income from work was zero and the father's income from work is listed as \$1,368. Per the institution's policy, there was no income verification documentation or low income worksheet in the student's file.*

*Student #12 – The Verification Worksheet was incomplete. The number in college was left blank and 3 people listed in the household did not have their relationship to the student listed. Also, the ISIR was not signed by the student.*

*Student #13 – The \$156.00 in untaxed income (Making Work Pay Tax Credit) reported on the 1040 tax return was not listed on the ISIR. In addition, the ISIR was not signed by the student.*

*Student #15 – The \$400.00 in untaxed income (Making Work Pay Tax Credit) reported on the 1040 tax return was not listed on ISIR. The Verification Worksheet is missing all of the information required in section A, specifically the student's name and address, and the student and parent income information in sections C and D is not complete. In addition, the document is not dated. Also, the student's ISIR is not signed by the student.*

**Required Action:** *ICC must resolve the verification deficiencies and demonstrate that verification has been properly completed for the students referenced above. In addition, ICC must perform a file review of all students who were verified in the 2011-2012 award year to determine if verification was properly completed. If the students' EFC, scheduled award, or expected disbursement changes as a result of verification, ICC is liable for the difference between the correct disbursement and the actual disbursement. If verification cannot be completed, all funds disbursed to that student will become a liability.*

*ICC must submit the verification results for all students, including the students in the program review sample, in response to this report. The response must include corrected ISIRs and all documentation obtained to complete the verification process (e.g., verification worksheet, low income statement, and tax returns). For all students verified, the following information must be provided via spreadsheet:*

- 1. Student's Name*
- 2. Social Security Number (last 4 digits)*
- 3. Original EFC*
- 4. Recalculated EFC (if applicable)*
- 5. Original Amount of Title IV funds disbursed*
- 6. Revised Amount of Title IV funds disbursed, based on a recalculated EFC (if applicable)*
- 7. Amount of overpayment/underpayment of funds (if applicable)*

*If the institution cannot complete verification for any student, all Title IV funds disbursed will be a liability.*

*In addition, the institution must develop, implement and submit written procedures and control mechanisms that will ensure that, in the future, inconsistent information will be identified and resolved prior to the disbursement of Title IV, HEA funds.*

*After reviewing the information ICC provides to the Department in response to the program review report, instructions for repayment of any identified liabilities will be provided in the Final Program Review Determination Letter.*

**ICC's Response:** ICC's response dated December 14, 2012 indicates that all student applications for financial aid are verified. ICC performed a file review of the students listed in the report, as well as all students verified in the 2011-2012 award year, to ensure that the verification was properly completed. In addition, ICC has revised the verification policies and procedures, and outlined ways to identify and resolve conflicting information in financial aid to ensure that the verification process is properly completed and consistently applied for all students prior to the disbursement of Title IV, HEA funds.

**Final Determination:** The Department reviewed each document submitted as a part of the institutional response to the program review report, which included the results of the file review performed by ICC of all students selected for verification (both by the CPS and ICC) during the 2011-2012 award year.

The file review identified five students with a change in EFC, which resulted in an overpayment of Federal Pell Grant Program funds for four students and one underpayment. ICC is liable for \$610 in Federal Pell Grant funds disbursed in excess of the students' eligibility. The interest on that amount (included in Appendix E) is \$5.61.

The total liability for this finding is \$615.61.

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

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

<b>Liabilities</b>	<b>Pell (Closed Award Year)</b>
Finding 1	\$610.00
<b>Subtotal 1</b>	\$610.00
Interest/SA	\$5.61
<b>Subtotal 2</b>	\$615.61
<b>TOTAL</b>	\$615.61
<b>Payable To:</b>	
Department	\$615.61

**E. Payment Instructions**

**Liabilities Owed to the Department**

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

Since the total liability amount owed to the Department is minimal (less than \$1,000), a receivable is not being established with the Department’s Accounts Receivable Group. However, ICC remains responsible, in its role as a fiduciary for Title IV, HEA federal funds, for making restitution to the appropriate account in the amount indicated in the applicable finding and must satisfy all program reporting requirements in making any required adjustments in COD. Upon making any necessary adjustments in COD, any funds owed must be returned to the Department via G5. In addition, ICC must ensure that it has corrected its procedures so that this type of finding does not recur or is not repeated. A copy of the adjustment to each student’s COD record, as well as proof that the funds were returned through G5, if applicable, must be sent to Shereé Porter **within 45 days of the date of this letter.**

**Liabilities Owed to the Department in the case of Title IV Grants**

**Pell – Closed Award Year**

Finding 1  
 Appendix B

ICC must repay:

<b>Pell - Closed Award Year</b>			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
\$610.00	\$5.61	Pell	2011-2012
<b>Total Principal</b>	<b>Total Interest</b>		
\$610.00	\$5.61		

The disbursement record for each student identified in the appendix to the applicable finding must be adjusted in the Common Origination and Disbursement (COD) system based on the recalculated amount identified in the appendix.

A copy of the adjustment to each student’s COD record must be sent to Shereé Porter **within 45 days of the date of this letter.**

## **F. Appendices**

Appendices A - Student Sample, B- Institutional File Review Results, and E – Cost of Funds Calculations contain personally identifiable information and will be emailed to ICC as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file will be sent in a separate email.

Appendices C and D are attached to this report.

**Appendix A: Student Sample**

(This page left blank intentionally)

**Appendix B: Institutional File Review Results**

(This page left blank intentionally)

**Appendix C: Program Review Report**

(This page left blank intentionally)



**COPY**

October 24, 2012

Mr. Chi Do, President  
ICC Technical Institute  
3333 Fannin, Suite 203  
Houston, TX 77004-2930

Certified Mail  
Return Receipt Requested  
7011 2000 0002 6854 0392

RE: **Program Review Report**  
OPE ID: 03075400  
PRCN: 201240628012

Dear Mr. Do:

From August 6, 2012 through August 10, 2012, Ms. Shereé Porter and Ms. Dalinda Lasater, conducted a review ICC Technical Institute's (ICC's) 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 ICC. The response should include a brief, written narrative for each finding that clearly states ICC's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, ICC 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 response will not be attached to the FPRD. However, it will be retained and available for

<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).

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

1999 Bryan Street, Suite 1410, Dallas, TX 75201-6817

ICC Technical Institute  
03075400  
201240628012  
Page 2 of 3

inspection by ICC 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 Ms. Shereé Porter of this office within 60 calendar days of receipt of this letter.

**Protection of Personally Identifiable Information (PII):**

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

**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 Ms. Shereé Porter at 214-661-9576 or [sheree.porter@ed.gov](mailto:sheree.porter@ed.gov).

Sincerely,



Kim Peeler  
Compliance Manager

Enclosures: Protection of Personally Identifiable Information  
Program Review Report

cc: Loan Tran, Financial Aid Administrator

## 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  
**ICC Technical Institute**

---

**OPE ID** 03075400  
**PRCN** 201240628012

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

## Program Review Report

October 24, 2012

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

1999 Bryan Street, Suite 1410, Dallas, TX 75201-6817

## Table of Contents

<b>A. Institutional Information.....</b>	<b>2</b>
<b>B. Scope of Review .....</b>	<b>3</b>
<b>C. Findings.....</b>	<b>3</b>
Finding 1. Verification Violations/Information in Student Files Missing/Inconsistent	3
Finding 2. Inaccurate Recordkeeping .....	6
Finding 3. Improper Disbursement – Federal Pell Grant Disbursed Prior to Midpoint	7
Finding 4. Student Credit Balances .....	8
Finding 5. Admission Policy Not Followed/Documented.....	9
Finding 6. Satisfactory Academic Progress Policy Not Adequately Developed/Monitored .....	10
Finding 7. Consumer Information Requirements Not Met.....	11
Finding 8. Crime Awareness Policy Not Followed/ Documented.....	12
Finding 9. Drug Abuse Prevention Requirements Not Met.....	13
Finding 10. Gainful Employment Disclosure Requirements Not Met .....	14
<b>D. Recommendations .....</b>	<b>15</b>
<b>E. Appendices:.....</b>	<b>16</b>
Appendix A: Student Sample.....	17
Appendix B: Sample Format for Reporting Satisfactory Academic Progress.....	18

ICC Technical Institute  
OPE ID 03075400  
PRCN 201240628012  
Page 2

**A. Institutional Information**

ICC Technical Institute  
3333 Fannin, Suite 203  
Houston, TX 77004-2930

Type: Private, Non-Profit

Highest Level of Offering: Non-Degree 1 Year (900-1799 hours)

Accrediting Agency: Council on Occupational Education

Current Student Enrollment: 122 (Fall 2011)

% of Students Receiving Title IV: 70% (2011-2012)

Title IV Participation (NSLDS/G5 Funding):

2011-2012

Federal Pell Grant Program

\$ 247,394

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at ICC Technical Institute (ICC) from August 6, 2012 to August 10, 2012. The review was conducted by Ms. Shereé Porter and Ms. Dalinda Lasater.

The focus of the review was to determine ICC'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 ICC's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 15 files was identified for review from the 2011-2012 award year. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for the award year. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review.

### **Disclaimer:**

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

### **Finding 1. Verification Violations/Information in Student Files Missing/Inconsistent**

**Citation:** An institution is responsible for verifying the information used to calculate an applicant's Expected Family Contribution (EFC) as part of the determination of need for student financial assistance. The Student Assistance General Provisions regulations have incorporated a verification process as a part of the Title IV, HEA financial aid program requirements. Verification is required to determine the accuracy of the information

submitted by applicants for need-based financial assistance. The regulations also require an institution to verify discrepancies in information received from different sources regarding a student's financial aid application. *34 C.F.R. §§ 668.51 through 668.61*

The ability of an institution to coordinate the information it collects and to resolve discrepancies are critical elements in an evaluation of administrative capability. Institutions are required to develop an adequate system to ensure the consistency of information related to a student's application for Title IV, HEA assistance, regardless of the source of that information. The institution is responsible for reconciling all information received. *34 C.F.R. § 668.16(f)*

**Noncompliance:** Per the written information provided to students entitled "Policies and Procedures for Verification," ICC has adopted a 100% verification policy. As such, regardless of whether the CPS or the school selects the application for verification, the institution is required to adhere to all verification requirements, such as deadlines and allowable tolerances. In addition, interim disbursement rules apply equally to all students who are being verified.

ICC did not complete the verification process for two students selected by the CPS during the 2011-12 award year. In addition, ICC was not consistent in the verification of students who were selected by the institution. As a result, ICC disbursed Title IV, HEA funds to the following students prior to completing verification.

#### CPS Selected

Student #7 – The student's Institutional Student Information Record (ISIR) indicates a household size of 2 with 1 in college, however, the Verification Worksheet lists only 1 in the household. The financial aid counselor's notes in the file indicate that the student is separated and has one child that lives with the student, however, there is nothing in the file from the student verifying this information. In addition, the student's adjusted gross income (AGI) is \$21,558 with a filing status of "Will File." It is unclear whether the student ever filed taxes.

Student #8 – The student file did not have a non-filer statement and was missing a support statement for 2011-2012.

It is the institution's policy to collect a support statement, or a "Low Income Statement" for every student who reports little or no income. Per the institution's policy, there was no supporting documentation in this student's file.

#### Institutional Selected

Student #1 – The ISIR was signed but not dated. The student and parent did not file a 2010 tax return. The father's income from work is listed as \$1,716.00. Per the institution's policy, there was no low income worksheet in the student's file.

Student #2 – The \$800.00 in untaxed income (Making Work Pay Tax Credit) reported on the 1040 tax return was not listed on the ISIR.

Student #3 – The Verification Worksheet does not include student or parent income information. The student's ISIR indicates a filing status of "Not Filing" for both the student and parents. The father's income from work is listed as \$2,052 and the mother's income from work is listed as \$50. Per the institution's policy, there was no low income worksheet in the student's file.

Student #5 – The student reported an income of \$685. The support statement lists a source of support that began in 12/2012, however, the student began the program in January 2012. Per the institution's policy, there was no low income worksheet in the student's file.

Student #9 – The student's ISIR indicated that the student did not file a 2010 tax return and no income was reported on the ISIR, however, a copy of the student's 2010 tax return was in the student's file. The parent's income on the ISIR was reported as \$9,600.00, however, there was no documentation to substantiate the income reported. The ISIR indicated that parent did not file a 2010 tax return. Per the institution's policy, there was no low income worksheet in the student's file.

Student #11 - The filing status reflects "Not Filing" for both the student and parent. The student's income from work was zero and the father's income from work is listed as \$1,368. Per the institution's policy, there was no income verification documentation or low income worksheet in the student's file.

Student #12 – The Verification Worksheet was incomplete. The number in college was left blank and 3 people listed in the household did not have their relationship to the student listed. Also, the ISIR was not signed by the student.

Student #13 – The \$156.00 in untaxed income (Making Work Pay Tax Credit) reported on the 1040 tax return was not listed on the ISIR. In addition, the ISIR was not signed by the student.

Student #15 – The \$400.00 in untaxed income (Making Work Pay Tax Credit) reported on the 1040 tax return was not listed on ISIR. The Verification Worksheet is missing all of the information required in section A, specifically the student's name and address, and the student and parent income information in sections C and D is not complete. In addition, the document is not dated. Also, the student's ISIR is not signed by the student.

**Required Action:** ICC must resolve the verification deficiencies and demonstrate that verification has been properly completed for the students referenced above. In addition, ICC must perform a file review of all students who were verified in the 2011-2012 award year to determine if verification was properly completed. If the students' EFC, scheduled

award, or expected disbursement changes as a result of verification, ICC is liable for the difference between the correct disbursement and the actual disbursement. If verification cannot be completed, all funds disbursed to that student will become a liability.

ICC must submit the verification results for all students, including the students in the program review sample, in response to this report. The response must include corrected ISIRs and all documentation obtained to complete the verification process (e.g., verification worksheet, low income statement, and tax returns). For all students verified, the following information must be provided via spreadsheet:

1. Student's Name
2. Social Security Number (last 4 digits)
3. Original EFC
4. Recalculated EFC (if applicable)
5. Original Amount of Title IV funds disbursed
6. Revised Amount of Title IV funds disbursed, based on a recalculated EFC (if applicable)
7. Amount of overpayment/underpayment of funds (if applicable)

If the institution cannot complete verification for any student, all Title IV funds disbursed will be a liability.

In addition, the institution must develop, implement and submit written procedures and control mechanisms that will ensure that, in the future, inconsistent information will be identified and resolved prior to the disbursement of Title IV, HEA funds.

After reviewing the information ICC provides to the Department in response to the program review report, instructions for repayment of any identified liabilities will be provided in the Final Program Review Determination Letter.

## **Finding 2. Inaccurate Recordkeeping**

**Citation:** An institution shall account for the receipt and expenditure of Title IV, HEA program funds in accordance with generally accepted accounting principles. An institution shall establish and maintain, on a current basis, financial records that reflect each Title IV, HEA program transaction and general ledger control accounts and related subsidiary accounts that identify each transaction and separate those transactions from all other institutional financial activity. *34 C.F.R. § 668.24*

The records that an institution must maintain in order to comply with the record retention regulations include, but are not limited to:

- Documentation relating to each student's or parent borrower's receipt of Title IV program funds; and

- The date and amount of each disbursement or delivery of Federal Pell Grant funds.

**Noncompliance:** ICC failed to maintain copies of the back of credit balance checks for all students in the program review sample as proof that students received Title IV, HEA funds. Additionally, ICC failed to include Federal Pell Grant disbursement dates on students' ledgers.

Student #9 -- Dates were missing on the student's ledger for two Federal Pell Grant awards posted in the amounts of \$1,850.00 each. However, this was cleared up during the program review. The institution corrected the error and submitted a new ledger with posting dates.

Student #12 -- COD indicated that student's second Federal Pell Grant award for \$1,850.00 was disbursed on November 17, 2011; however, the disbursement was not posted to the student's ledger until December 2, 2011.

**Required Action:** ICC must develop, implement, and submit a policy describing the procedure for maintaining copies of all credit balance checks (*front and back*).

Additionally, ICC must strengthen its controls with respect to the manual reconciliation process to ensure that all Title IV, HEA disbursements are recorded timely and accurately. A copy of this policy must be submitted in response to this report.

### **Finding 3. Improper Disbursement – Federal Pell Grant Disbursed Prior to Midpoint**

**Citation:** Institutions must establish payment periods based on a defined academic year. For an eligible program that measures progress in clock hours, the first payment period is the period of time in which the student successfully completes half of the number of clock hours and half of the number of weeks of instructional time in the academic year.  
*34 C.F.R. § 668.4*

**Noncompliance:** ICC did not determine payment periods based on a defined academic year using weeks of instruction and clock hours completed for the 2011-2012 award year. Payment periods were based on the completion of the required number of clock hours only. As a result, students were paid inconsistently throughout the program, most beyond the required number of weeks of instruction and clock hours.

Although the students went on to earn the Title IV disbursements received, ICC has no means of accurately monitoring and determining whether or not the students completed the required number of clock hours **and** weeks of instruction needed to earn second and subsequent Title IV disbursements.

**Required Action:** ICC must develop and implement policies and procedures to ensure adequate monitoring of the completion of both the clock hours and weeks of instruction in the payment period when determining a student's eligibility for second and subsequent Title IV disbursements. A copy of this policy must be submitted in response to this report.

#### **Finding 4. Student Credit Balances**

**Citation:** Institutions are required to pay credit balances when the amount of Title IV, HEA funds credited to a student's account exceeds the amount of tuition and fees, room and board, and other authorized charges. Institutions must pay such credit balances directly to the student or parent as soon as possible but no later than 14 days after the credit balance occurred if the credit balance occurred after the first day of class of a payment period, or no later than 14 days after the first day of class if the credit balance occurred on or before the first day of class of a payment period. *34 C.F.R. § 668.164(e)*

If an institution receives authorization from the student to hold credit balance funds, the institution must pay any remaining balance on loan funds by the end of the loan period and any other remaining Title IV, HEA program funds by the end of the of the last payment period in the award year for which the funds were awarded. *34 C.F.R. § 668.165(b)*

**Noncompliance:** ICC failed to pay credit balances in accordance with the Department's regulations. ICC's policy does not specifically address the disbursement of Title IV credit balances. ICC stated to reviewers on site that the institution's practice is to pay credit balances within 30 days. ICC does not have an official document on file that authorizes the institution to retain credit balances.

Student #1 – The Title IV funds posted to the student's ledger on December 7, 2011, created a credit balance. A credit balance check was generated on December 30, 2011 – 23 days later.

Student #3 – The Title IV funds posted to the student's ledger of October 13, 2011, created a credit balance. A credit balance check was generated on October 31, 2011 – 18 days later.

Student #6 – The Title IV funds posted to the student's ledger on July 12, 2012, created a credit balance. A credit balance check was generated on July 31, 2012 – 19 days later.

Student #7 - The Title IV funds posted to the student's ledger on July 27, 2012, created a credit balance. This is no evidence that a credit balance check was generated.

Student #8 – The Title IV funds posted to the student’s ledger on November 7, 2011, created a credit balance. A credit balance check was generated on November 30, 2011 – 23 days later.

Student #9 – The Title IV funds posted to the student’s ledger on July 27, 2012, created a credit balance. This is no evidence that a credit balance check was generated.

Student #12 – The Title IV funds posted to the student’s ledger on December 2, 2011, created a credit balance. A credit balance check was generated on December 30, 2011 – 28 days later.

Student #13- The Title IV funds posted to the student’s ledger on September 29, 2011, created a credit balance. A credit balance check was generated on October 17, 2011 – 18 days later.

**Required Action:** ICC must develop and implement policies and procedures to ensure that all credit balances are disbursed within 14 days of the date the credit balance occurs, unless the student and/or parent has given the institution permission to retain the funds. Also, ICC must ensure that a mechanism is in place to document the release and/or delivery of credit balances to eligible students. A copy of this policy must be submitted in response to this report.

In addition, for students #7 and #9, please provide a front and back copy of the student’s credit balance check.

#### **Finding 5. Admission Policy Not Followed/Documented**

**Citation:** An institution of higher education is one that admits as regular students only persons who have a high school diploma, the recognized equivalent of a high school diploma or are beyond the age of compulsory attendance in the state in which the institution is physically located.

In addition, a student is eligible to receive Title IV, HEA assistance only if the student has a high school diploma or its recognized equivalent or has obtained a passing score on an independently administered test. *34 C.F.R. §§ 600.5 and 668.32*

**Noncompliance:** As part of ICC’s admission process, students with foreign high school diplomas are required to have the diploma translated and must submit the original high school diploma, with the translation, for verification. Documentation of the translation was available for review; however, the original/ foreign document was not maintained for auditing purposes in the files for students #3, #4, #5, #11, and #14.

**Required Action:** ICC must provide assurance that it will adhere to its written admission policy regarding students with foreign high school transcripts and the

maintenance of applicable documentation. In addition, if ICC makes an exception to its policy, it must be documented in the student's file.

**Finding 6. Satisfactory Academic Progress Policy Not Adequately Developed/Monitored**

**Citation:** Institutions must have a satisfactory academic progress (SAP) policy that applies reasonable standards for measuring whether an otherwise eligible student is maintaining satisfactory progress in his or her educational program. An acceptable SAP policy for Title IV, HEA purposes must be the same or stricter than the institution's standards for a student enrolled in the same educational program who is not receiving Title IV, HEA program assistance. An SAP policy must include the following components:

- A qualitative component which consists of grades, work projects completed, or comparable factors that are measurable against a norm;
- A quantitative component that consists of a maximum timeframe in which a student must complete his or her educational program;
- Be divided into increments, not to exceed the lesser of one academic year or one-half the published length of the educational program; and
- Provide for a determination at the end of each increment as to whether the student has met the qualitative and quantitative components of the standards. *34 C.F.R. §§, 668.16(e), 668.32(f) and 668.34*

**Noncompliance:** ICC's SAP policy is incomplete and was appropriately applied to students. ICC stated to reviewers on site that they do not monitor the completion of instructional weeks. The institution's practice was to project the completion of monthly hours earned rather than specifically evaluate successful course completion. ICC used the Texas Department of Licensing and Regulation (TDLR) Monthly Record of Student Hours Report to monitor hours earned by students. The following SAP components were not clearly defined in the SAP policy and/or were not documented and monitored:

- Completion of instructional weeks;
- Minimum percentage or amount of work that a student must successfully complete at the end of each increment in order to complete his or her program within the maximum timeframe;
- Notification of appeal decisions;
- Warning Status; and
- Repeat Coursework.

In addition, the Registrar sends to the Financial Aid Officer a "Satisfactory Progress" form. This institutional form lists personally identifiable information (i.e. SSN) for multiple students, rather than the progress of an individual student. This constitutes a Family Educational Rights and Privacy (FERPA) violation (*see recommendation*).

**Required Action:** ICC is required to develop and implement policies and procedures that satisfactorily address all of the required SAP components included in *34 C.F.R. §§ 668.16(e), 668.32(f), and 668.34*. Specifically, the policy must address the minimum percentage of work the student must complete in order to complete within the maximum timeframe, the appeal process, the student's status if he/she fails to make SAP, the use of the probation and warning status, and the student's eligibility for Title IV funds.

A copy of this policy must be submitted in response to this report. Once the policy is reviewed and approved by the Department, ICC will be required to apply the revised policy to all students who received Title IV funds during the 2011-2012 award year.

The approved policy must be applied to all students who received Title IV funds during the 2011-2012 award year, including all 15 students in the program review sample. ICC must submit the following information for each student:

1. Student Name
2. Social Security Number (last 4 digits)
3. Amount of Title IV funds disbursed, by payment period
4. Indicate the student's grade point average, and number of hours and weeks completed at each SAP evaluation
5. Status at each SAP evaluation (Meeting SAP, Probation, Warning, etc.)
6. Leave of Absence (LOA) dates (if applicable)
7. Funds previously returned (including as a result of an R2T4 Calculation, if applicable)

Appendix B includes an example of the format ICC may use to submit the requested information. Please include the SAP determination documentation for each evaluation for each student.

Further instructions will be provided in the Final Program Review Determination Letter, if applicable.

#### **Finding 7. Consumer Information Requirements Not Met**

**Citation:** An institution is required to disclose and/or provide information to students and employees, both current and prospective. Among this information is a requirement to observe Constitution and Citizenship Day [Division J of Pub. Law 108-447], provide voter registration forms electronically or by mail (HEA Sec. 487(a)), and provide information on copyright infringement. *34 C.F.R. § 668.43(a)(10)*

**Noncompliance:** ICC could not provide documentation that it had complied with all of the consumer information requirements. Specifically, ICC could not document compliance with:

- Policies and sanctions regarding copyright infringement.
- Compliance with Constitution and Citizenship Day.
- The requirement to provide voter registration forms to students.
- Annual notice to enrolled students of the availability of information required to be disclosed and how to obtain the information.
- Information that is easily accessible regarding services offered by the institution for individuals with disabilities including intellectual disabilities.

**Required Action:** In response to the program review report, ICC must review the consumer information requirements listed in the references above and submit applicable policies and documents to demonstrate that all requirements have been met.

#### **Finding 8. Crime Awareness Policy Not Followed/ Documented**

**Citation:** Institutions are required to publish and distribute, by October 1, of each year, an annual security report that contains required crime statistics, as well as required statements and policies, to its current students and employees. Institution must also inform perspective students and employees of the report's availability and provide a copy upon request. (*The Jeanne Clery Disclosure of Campus Security Policy and Crime Statistics Act or Clery Act*) 34 C.F.R. § 668.46

**Noncompliance:** ICC did not provide adequate documentation that it had complied with all parts of the requirements. Specifically, the information provided in the annual security report is not consistent with the information submitted to the Department. ICC could not document compliance with:

- The procedures for Emergency Evacuation and Response.
- A process for accurately reporting crime statistics to students and employees. Specifically, the statistics provided to students and employees did not match the information provided to the Department.

**Required Action:** ICC must review the regulation listed above and submit a copy of the revised campus security report, including all appropriate statements and policies, demonstrating that all requirements have been met.

ICC must review its annual security report to ensure that it is accurate and contains all required crime statistics and statements as specified in *34 C.F.R. § 668.46*. A copy of the revised security report must be submitted in response to this report.

To assist institutions, the Department provides guidance on complying with campus security in *The Handbook for Campus Safety and Security Reporting*, which can be obtained at the following website: <http://www2.ed.gov/admins/lead/safety/campus.html>.

### **Finding 9. Drug Abuse Prevention Requirements Not Met**

**Citation:** As a condition of receiving funds or any other form of financial assistance under any Federal program, an institution of higher education (IHE) must certify that it has adopted and implemented a drug prevention program. *34 C.F.R. §§ 86.3 and 86.100*

**Noncompliance:** ICC could not provide documentation that it had complied fully with the requirements found in the regulations regarding the implementation of drug and alcohol prevention program. Specifically, ICC did not document the following:

- A drug prevention program to prevent the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on school premises or as part of any of its activities.
- That the institution distributes annual written information about its drug prevention program(s) to students and employees.
- The method used to distribute the above materials to students and employees.
- A distribution plan that makes provisions for providing materials to students who enroll at some date after the initial distribution and for employees who are hired at different times throughout the year.
- Written information providing a description of health risks associated with the use of illicit drugs and the abuse of alcohol.
- A description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to students and employees.
- A statement that it will impose disciplinary sanctions on students and employees and a description of those sanctions.
- A copy of the Biennial Review Document.

- How the institution measures the effectiveness of its drug prevention program and any needed implementation changes.
- How the institution ensures consistency in its enforcement of its disciplinary sanctions.
- The responsible person for conducting the biennial review and the signature authority on the review.

**Required Action:** In response to the program review report, ICC must submit documentation to support that all the required drug abuse prevention requirements have been met.

#### **Finding 10. Gainful Employment Disclosure Requirements Not Met**

**Citation:** Federal regulations outline reporting and disclosure requirements for programs that prepare students for gainful employment (GE) in a recognized occupation. Institutions must include the disclosure requirements as part of the consumer information in the promotional materials to prospective students and post the information on the institution's Web site.

For each GE program offered by an institution, it must provide to prospective students the following:

- The occupations (by names and Standard Occupational Classification (SOC) codes) that the program prepares students to enter, along with links to the occupational profiles on O\*NET. If the number of occupations related to the program is more than 10, the institution may provide Web links to a sample of the identified occupations (by name and SOC code) for which its graduates typically find employment within a few years after completing the program; if it is less than 10, the name and SOC code must be displayed on the program page of the institution's Web site for at least one occupation;
- The on-time graduation rate for students who complete the program (required if more than 10 students complete in an academic year);
- The tuition and fees charges, typical costs for books and supplies, and room and board charges (if applicable) for students who complete the program within a normal time frame. The institution may include other costs such as transportation and living expenses. It must provide a Web link or access to the program cost information that institution makes available; and

- The placement rate for students completing the program if required by its accrediting agency or State to calculate a placement rate on a program or institutional basis.

The items above are not a comprehensive list and are provided only as examples. All of the requirements regarding the reporting and disclosure information for GE programs can be found at *34 C.F.R. § 668.6*.

**Noncompliance:** ICC does not provide all of the required GE disclosure information in its consumer information to prospective students. Specifically, the following disclosures are missing from the consumer information provided:

- Occupation (by names and SOC codes) that the program prepares students to enter;
- On-time graduation rates;
- Tuition and fee charge information; and
- Placement rates.

**Required Action:** ICC must review the regulations referenced above to assist in developing its consumer information regarding GE disclosures. The information provided to students must be submitted in response to this report.

To assist institutions, the Department provides guidance on complying with gainful employment reporting and disclosure requirements in the Gainful Employment Information section on the IFAP Web site found at <http://ifap.ed.gov/GainfulEmploymentInfo/index.html>.

#### **D. Recommendations**

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

- All staff members, in particular newly hired staff members, who have a role in the administration of the Title IV, HEA financial aid programs should be afforded the opportunity to participate in the various training opportunities provided by the Department.
- ICC should strengthen its current institutional policies and develop standard operating procedures for the financial aid office.

- Family Educational Right to Privacy Act (FERPA) - The review team discovered instances in which possible FERPA violations may have taken place. Specifically, as noted, a “Satisfactory Progress Form” was placed in each of the 15 files reviewed. This institutional form lists personally identifiable information (i.e. SSN) for multiple students, rather than the progress of an individual student. This action may constitute a Family Educational Rights and Privacy (FERPA) violation. While there is no evidence that the students have viewed their files, if a student were to review his or her file, the student would have access to the personal information of other students. ICC must take precautions to comply with FERPA requirements and remove or redact any information related to other students. *34 CFR § 99.3.*

**E. Appendices:**

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

Appendix B – Sample Format for Reporting Satisfactory Academic Progress

**Appendix A: Student Sample**

This page intentionally left blank



English Customer Service USPS Mobile

Register / Sign In



Search USPS.com or Track Packages

Quick Tools

Ship a Package

Send Mail

Manage Your Mail

Shop

Business Solutions

# Track & Confirm

GET EMAIL UPDATES



YOUR LABEL NUMBER

SERVICE

STATUS OF YOUR ITEM

DATE & TIME

LOCATION

FEATURES

7011200000268540392

Delivered

October 29, 2012, 12:25 pm

HOUSTON, TX 77004

Certified Mail™

Notice Left (No Authorized Recipient Available)

October 27, 2012, 7:47 am

HOUSTON, TX 77004

Arrival at Unit

October 27, 2012, 7:32 am

HOUSTON, TX 77004

Depart USPS Sort Facility

October 27, 2012

HOUSTON, TX 77201

Processed through USPS Sort Facility

October 27, 2012, 1:27 am

HOUSTON, TX 77201

### Check on Another Item

What's your label (or receipt) number?



#### LEGAL

- Privacy Policy >
- Terms of Use >
- FOIA >
- No FEAR Act EEO Data >

#### ON USPS.COM

- Government Services >
- Buy Stamps & Shop >
- Print a Label with Postage >
- Customer Service >
- Site Index >

#### ON ABOUT.USPS.COM

- About USPS Home >
- Newsroom >
- Mail Service Updates >
- Forms & Publications >
- Careers >

#### OTHER USPS SITES

- Business Customer Gateway >
- Postal Inspectors >
- Inspector General >
- Postal Explorer >

Copyright© 2012 USPS. All Rights Reserved.

**Appendix D: Institutional Program Review Response**

(This page left blank intentionally)

# ICC Technical Institute

3333 Fannin, Suite #203  
Houston, TX 77004  
Telephone: 713-522-7799  
Fax: 713-522-3388

December 14, 2012

CERTIFIED MAIL #7011 0470 0002 1963 3952

Ms. Shereé Porter  
Institutional Review Specialist  
Dallas School Participation Division  
US Education Department (FSA)  
1999 Bryan St, Suite 1410  
Dallas, TX 75201-6817

RE: Program Review Response  
OPE ID: 03075400  
PRCN: 201240628012

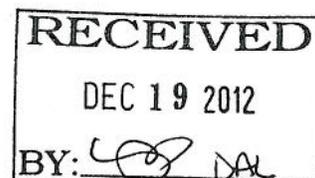
Dear Ms. Porter:

The ICC Technical Institute received the program review report from the Department on October 29, 2012, and followed is our institution's response to the findings of this report:

**Finding 1:** *Verification Violations/Information in Student Files Missing/Inconsistent*  
*ICC did not complete the verification process for two students selected by the CPS and was not consistent in the verification of students who were selected by the institution.*

**Response:** ICC currently verifies all student applications for financial aid. However, in some student files we did not properly complete all forms and worksheets required in the verification process, and in many cases we had the supporting documentation for the first award year, but did not update the forms for the subsequent award year.

We have performed a file review of the students listed in the report, as well as all students verified in the 2011-2012 award year to ensure that verification was properly completed. The verification results for all students are being sent via spreadsheet. In addition, we have revised our verification policies and procedures, and outline ways to identify and resolve conflicting information in financial aid to ensure that verification process are properly completed and consistently applied for all students prior to disbursement of Title IV, HEA funds (see attached Verification Policies and Procedures).



Ms. Shereé Porter  
OPE ID: 03075400  
PRCN: 201240628012  
Page 2

For those students listed in the report, listed below are the verification resolutions:

Student #7 – The student did have a child living with him, and the household size of 2 with 1 in college is correct. The verification worksheet was corrected to list 2 people in the household, and the student also wrote a letter certifying this information (see attached). In addition, he did file a tax return after the application process, and the corrected data did not change his EFC.

Student #8 – A non-filer statement, low-income, and support statement were completed.

Student #1 - The student was asked to date the ISIR, and a low-income statement for her father was completed.

Student #2 – We have recalculated her award to include the \$800 in untaxed income (Making Work Pay Tax Credit), and there was no change in her EFC.

Student #3 – The verification worksheet was corrected to include student and parent income information. The father also completed a low-income statement. The mother did not work, the \$50 listed was not the mother's earnings from work but was the amount the parents had in their savings/checking account.

Student #5 – The support statement had an incorrect date of 12/2012, and was corrected to show 12/2011. Also, the low-income statement was completed for her file.

Student #9 – A non-tax filer statement and low-income statement for the student's parent were completed. His ISIR was recalculated to include his income from work, and there was no change in the EFC.

Student #11 – The low-income, support statement and non-tax filer statement were completed.

Student #12 - The ISIR was signed by the student. He also provided a letter stating that the number in his household should be 3 (student, his wife and daughter - see attached marriage and birth certificate documents), and that the other two listed in the verification worksheet are his sons whom he only provided child support, and therefore should not be listed. The verification worksheet was corrected by student with his two sons' name crossed out and initialed.

Student #13 – The student signed the ISIR, and her award was recalculated to include the \$156.00 in untaxed income (Making Work Pay Tax Credit), and there was no change in her EFC.

Student #15 - The student signed the ISIR, and his award was recalculated to include the \$400.00 in untaxed income (Making Work Pay Tax Credit) for his father, and there was no change in his EFC. The verification worksheet was also corrected to include all the required information.

Ms. Shereé Porter  
OPE ID: 03075400  
PRCN: 201240628012  
Page 3

All supported documentation to complete the verification for these students are attached to this letter.

**Finding 2: Inaccurate Recordkeeping**

*ICC failed to maintain copies of the back of credit balance checks and failed to include Federal Grant disbursement dates on students' ledgers.*

**Response:** Our bank statement does not include copies of the back of the checks. However, we use an "Acknowledgement of Credit Balance Refund" form (copy attached) that students must sign and date, and be kept in student's file as proof that students received the Title IV credit balances. In addition, our policy on funds disbursement postings and credit balance refunds are listed on page 3 of the "Financial Assistance" policy, a copy of which is submitted with this response.

**Finding 3: Improper Disbursement – Federal Pell Grant Disbursed Prior to Midpoint**  
*ICC did not determine payment periods based on a defined academic year using weeks of instruction and clock hours completed.*

**Response:** Our payment periods were previously based on the completion of the required number of clock hours only. Our satisfactory academic progress policy has been revised to monitor both the completion of clock hours and weeks of instruction in the payment period in determining a student's continued eligibility for Title IV funds. A copy of this policy is submitted with this response letter for review.

**Finding 4: Student Credit Balances**

*ICC failed to pay credit balances in accordance with the Department's regulations.*

**Response:** ICC has been refunding credit balances to students within 30 days because we mistakenly believed that was the Department's regulations. However, after being informed by the review specialist of the 14 days refund regulation, the institution has immediately implemented this policy of refunding all credit balances to students or parents within 14 calendar days after the balance occurs. A copy of the credit balance refunds policy (page 3 of "Financial Assistance" policy) is submitted with this response. In addition, attached are copies of the "Acknowledgement of Receipt" of the refund checks for students #7 and #9.

**Finding 5: Admission Policy Not Followed/Documented**

*As part of ICC's admission process, students with foreign high school diplomas are required to have the diploma translated and must submit the original high school diploma, with the translation, for verification. Documentation of the translation was available for review, however, the original/foreign document was not maintained for auditing purposes in the files for students #3, #4, #5, #11, and #14.*

**Response:** ICC's admission process only requires that the student must have a high school diploma or GED. The institution keeps a copy of the translated diploma in the student's file, but does not require that the original/foreign document must be submitted for verification; however, if the admission office has doubt about the validity of the document, it can request the original/foreign document be presented for review.

**Finding 6: Satisfactory Academic Progress Policy Not Adequately Developed/Monitored**

*ICC's SAP policy is incomplete and was appropriately applied to students. In addition, the institution's Satisfactory Progress form list personally identifiable multiple students, rather than the progress of an individual students, which constitutes a Family Educational Rights and Privacy violation.*

**Response:** ICC has developed and implemented a Satisfactory Academic Progress Policy to include all the required SAP components:

- Completion of instructional weeks
- Minimum percentage or amount of work that a student must successfully complete at the end of each increment in order to complete his/her program within the maximum timeframe
- Notification of appeal decisions
- Warning status
- Repeat coursework

Please review the attached policy, and once it is approved by the Department, we will submit the information for students using the approved SAP policy. An individual student SAP evaluation form is also attached for review.

**Finding 7: Consumer Information Requirements Not Met**

*ICC could not document compliance with:*

- *Policies and sanctions regarding copyright infringement*
- *Compliance with Constitution and Citizenship Day*
- *Requirement to provide voter registration forms to students*

- *Annual notice to enrolled students of the availability of information required to be disclosed and how to obtain the information*
- *Information that is easily accessible regarding services offered by the institution for individuals with disabilities including intellectual disabilities.*

**Response:** ICC has revised its Student Consumer Information Notice to include all of the above listed requirements, and a copy is submitted with this response letter.

**Finding 8: Crime Awareness Policy Not Followed/Documented**

*ICC could not document compliance with:*

- *The procedures for emergency evacuation and response*
- *Crime statistics report provide to students and employees did not match the information provided to the Department*

**Response:** ICC has corrected its 2010 Annual Security/Crime Statistic Report to match the information provided to the Department. In addition, the Campus Safety and Security Policies and Procedures have been revised to comply with the procedures for Emergency Evacuation and Response. These revised documents are submitted with this response letter.

**Finding 9: Drug Abuse Prevention Requirements Not Met**

*ICC could not provide documentation that it had complied fully with the requirements found in the regulations regarding the implementation of drug and alcohol prevention program.*

**Response:** ICC has revised its Drug and Alcohol Abuse Prevention Policy to include the following

- A drug prevention program to prevent the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on school premises or as part of any of its activities.
- The policy is made available to each new student at time of registration and to each newly hired employee, and is distributed annually to all currently active students, faculty and staff, as well as available upon request on an on-going basis.
- Description on health risks associated with alcohol abuse and the use of illicit drugs.
- List of resources available to students and employees in need of counseling or treatment for drug and alcohol abuse.
- Disciplinary sanctions imposed on students and employees who violate the policy.
- Biennial review of the policy.

A copy of the Drug and Alcohol Abuse Prevention Policy is submitted with this response letter.

Ms. Shereé Porter  
OPE ID: 03075400  
PRCN: 201240628012  
Page 6

**Finding 10: Gainful Employment Disclosure Requirements Not Met**

*ICC does not provide all of the required GE disclosure information in its consumer information to prospective students, missing the following:*

- *Occupation (by names and SOC codes)*
- *On-time graduation rates*
- *Tuition and fee charge*
- *Placement rates*

**Response:** The attached revised Student Consumer Information Notice includes all the requirements listed above.

ICC Technical Institute would like to express our appreciation to Ms. Shereé Porter and Ms. Dalinda Lasater for their professionalism and gracious assistance during the program review, and for the recommendations provided to help us in our administration of the Title IV HEA program. Please contact us at (713)522-7799 or (713)522-3206 for any questions or if you need further information.

Sincerely,



Chi Do  
President/CEO

Enclosures

**Appendix E: Cost of Funds Calculation**

(This page left blank intentionally)