



JAN 28 2013

Ms. Elizabeth Marcuse  
President  
LIM College  
12 East 53<sup>rd</sup> Street  
New York, NY 10022-5268

**Certified Mail Return Receipt Requested**  
7006 2760 0002 1694 0772

**RE: Final Program Review Determination**  
OPE ID: 00746600  
PRCN: 201210227741

Dear Ms. Marcuse:

The U.S. Department of Education's (Department's) School Participation Division- New York/Boston issued a program review report on 1/30/2012 covering LIM College's (LIM) administration of programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2009/2010 and 2010/2011 award years. LIM's final response was received on 10/25/2012. A copy of the program review report (and related attachments) and LIM's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by LIM 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.

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New York/Boston School Participation Division  
Financial Square, 32 Old Slip, 25<sup>th</sup> Floor, New York, NY 10005

The total liabilities due from the institution from this program review are **\$3,543.00** due the Department.

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

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

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. In addition, Appendices D, E, E1, and F also contain PII.

**Appeal Procedures:**

This constitutes the Department's FPRD with respect to the liabilities identified from the 1/30/2012 program review report. If LIM 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 LIM receives this FPRD. An original and four copies of the information LIM 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

LIM'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 LIM’s appeal will be those provided in 34 C.F.R. Part 668, Subpart H. **Interest on the appealed liabilities shall continue to accrue at the applicable value of funds rate, as established by the United States Department of Treasury, or if the liabilities are for refunds, at the interest rate set forth in the loan promissory note(s).**

**Record Retention:**

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

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Lydia Gonzalez at (646) 428-3743. 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)

Betty Coughlin  
Division Director

Enclosure:  
Protection of Personally Identifiable Information

cc: Mr. Christopher Barto, Financial Aid Administrator  
New York State Department of Education  
Middle States Accrediting Commission on Higher Education  
New York State Higher Education Service Corporation

## 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.



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Prepared for  
**LIM COLLEGE**

**OPE ID** 00746600  
**PRCN** 201210227741

Prepared by  
U.S. Department of Education  
Federal Student Aid  
School Participation Division- New York/Boston

**Final Program Review Determination**  
**1/28/2013**

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

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New York/Boston School Participation Division  
Financial Square, 32 Old Slip, 25<sup>th</sup> Floor, New York, NY 10005

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**A. Institutional Information**

LIM College  
12 East 53<sup>rd</sup> Street  
New York, NY 10022-5268

Type: Proprietary

Highest Level of Offering: Master's Degree

Accrediting Agency: Middle States Accrediting Commission on Higher Education

Current Student Enrollment: 1,060 (2011)

% of Students Receiving Title IV: 68% (2011)

Source: School's Records

Title IV Program	2010/2011
Pell Grant	\$ 2,024,218
Federal Direct Stafford Subsidized Loan	4,424,304
Federal Direct Stafford Unsubsidized Loan	3,990,440
Federal Direct PLUS Loans	9,732,793
Federal Supplemental Grant (FSEOG)	163,193
Federal Work Study Program	91,320
<b>Total Amount Disbursed</b>	<b>\$20,426,268</b>

Default Rate FFEL/DL:      2010 5.2%  
   2009 5.9%  
   2008 2.0%

Source: U.S. Department of Education

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at LIM College (LIM) from December 5<sup>th</sup> through December 9<sup>th</sup> 2011. The review was conducted by Lydia Gonzalez, Stephen Podeszwa, and Tonya Sydney.

The focus of the review was to determine LIM'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 LIM'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 2010/2011 and 2011/2012 "(year to date)" award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. In addition, the sample was expanded to include 7 files to test return of Title IV funds, and 1 file to test the Federal Work Study Program. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review. The program review report was issued 1/30/2012.

### **Disclaimer:**

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning LIM'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 LIM 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**

LIM has taken the corrective actions necessary to resolve findings 4, 5, 6, and 7 of the program review report. Therefore, these findings may be considered closed. Appendix C contains the institution's written response related to the resolved findings. Findings requiring further action by LIM 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 LIM's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on 1/30/2012 and a copy of a letter of requirement to resubmit the program review response for finding 1 dated 7/12/2012 are attached as Appendix B.

#### ***Finding 1. Over Award- Financial Need Exceeded***

***Citation:*** *Institutions are required to comply with all statutory and regulatory provisions applicable to the Title IV programs. These provisions include disbursing Title IV funds only after determining that a student is eligible for the disbursement. 34 C.F.R § 668.32*

*A Direct Subsidized Loan borrower must demonstrate financial need in accordance with Title IV, Part F of the Act. 34 C.F.R. §685.103*

***Noncompliance:*** *LIM certified and disbursed Direct Subsidized Loans to the following students who did not demonstrate financial need during award year 2010/2011 in accordance with regulations:*

*Student #6* the student's cost of attendance during award year 2010/2011 was \$41,025. The student's expected family contribution (EFC) was \$36,526. The student need was \$4499. The institution awarded an academic achievement award in the amount of \$1500, and disbursed a Direct Subsidized loan in the amount of \$4499 bringing the sum of the "Need-Based Aid" to \$5999. As a result, the student's "Need-Based Aid" was exceeded, which created a Direct Subsidized loan over award in the amount of \$1500.

*Student #21-* the student's cost of attendance during award year 2010/2011 was \$29,775. The student's EFC was noted as \$35,163 (ISIR 2010/11 Transaction 05) indicating "Need Base Aid" as \$0. However, LIM certified and disbursed a \$3500 Direct Subsidized loan during award year 2010/11. As a result, the student's "Need-Based Aid" was exceeded which created a Direct Subsidized loan over award in the amount of \$3500.

***Required Action:*** *Since the finding was based on a sampling of the student files tested, LIM was required to determine the exact amount of institutional liability associated with this finding. The institution was required to perform a **full file review** to identify all Title IV recipient students, in award year **July 1, 2010 to June 30, 2011** who received a Subsidized Direct Loan and did not demonstrate full financial need.*

**LIM's Response:** In its letter of response dated 3/29/2012, LIM stated that one of the two instances of non-compliance cited did not have an actual need based over award, as the student's cost of attendance (COA) had not been fully updated to reflect the allowable

housing expense for student #6, and provided supporting documentation. LIM further stated that consistent with long-standing Department standard policies, LIM's two instances of non-compliance did not indicate a systemic issue and should not have triggered a file review for all participants.

On July 12, 2012, the Department issued a letter requiring LIM to resubmit a program review response for this finding. In its letter of request, the Department stated that it accepted the documentation provided for student #6 which indicated that the student met eligibility requirement for the Direct Subsidized loan. The Department also expressed its concerns that the decision to award the funds initially was based on incorrect information.

The Department's decision to confirm the file review requirement was based on the fact that both instances of non-compliance happened during award year 2010/2011. Therefore, the file review request was only limited to the award year in question, instead of all participants.

Further research during the development of this finding indicated that the LIM official contacted did not disagree with the Department's finding at the time, and LIM did not provide the updated information for student #6 at the time of discussion of this finding. LIM provided further information that the over awards had been performed by a single employee, resulting in a further narrowing of the scope of the file review.

In its letter of response dated 8/13/2012, LIM submitted the result of the file review disclosing ineligible Direct Subsidized loan disbursement for two additional students totaling \$5,762.00.

As required by the Department, LIM provided a copy of its procedures developed to ensure proper certification before disbursement of Direct Subsidized loans.

**Final Determination:** The Department reviewed LIM's responses to this finding, and determined the following:

The Department accepts LIM's response for students #6.

Liabilities and the basis for the liabilities for the remaining students are set forth below:

Student #21- in its response, LIM stated that it agreed with this finding, and provided documentation which confirms that a total of \$3,484.00 was returned to the Direct Subsidized loan program on 3/28/2012. The interest liability due the Department included in **Appendix D** is **\$43.00**

The result of the file review submitted by LIM (see Appendix C for details) disclosed ineligible Direct Subsidized loan disbursements for two additional students totaling

\$5,762.00. Therefore the total amount of Direct Subsidized loan liability due the Department is \$5,762.00.

In lieu of requiring the institution to assume the risk of default by purchasing the ineligible loan, the Department has asserted a liability not for the loan amount, but rather for the estimated actual or potential loss that the government may incur with respect to the ineligible loan or loan amount.

The estimated actual loss for the ineligible loans is based on LIM's most recent cohort default rate available. As a result, the estimated actual loss that LIM must pay to the Department for the ineligible loans is **\$572.00**. A copy of the results of that calculation is included as Appendix D1. Repayment instructions are provided at the end of this letter.

### ***Finding 2. Return of Title IV Funds Deficiencies***

***Citation:*** *an institution must return the amount of Title IV funds for which it is responsible under 34 C.F.R. § 668.22(g) as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew, as defined in 34 C.F.R. § 668.22(j)(1)*

*Failure to properly document a student's last day of attendance at an institution may result in the institution performing a return of Title IV calculation that could result in the institution keeping more Title IV funds that is entitled to, thereby creating an increased expense to the Department. C.F.R. 668.22 (c) (iii) states that for a student who ceases attendance at an institution that is not required to take attendance without providing official notification to the institution, in writing or orally, of his or her intent to withdraw, the withdrawal date is the midpoint of the payment period or the period of enrollment. Additional guidance provided in the 2009/2010 Federal Student Aid Handbook Volume 5, chapter 2 Pg. 47 explains that for a student who withdraws without providing notification from a school that is not required to take attendance the school must determine the withdrawal date no later than 30 days after the end of the payment period. It also explains in page 75 that if a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes, that the student has unofficially withdrawn, unless the institution can document that the student completed the period.*

***Noncompliance:*** *In reviewing student files for 8 (eight) withdrawn students during award year 2010/2011, of three students that required return of Title IV, LIM failed to return the required Title IV funds for student #20. On 11/1/2010, LIM determine that the student withdrew on 10/20/10, completed the return of Title IV calculation worksheet which indicated that LIM was required to return \$8,844.06 to the Direct Loan programs, but failed to return the funds as of the date of the program review.*

*In addition, during the program review process school officials informed the reviewers that the school was unable to identify the student's withdrawal date for those students who withdrew unofficially during the 2010/2011 award year because the school did not have a policy in place to do so up until the start of the 2011/2012 award year.*

**Required Action:** *Due to the systemic nature of this finding, LIM was required to determine the exact amount of institutional liability associated with this finding. The institution was required to perform a **full file review** to identify all Title IV recipient students, in award year **2009/2010 and 2010/2011** who officially withdrew from or unofficially stopped attending the institution for which a return of Title IV payment was required.*

**LIM's Response:** In its response, LIM provided additional information for the student cited in this finding which confirms that \$8,844.00 has been returned to the Title IV programs for student #20. LIM submitted a full file review identifying all Title IV recipients who withdrew officially or unofficially from the institution during award years 2009/2010 and 2010/2011 with the independent auditor's attestation, included in **Appendix C**. In addition, it provided a copy of its unofficial withdrawal policy.

**Final Determination:** The Department accepts LIM's response to this finding. The results of the return of Title IV funds file review report indicates that the institution complied with the return of Title IV funds requirement for award year 2009/2010. However, during award year 2010/11, the file review results indicate that a total of 29 students withdrew from the institution, 21 of whom required R2T4 payment. The review indicated that LIM failed to return Title IV funds to four (4) of 21 students that required return of Title IV funds, until after the program review visit, totaling \$17,955.00. In addition, there was another student, for whom funds were not returned within the required timeframe, bringing the total late returns to five (5) of 21 students. This represents a 24% late return of Title IV funds, and the delay in returning the funds was anywhere from 4 to 452 days late. The total amount of Title IV funds returned by the institution disclosed in the report for award year 2010/11 was \$117,968.00. The total interest liability due the Department is **\$194.00** included in **Appendix E and Appendix E1**.

Due to the percentage of late refunds cited, and pursuant to 34 C.F.R. §§ 668.173(d)(2) and (3)(i) if an institution is not making its refunds timely under paragraph (b) of this section, the institution must submit a letter of credit equal to 25 percent of the refunds that were made or should have been made for the most recently completed fiscal year to the Secretary. Based on the information provided by LIM the institution is required to submit a letter of credit totaling **\$29,492.00** (\$117,968.00 total refunds made X 25%) Instructions for submitting the letter of credit will be provided in a separate letter. Failure to submit the required letter of credit will result in the institution being considered as not financially responsible, and subject to fines or other administrative actions. If you have any questions regarding the letter of credit, you may contact Dietrich Revelle at (202)

377-3503. Instructions for submitting the letter of credit will be provided in a separate letter.

### ***Finding 3. Ineligible Pell Grant Disbursement***

***Citation:*** Institutions are required to comply with all statutory and regulatory provisions applicable to the Title IV programs. These provisions include disbursing Title IV funds only after determining that a student is eligible for the disbursement. 34 C.F.R. § 668.32

*For eligibility purposes of the Federal Pell Grant Program, regulations require that the student does not have a baccalaureate or first professional degree. 34 C.F.R. §668.32(c)(1)*

***Noncompliance:*** On 1/19/10, LIM disbursed an ineligible 2009/10 Pell grant award in the amount of \$2675 to student #11. In her 2009/2010 FAFSA application, the student checked that she would not have her first bachelor degree by 7/1/09. However, her college transcript from York College indicates that she earned a bachelor degree in Marketing on 5/30/08. In addition, the student was enrolled in the "Access Program" at LIM which is a one year associate degree program in Fashion Merchandising for bachelor degree holders.

***Required Action:*** A review of the list of students enrolled in the "Access Program" during award year 2009/10 to current provided by LIM indicated that this was the only instance of ineligible Pell grant disbursement. Therefore, no further action is required. Repayment instructions for the ineligible disbursement will be provided in the FPRD.

**LIM's Response:** In its response, LIM agrees with the finding, and stated that this was an isolated error.

**Final Determination:** The Department accepts LIM's response to this finding. The total Pell grant liability for award year 2009/10 for student #11 due the Department is **\$2,675.00** and the interest liability due is **\$59.00** included in **Appendix F**. Repayment instructions are included at the end of this letter.

**D. Summary of Liabilities**

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

**Established Liabilities**

Findings	Poll (Closed Award Year)	DL	EALF DL	
Finding 1	0	0	\$572.00	
Finding 2	0	0	0	
Finding 3	2675	0	0	
<b>Subtotal 1</b>	\$2675	\$	\$572.00	
Interest/SA	59.00	\$237.00	0	
Excess Cash	0	0	0	
ACA		0	0	
<b>Subtotal 2</b>	\$59.00	\$237.00	0	
<b>TOTAL</b>	\$2734.00	\$237.00	\$572.00	
Payable To:				<b>Totals</b>
Department			ED	\$3543.00

Students				\$0
Lenders (DI)				\$0
Inst Accounts				\$0
<b>COD Adjustments</b>	Pell - Current Year			
Current Year	0	0	0	0

### **E. Payment Instructions**

LIM College owes to the Department **\$3543.00**. Payment must be made by forwarding a check made payable to the "U.S. Department of Education" to the following address within 45 days of the date of this letter:

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

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

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

The following identification data must be provided with the payment:

Amount: \$3,543.00  
DUNS: 076828557  
TIN: 135579528  
PRCN: 201210227741

### **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. LIM is also responsible for repaying any interest that accrues. If you have any questions regarding interest accruals or payment credits, contact the Department's Accounts Receivable Group at (202) 245-8080 and ask to speak to LIM'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

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

The disbursement record for each student identified in Appendix F to finding 3 must be adjusted in the Common Origination and Disbursement (COD) system based on the recalculated amount identified in the Appendix F.

**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 Lydia Gonzalez **within 45 days of the date of this letter.**

## **F. Appendices**

Appendices A, B, C, D, D1, E, E1, and F are attached to this report.

LIM COLLEGE FPRD

APPENDIX A: STUDENT SAMPLE

**STUDENT SAMPLE**

School Name: LIM College

OPEID: 00746600

**AWARD YEAR 2010/2011**

#	Name	SS #
(b)(6); (b)(7)(C)		

**STUDENT SAMPLE continuation**

School Name: LIM College

OPEID: 00746600

**Expanded 2010/2011 Sample to Test Return of Title IV Funds (continuation)**

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

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

**STUDENT SAMPLE continuation**

School Name: LIM College

OPEID 007466

**AWARD YEAR 2011/2012**

#	Name	SS #
(b)(6); (b)(7)(C)		

LIM COLLEGE FPRD

APPENDIX B: PROGRAM REVIEW REPORT



JAN 30 2012

Ms. Elizabeth Marcuse  
President  
LIM College  
12 East 53<sup>rd</sup> Street  
New York, NY 10022-5268

Overnight Mail, Tracking #  
7006 2760 0002 1734 2124

**RE: Program Review Report**  
**OPE ID: 00746600**  
**PRCN: 201210227741**

Dear Ms. Marcuse:

From December 5<sup>th</sup> through December 9<sup>th</sup>, 2011, Lydia Gonzalez, Stephen Podeszwa, and Tonya Sydney conducted a review of LIM College's (LIM) 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 LIM. The response should include a brief, written narrative for each finding that clearly states LIM's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, LIM 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.

<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, School Participation Team – New York/Boston  
Financial Square, 32 Old Slip, 25<sup>th</sup> Fl., New York, NY 10005  
[www.FederalStudentAid.ed.gov](http://www.FederalStudentAid.ed.gov)

The Department considers the institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's written response will not be attached to the FPRD. However, it will be retained and available for inspection by LIM 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 Lydia Gonzalez 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. Please see the enclosure Protection of Personally Identifiable Information for instructions regarding submission to the Department of required data / documents containing PII.

**Record Retention:**

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

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Lydia Gonzalez at (646) 428-3743 or at [Lydia.Gonzalez@ed.gov](mailto:Lydia.Gonzalez@ed.gov)

Sincerely,

(b)(6)

Christopher Curry  
Team Leader

cc: Mr. Christopher Barto, Financial Aid Administrator

Enclosure:

Protection of Personally Identifiable Information

bcc: Reading file, Correspondence file, Lydia Gonzalez, Chris Curry, ERM

Prepared for



START HERE  
GO FURTHER  
FEDERAL STUDENT AID

## LIM COLLEGE

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OPE ID 00746600

PRCN 201210227741

Prepared by

U.S. Department of Education

Federal Student Aid

School Participation Team – New York/Boston

# Program Review Report

JAN 30 2012

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**A. Institutional Information**

LIM College  
12 East 53<sup>rd</sup> Street  
New York, NY 10022-5268

Type: Proprietary

Highest Level of Offering: Master's Degree

Accrediting Agency: Middle States Accrediting Commission on Higher Education

Current Student Enrollment: 1,060 (2011)

% of Students Receiving Title IV: 68% (2011)

Source: School's Records

Title IV Program	2010/2011
Pell Grant	\$ 2,024,218
Federal Direct Stafford Subsidized Loan	4,424,304
Federal Direct Stafford Unsubsidized Loan	3,990,440
Federal Direct PLUS Loans	9,732,793
Federal Supplemental Grant (FSEOG)	163,193
Federal Work Study Program	91,320
<b>Total Amount Disbursed</b>	<b>\$20,426,268</b>

Default Rate FFEL/DL:      2009 5.9%  
   2008 2.0%  
   2007 5.2%

Source: U.S. Department of Education

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at LIM College (LIM) from December 5<sup>th</sup> through December 9<sup>th</sup> 2011. The review was conducted by Lydia Gonzalez, Stephen Podeszwa, and Tonya Sydney.

The focus of the review was to determine LIM'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 LIM'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 2010/2011 and 2011/2012 "(year to date)" award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. In addition, the sample was expanded to include 7 files to test return of Title IV funds, and 1 file to test the Federal Work Study Program. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review.

### **Disclaimer:**

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

### **Finding 1. Over Award- Financial Need Exceeded**

**Citation:** Institutions are required to comply with all statutory and regulatory provisions applicable to the Title IV programs. These provisions include disbursing Title IV funds only after determining that a student is eligible for the disbursement. 34 C.F.R § 668.32

A Direct Subsidized Loan borrower must demonstrate financial need in accordance with Title IV, Part F of the Act. 34 C.F.R. §685.103

**Noncompliance:** LIM certified and disbursed Direct Subsidized Loans to the following students who did not demonstrate financial need during award year 2010/2011 in accordance with regulations:

Student #6 – the student’s cost of attendance during award year 2010/2011 was \$41,025. The student’s expected family contribution (EFC) was \$36,526. The student need was \$4499. The institution awarded an academic achievement award in the amount of \$1500, and disbursed a Direct Subsidized loan in the amount of \$4499 bringing the sum of the “Need-Based Aid” to \$5999. As a result, the student’s “Need-Based Aid” was exceeded, which created a Direct Subsidized loan over award in the amount of \$1500.

Student #21- the student’s cost of attendance during award year 2010/2011 was \$29,775. The student’s EFC was noted as \$35,163 (ISIR 2010/11 Transaction 05) indicating “Need Base Aid” as \$0. However, LIM certified and disbursed a \$3500 Direct Subsidized loan during award year 2010/11. As a result, the student’s “Need-Based Aid” was exceeded which created a Direct Subsidized loan over award in the amount of \$3500.

**Required Action:** Since the finding was based on a sampling of the student files tested, LIM must determine the exact amount of institutional liability associated with this finding. The institution is required to perform a **full file review** to identify all Title IV recipient students, in award year **July 1, 2010 to June 30, 2011** who received a Subsidized Direct Loan and did not demonstrate full financial need. For these students, the institution must provide the results to the office in spreadsheet format with the following information:

1. Student's Name
2. Social Security Number
3. Ineligible Subsidized Direct Loan Amount
4. Date of disbursement

LIM must also inform this office of the procedures it has implemented to ensure no reoccurrence of this finding. Repayment instructions for liabilities will be included in the Final Program Review Determination (FPRD).

These students are over awarded and, as such are not eligible for further funds until the over award is eliminated.

This information must be provided to this office with auditor's verification within sixty (60) days of receipt of this letter to the address below. We define auditor verification as a confirmation statement that a corrective action was accurately taken by the institution in accordance with the Department's instructions (which includes the confirmation of documents, liabilities paid, file reviews, projection sampling, and formulas used to calculate liabilities).

U.S. Department of Education  
Federal Student Aid  
Financial Square  
32 Old Slip, 25<sup>th</sup> Floor  
New York, NY 10005-3534  
**Attn: Lydia Gonzalez**

## **Finding 2. Return of Title IV Funds Deficiencies**

**Citation:** an institution must return the amount of Title IV funds for which it is responsible under 34 C.F.R. § 668.22(g) as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew, as defined in 34 C.F.R. § 668.22(j)(1)

Failure to properly document a student's last day of attendance at an institution may result in the institution performing a return of Title IV calculation that could result in the institution keeping more Title IV funds that is entitled to, thereby creating an increased expense to the Department. C.F.R. 668.22 (c) (iii) states that for a student who ceases attendance at an institution that is not required to take attendance without providing official notification to the institution, in writing or orally, of his or her intent to withdraw, the withdrawal date is the midpoint of the payment period or the period of enrollment. Additional guidance provided in the 2009/2010 Federal Student Aid Handbook Volume 5, chapter 2 Pg. 47 explains that for a student who withdraws without providing notification from a school that is not required to take attendance the school must determine the withdrawal date no later than 30 days after the end of the payment period. It also explains in page 75 that if a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes, that the student has unofficially withdrawn, unless the institution can document that the student completed the period.

**Noncompliance:** In reviewing student files for 8 (eight) withdrawn students during award year 2010/2011, of three students that required return of Title IV, LIM failed to return the required Title IV funds for student #20. On 11/1/2010, LIM determine that the student withdrew on 10/20/10, completed the return of Title IV calculation worksheet which indicated that LIM was required to return \$8,844.06 to the Direct Loan programs, but failed to return the funds as of the date of the program review.

In addition, during the program review process school officials informed the reviewers that the school was unable to identify the student's withdrawal date for those students who withdrew unofficially during the 2010/2011 award year because the school did not have a policy in place to do so up until the start of the 2011/2012 award year.

**Required Action:** Due to the systemic nature of this finding, LIM must determine the exact amount of institutional liability associated with this finding. The institution is required to perform a **full file review** to identify all Title IV recipient students, in award year **2009/2010 and 2010/2011** who officially withdrew from or unofficially stopped attending the institution for which a return of Title IV payment was required. For these students, the institution must provide the results to the office in spreadsheet format with the following information:

1. Student's Name
2. Social Security Number
3. Withdrawal Date
4. Date of Determination
5. Amount of Unmade or late Title IV refund by program
6. Date Returned to Title IV Program(s), if Any
7. Number of Days Late

The institution is reminded that the Department incurs unnecessary interest costs due to late/ unmade payment of return of Title IV funds and would require the institution to reimburse the Department for unnecessary charges.

LIM must also inform this office of the procedures it has implemented to ensure no reoccurrence of this finding. Repayment instructions for liabilities will be included in the FPRD.

This information must be provided to this office with auditor's verification within sixty (60) days of receipt of this letter to the address below. We define auditor verification as a confirmation statement that a corrective action was accurately taken by the institution in accordance with the Department's instructions (which includes the confirmation of documents, liabilities paid, file reviews, projection sampling, and formulas used to calculate liabilities).

U.S. Department of Education  
Federal Student Aid  
Financial Square  
32 Old Slip, 25<sup>th</sup> Floor  
New York, NY 10005-3534  
**Attn: Lydia Gonzalez**

### **Finding 3. Ineligible Pell Grant Disbursement**

**Citation:** Institutions are required to comply with all statutory and regulatory provisions applicable to the Title IV programs. These provisions include disbursing Title IV funds only after determining that a student is eligible for the disbursement. 34 C.F.R. § 668.32

For eligibility purposes of the Federal Pell Grant Program, regulations require that the student does not have a baccalaureate or first professional degree. 34 C.F.R. §668.32(c) (1)

**Noncompliance:** On 1/19/10, LIM disbursed an ineligible 2009/10 Pell grant award in the amount of \$2675 to student #11. In her 2009/2010 FAFSA application, the student checked that she would not have her first bachelor degree by 7/1/09. However, her college transcript from York College indicates that she earned a bachelor degree in Marketing on 5/30/08. In addition, the student was enrolled in the "Access Program" at LIM which is a one year associate degree program in Fashion Merchandising for bachelor degree holders.

**Required Action:** A review of the list of students enrolled in the "Access Program" during award year 2009/10 to current provided by LIM indicated that this was the only instance of ineligible Pell grant disbursement. Therefore, no further action is required. Repayment instructions for the ineligible disbursement will be provided in the FPRD.

### **Finding 4. Information In Student Files Missing/Inconsistent**

**Citation:** The ability of an institution to coordinate the information it collects and to resolve discrepancies are critical elements in an evaluation of administrative capability. The regulation requires institutions to develop an adequate system to ensure consistency of information related to a student's application for Federal student aid, regardless of the source of information. The institution is responsible for reconciling all information received. 34 C.F.R. § 668.16 (a) (f)

**Noncompliance:** The reviewers noted that information included in the student files to determine eligibility for the following students is inconsistent or conflicting:

Student #17- the reviewers were unable to determine the student's withdrawal date from the student file review. However, as of the date of the program review, NSLDS indicated a withdrawal date of 5/26/11, reported on 9/26/11. This information is not consistent with the information indicated in the student's academic transcript. The transcript indicates that the student completed the fall 2010, the spring 2011, and summer 2011 semesters. Also, the student's attendance records in SONIS, the institution's official system used for tracking attendance indicates attendance for the fall 2010 and summer 2011 but not for the spring 2011. This brings into question the grades noted in the transcript, and whether or not the student attended classes in the spring 2011 semester.

Student #37- the student's 2011/12 ISIR indicates that the \$1500 education credit listed on line 31 of the parent's 2010 income tax return was not listed on the ISIR. The student's EFC is \$1304. There was no documentation that a recalculation of the student's EFC was performed.

**Required Action:** LIM must obtain the necessary documentation to resolve the conflicting information for student #17, and LIM must recalculate the student's 2010/11 FAFSA to include the \$1500 education credit noted in order to determine the correct EFC for student #37. The pertinent information for the individual student cited in this finding must be included in response to the report.

Instructions for repayment of liabilities, if any, will be provided in the FPRD.

#### **Finding 5. Unreported Use of Professional Judgment**

**Citation:** To begin and to continue to participate in any Title IV, HEA program, an institution shall demonstrate to the Secretary that the institution is capable of adequately administering that program under each of the standards established in this section. The Secretary considers an institution to have that administrative capability if the institution administers the Title IV, HEA program in accordance with all statutory provisions of or applicable to Title IV of the HEA, all applicable regulatory provisions prescribed under that statutory authority, and all applicable special arrangements, agreements, and limitation entered into under the authority of statutes applicable to Title IV of the HEA; has provided all program reporting required for compliance to the Secretary in a timely manner. 34 C.F.R. §668.16 (i)

**Noncompliance:** LIM used its professional judgment (PJ) to alter the data used to calculate student #16 2010/2011 EFC. The reason for the adjustment was properly documented in the student's file, but the financial aid administrator failed to report the decision to CPS, as required. The 2010/2011 ISIR transaction 03 indicates that the Special Circumstance was not reported to CPS.

**Required Action:** There are no liabilities associated with this finding because the documents used to make the adjustment indicate that the student is eligible for the funds. However, in response, LIM must develop adequate internal controls to ensure proper reporting of changes to ED. LIM must submit details of that procedure to this office with the response to this report.

#### **Finding 6. Student Enrollment Reporting Untimely/Inaccurate**

**Citation:** A school shall, unless it expects to submit its next student status confirmation report to the Secretary within the next 60 days; notify the Secretary of the change in enrollment status within 30 days if it discovers that a Direct Subsidized, Direct Unsubsidized, or Direct Plus Loan has been made to or on behalf of student who enrolled at that school but has ceased to be enrolled on at least a half-time basis. 34 C.F.R. 685.309 (b) (2) (i)

**Noncompliance:** The institution failed to report enrollment changes or incorrectly reported changes in status for the following students:

Student #1- the student's academic transcript indicates that she received her master's degree in Fashion Management on 3/15/2011. However, NSLDS showed no enrollment status records at LIM as of the date of the program review. The student received a Direct PLUS Graduate loan, a Direct Stafford Subsidized, and Unsubsidized loans during award year 2010/2011.

Student #4- the student's academic transcript indicates that she received her master's degree in Fashion Management on 6/15/2011. However, NSLDS showed no enrollment status records at LIM as of the date of the program review. The student received a Direct PLUS Graduate loan, a Direct Stafford Subsidized, and Unsubsidized loans during award year 2010/2011.

Student #8- the student's academic transcript indicates that she graduated and received her B.B.A in Marketing on 8/31/11. However, as of 11/30/11, NSLDS showed that she withdrew on 5/20/11, reported on 9/26/11.

Student #17- the student's academic transcript indicates that the student was enrolled during the spring, summer I and summer II semesters in 2011. However, NSLDS indicates that the student withdrew as of 5/20/11, reported on 9/26/2011.

LIM failed to report the students' enrollment status in a timely manner for the following students:

Student #	Status	Effective Date	Notification Date
2	Graduated	1/31/2011	4/15/2011
11	Graduated	1/31/2011	4/15/2011
15	Graduated	5/26/2011	9/26/2011
16	Withdrew	3/30/2011	9/26/2011
18	Withdrew	5/20/2011	9/26/2011
19	Withdrew	5/20/2011	9/26/2011
21	Withdrew	5/20/2011	9/26/2011

**Required Action:** There are no liabilities associated with this finding. However, the institution is required to make the necessary status corrections for the students cited in this finding. The institution must provide documentation to indicate that the required changes have been made.

Also, the institution is required to have procedures in place to ensure that student confirmation reports reflect accurate data and that student's change of status are reported in a timely manner. Details of those procedures must be provided with the response to this report.

#### **Finding 7. Federal Direct Loan Entrance Counseling Deficiency**

Citation: A school must ensure that entrance counseling is conducted with each Direct Subsidized or Unsubsidized loan borrower prior to making the first disbursement of the proceeds of a loan to a student borrower unless the student borrower had received a prior Direct Subsidized or Unsubsidized loan, Federal Stafford, or Federal SLS loan. 34 C.F.R. § 685.304(a)

**Non-compliance:** LIM was unable to provide documentation of the required Federal Direct Loan entrance counseling for student #14, and according to NSLDS, the student is a first time borrower.

Failure to conduct entrance counseling may result in students being improperly informed concerning their responsibility as borrowers which may, in turn, lead to an increase in the incidents of default. Title IV loans that go into default status create increased expense for the Department.

**Required Action:** There are no liabilities associated with this finding. However, LIM must inform this office of the procedures it has implemented to ensure that all Federal Direct Loan entrance counseling requirements are met.

## 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.

LIM COLLEGE FPRD

APPENDIX B: PROGRAM REVIEW REPORT AND LETTER OF REQUIREMENT TO  
RESUBMIT PROGRAM REVIEW RESPONSE



July 12, 2012

Ms. Elizabeth Marcuse  
President  
LIM College  
12 East 53<sup>rd</sup> Street  
New York, NY 10022-5268

**Certified Mail Return Receipt Requested**  
7006 2760 0002 1693 9868

RE: Requirement to Resubmit Program Review Response  
OPE ID: 00746600  
PRCN: 201210227741

Dear Ms. Marcuse:

The School Participation Team-New York/Boston has reviewed LIM College's (LIM) March 29, 2012 response to the January 30, 2012 Program Review Report issued by the Department and has identified errors in the response for the following findings. LIM must correct the errors as described below, and resubmit the response.

**Finding 1. Over Award- Financial Need Exceeded**

In its response to this finding, LIM states that upon further institutional review it was determined that one of the two students cited in this finding was eligible for the Direct Subsidized loan. It noted that student #6 did not have an actual need-based over award, as her cost of attendance (COA) had not been fully updated to reflect her allowable housing expense.

LIM further stated that consistent with long-standing Department policies and standard policies, LIM's two instances of noncompliance do not indicate a systemic issue and should not trigger a file review for all participants.

The Department accepts the documentation provided for student #6 which indicates that the student met eligibility for the Direct Subsidized loan. However, the Department is concerned that the decision to award the funds initially was based on incorrect information.

Federal Student Aid, School Participation Division New York/Boston  
Financial Square, 32 Old Slip, 25<sup>th</sup> Fl., New York, NY 10005  
[www.FederalStudentAid.ed.gov](http://www.FederalStudentAid.ed.gov)

FEDERAL STUDENT AID  START HERE. GO FURTHER.

The Department's decision to request a file review was based on the fact that both instances happened during award year July 1, 2010 to June 30, 2011. Therefore, the request for the file review was only limited to the award year in question, instead of all participants.

Further research during the development of this finding indicated that LIM official contacted did not disagree with the Department's finding at the time, and LIM did not provide the updated information at the time of the discussion of this finding. LIM's official further stated that it noted that both of these students' financial aid packaging was handled by a staff member who is no longer with the college. As a result, the Department's position is that LIM must perform a full file review to identify all Title IV recipient students, in award year July 1, 2010 to June 30, 2011. However, the Department is limiting the review only to those Title IV recipients whose financial aid packaging was handled by the staff member who packaged the two students cited in this finding, and who is no longer employed by LIM.

The result of this file review must be forwarded to this office using the following spreadsheet format:

1. Student's Name
2. Student's Social Security Number
3. Ineligible Subsidized Direct Loan Amount
4. Date of Disbursement

Repayment instructions of liabilities, if any, will be provided in the Final Program Review Determination Letter (FPRD)

The resubmission of LIM's response to this finding must be sent directly to Lydia Gonzalez of this office within 30 calendar days of the date of this letter. If this corrected response is not received by that date, a Final Program Review Determination may be issued based upon information received by that date.

Copies of the documentation used to determine the amount of improper Direct Subsidized loan disbursements including but not limited to student's statement of account, student's budget, award letter, ISIR, transcript, and other supporting documentation should be retained by the school for possible further review by the Department.

Please see the enclosure Protection of Personally Identifiable Information (PII) for instructions regarding submission of required data / documents containing PII.

If you have any questions concerning this report, please call me at (646) 428-3743.

Sincerely,

(b)(6)

Lydia Gonzalez  
Institutional Review Specialist

cc: Mr. Christopher Barto, Financial Aid Administrator

Enclosures:  
Protection of Personally Identifiable Information

bcc: Reading file, Correspondence file, Lydia Gonzalez, ERM

## 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.

LIM COLLEGE FPRD

APPENDIX C: INSTITUTION'S PROGRAM REVIEW RESPONSE



LIM COLLEGE

12 Last 53rd Street  
New York, New York 10022-5268

T: 212.752.1530  
F: 212.832.6708

[www.limcollege.edu](http://www.limcollege.edu)

March 29, 2012

Lydia Gonzalez  
Federal Student Aid  
School Participation Team – New York/Boston  
U.S. Department of Education  
32 Old Slip, 25<sup>th</sup> Fl.  
New York, NY 10005

**Re: Program Review Report, PRCN: 201210227741**

Dear Ms. Gonzalez,

Attached please find LIM College's response to the Program Review Report issued on January 30, 2012 by the United States Department of Education, Federal Student Aid, School Participation Team – New York/Boston. LIM College generally acknowledges the findings set forth in the Program Review Report and, as a result of this review, has taken the opportunity to correct the isolated occurrences of noncompliance and to further strengthen its internal controls. However, for all the reasons presented in its response, LIM College requests that Finding 1 be reconsidered.

We appreciate the opportunity to comment on the Program Review Report and reserve the right and opportunity to respond further to any final report as may be issued. Should you need any further information or clarification, please contact Christopher E. Barto, Assistant Vice President for Student Finance/Chief Compliance Officer, at 212-310-0635 or [christopher.barto@limcollege.edu](mailto:christopher.barto@limcollege.edu).

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Elizabeth S. Marcuse', followed by a long horizontal line extending to the right.

Elizabeth S. Marcuse  
President

**LIM College**  
**Response to Program Review Report: 2012 10227741**

Submitted to:  
Ms. Lydia M. Gonzalez  
Federal Student Aid  
School Participation Team – New York/Boston  
U.S. Department of Education

From December 5 through December 9, 2011, the United States Department of Education (ED or the Department) conducted a program review at LIM College (LIM) to determine LIM's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV, Higher Education Act (HEA) programs. A sample of 30 files was identified for review from the 2010/2011 and 2011/2012 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. The sample was expanded to include 7 additional files to test return of Title IV funds, and 1 additional file to test the Federal Work Study Program.

The Program Review Report, PRCN 2012 10227741, (Report), issued January 30, 2012, includes seven initial findings. As detailed below, LIM seeks reconsideration of the reviewers' conclusions under Finding 1. With regard to Findings 2 through 7, LIM has corrected the few identified instances of noncompliance and has complied with the requested corrective actions to further strengthen its controls. Each of the findings is discussed in turn below.

**FINDING #1: Over Award- Financial Need Exceeded**

The Report finds that in two of the files reviewed, LIM provided a Direct Subsidized loan over award. As a result of these two instances of noncompliance, ED asked LIM to complete a file review for all students receiving Direct Subsidized loans for the award year July 1, 2010 to June 30, 2011. In fact, LIM consistently provides Direct Subsidized loans based on demonstrated financial need. Further, LIM will demonstrate below and via attached documentation that upon further institutional review it was determined that student #6 did not have an actual need-based over award, as her cost of attendance (COA) had not been fully updated to reflect her allowable housing expense. Thus out of the 38 sample files reviewed, only one was out of compliance - an error rate of just 3%.<sup>1</sup>

Consistent with long-standing Department policies and standard practices, LIM's two instances of noncompliance do not indicate a systemic issue and should not trigger a file review for all participants. *See Attachment A*, Program Review Guide, page III – 17. ED's 2001 Program Review Guide specifically states:

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<sup>1</sup> It is unclear based on the Report whether ED reviewed the entire sample of 38 files, or only 30 selected files. Even assuming 30 files were reviewed, the error rate would remain well under 10%.

As previously noted, reviewers can require that an institution perform reviews of its records (file reviews) to ascertain the extent of a deficiency that appears to be systemic and material. Generally, an error rate of greater than 10 percent for any given award year would signal a systemic problem.

*Id.* In addition, ED's standard practices are consistent with (1) the Financial Partners Eligibility & Oversight Guaranty Agency Review Guide, which also uses noncompliance of more than 10 percent of the sampled students as a trigger to conduct a file review, and (2) the regulatory requirement in 34 C.F.R. §668.173(d)(3)(iv), which requires a letter of credit upon a finding that an institution has not returned unearned funds for more than 10 percent of the sampled students. Further, ED applied its standard practices in determining not to request a file review for Findings 3 through 7. In Findings 3, 5, and 7, only one instance of noncompliance was identified and in Finding 4, two instances of noncompliance were identified. Because the rate of noncompliance never exceeded 10%, ED did not find systemic issues and did not request comprehensive file reviews for these findings.<sup>2</sup> The circumstances in Finding 1 are analogous to the circumstances in Findings 3 through 7 - only one file out of 38 was noncompliant and no other information indicates a systemic problem. Accordingly, ED should not require a file review in Finding 1.

As noted above, LIM determined that the COA for student #6 had not been updated to include the maximum allowable off-campus rent of \$1,300/month that her lease confirmed she was eligible for. Upon making that adjustment her COA increased to \$42,775 her need to \$6,249, sufficiently allowing for all \$5,999 of her "Need-Based Aid" and eliminating her over award (*see Attachment B*). With regard to the one instance of noncompliance identified, LIM has corrected the over award for student #21 by returning \$3,500 in Direct Subsidized loan funds to ED. Evidence of this return is included as *Attachment C*.

## **FINDING #2: Return of Title IV Funds Deficiencies**

The report identifies that out of eight withdrawn students tested from the 2010/2011 award year, one student (#20) had a Return of Title IV funds calculation completed indicating that \$8,844 in Direct Loan funds needed to be returned, but LIM failed to actually return the funds as of the date of the program review. We have since corrected this error and returned those funds on December 8, 2011 (*see Attachment D*). Further, ED required that LIM conduct a full file review of all students for award years 2009/2010 and 2010/2011 who officially withdrew or unofficially stopped attending the College and we have included the results of that review in the spreadsheet format that was requested (*see Attachment E*).

LIM has identified that during the period of withdrawal notifications from October 26, 2010 to November 1, 2010 there were two other Return of Title IV funds (R214s) that were not fully completed and one that was completed four days late by the staff member with primary responsibility for this activity, the Director of Student Accounts. It is worth noting that all of the late returns occurred during this period when this staff member suffered a personal tragedy

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<sup>2</sup> Finding 6 identified several instances of noncompliance, however the finding related to reporting issues and required LIM to revise its reporting procedures to ensure future reports reflect accurate data.

resulting in an unusual situation which has been fully remedied. . The College and our Audit Firm, Jay R. Horowitz CPA, PC, determined that there were not any other late returns for the 2010/2011 award year or in the prior award years of 2009/2010, 2008/2009, and 2007/2008. In *Attachment F* please find documentation of the completed return of Title IV funds for student #20 and the three other late returns indicated above.

With the assistance of the College Registrar and Academic Department Chairs, LIM conducted a full review of all students enrolled during the 2009/2010 and 2010/2011 award years who received Title IV aid and had all "F" grades (or all "F" and "W" grades) in a particular term in order to determine their last date of attendance in an academically related activity. We then sought to determine if any of them may have unofficially stopped attending the College at a point in time that would have required a return of Title IV funds. Our extensive review only yielded ten students who met the above academic criteria and of those five had completed their course(s) to receive "earned F" grades, four had each been in attendance long enough (over 60% of the term) in order to earn all their aid, and one student stopped attending in fall 2010 at a point in which we are required to return \$2,661 of Title IV funds (see *Attachment G* for documentation of the completed return).

LIM has demonstrated many years of strong internal controls and has successfully managed the Return of Title IV (R2T4) funds in a timely manner consistent with FSA regulations via the use of the Return of Funds Request Form that is administered collaboratively between the Director of Student Accounts, Controller, and the Chief Financial Officer (CFO). In light of the four late refunds in this review period that occurred within a very narrow period of time directly related to the Director's personal tragedy, we acknowledge that an additional check and balance needed to be implemented within the Office of Student Financial Services (SFS) to add staff redundancy and further ensure that the R2T4 process is always initiated and fully completed within the department in the required timeframe. Accordingly, if a particular staff member has unexpected leave, LIM has procedures in place to quickly assign appropriate back-up staff to fulfill its financial aid administrative responsibilities.

In January 2012 the Associate Director of SFS began meeting with the Director of Student Accounts weekly to review the status of every student for whom the Registrar's office has notified the College community that a Withdrawal has occurred. These staff members (or in their absence the assigned back-up staff members) ensure that all steps in the R2T4 process have been completed and that Return of Funds Request Form has been submitted to the Controller for appropriate Title IV program returns through the G5 system and monitor that the form is returned with the required signatures. It is also worth noting that the College created an additional withdrawal monitoring report in our Student Information System, SONISWeb, in February 2012 that allows appropriate staff to more readily access historical data on student withdrawals.

### **FINDING #3: Ineligible Pell Grant Disbursement**

LIM acknowledges that there was one instance of an ineligible Pell Grant disbursement (for student #11) that occurred in the 2009/2010 award year. The student incorrectly reported on her

2009/2010 FAFSA that she would not have completed her first bachelor degree prior to enrollment in our Access Program, but already had an earned bachelor degree. It is evident that this was an isolated error and as such ED has not required that we provide a corrective action plan for this finding.

#### **FINDING #4: Information in Student Files Missing/Inconsistent**

The College does not concur with the assessment of the enrollment information regarding student #17 or the assertion that she may not have actually attended classes during the spring 2011 semester. In spring 2011 student #17 was enrolled in and completed coursework for fully online sections of MRKT 412 and MRKT 411 and attendance (recorded as online participation and assignment submission) was reflected in Blackboard (*see Attachment H*). In addition, student #17 was enrolled in SENR 401B, which is a credited Senior CO-OP internship where participation is recorded via an Hours Log that a supervisor verifies, an on-site visit, and a final evaluation (*see Attachment I*). Enrollment reporting for student #17 is addressed in our comments for Finding #6, where she is referenced again. Although the student's attendance in online courses and the internship were not recorded in SONIS, the institution's official system for tracking attendance, LIM had sufficient enrollment and attendance information to support the grades noted in the spring 2011 transcript.

LIM acknowledges that an oversight occurred in the 2011/2012 verification review of student #37's 2010 parent tax return by not including the \$1,500 education credit in the verification corrections submitted to ED. The necessary correction has been made and the student's EFC is now \$1,003. Additionally, a hand-calculation determined that the same omission in the 2010/2011 award year led to a \$300 reduction in the student's Pell Grant award, which the College has replaced with institutional funds. See supporting documentation in *Attachment J*.

Neither of these findings is indicative of a systemic error and ED has not requested a corrective action plan here.

#### **FINDING #5: Unreported Use of Professional Judgment**

The College acknowledges that a singular oversight occurred in not setting the Special Circumstance flag for a professional judgment (PJ) ISIR correction for student #16's 2010/2011 transaction 03 submission. ED acknowledges that all other aspects of the PJ adjustment were handled correctly and that there are no liabilities associated with this isolated finding.

LIM has since taken steps to strengthen the existing internal controls for PJ review and submission of any associated ISIR corrections to ensure that the Special Circumstances flag for EFC Adjustments is always selected in these cases. PJ cases have consistently undergone thorough review by the Associate Director of Student Financial Services (SFS) prior to submission, but we have added a second signature requirement to our internal PJ worksheet that now requires two SFS staff members to sign off on every case and confirm that the EFC Adjustment indicator has been selected in order to finalize each case (*See Attachment K*).

## **FINDING #6: Student Enrollment Reporting Untimely/Inaccurate**

LIM acknowledges that Program Review staff identified during their on-site visit an issue with how enrollment reporting was appearing in NSLDS for a few of our MBA students. In consultation with our College Registrar we determined that there was a data transmission error that occurred between the National Student Clearinghouse and NSLDS for some of the MBA enrollment records, because their information was displaying correctly in the Clearinghouse database (ensuring lender access to correct enrollment dates) and appearing in NSLDS with the enrollment status of “no record found”. The College Registrar worked with the Clearinghouse to determine the cause of the problem and was able to resolve this for all future reporting, but the effected students required that we manually correct their enrollment records in NSLDS, which was done for student #1 and #4 (*see Attachment L*).

The enrollment reporting for student #8, #17, #18, #19, and #21 reflects the fact that LIM was previously advised by the Clearinghouse that the submission of enrollment data for the summer term was not required as a non-standard, optional term. These students were enrolled full-time during the spring 2011 semester and when they did not return for the fall 2011 semester, their enrollment status was updated to reflect the point at which they ceased full-time enrollment. We do note that the enrollment statuses for student #8 and #17 should have been subsequently updated to reflect graduated and last date of attendance at half-time status respectively and those corrections have since been made (*see Attachment M*). The timing of the updates to Graduated status for student #2, #11, and #15 was impacted by the late processing of their graduation applications and finalization of their graduation audits, which is required before a final determination of graduation eligibility can be made by the College.

LIM is in the process of updating some of its enrollment reporting procedures to address the above concerns, to ensure that student confirmation reports reflect accurate data, and that student’s change of statuses are reported in a timely manner, including the submission of summer enrollment status records. LIM will be able to provide an update to ED once these proccdures have been finalized.

## **FINDING #7: Federal Direct Loan Entrance Counseling Deficiency**

LIM acknowledges that there was one instance (for student #14) in which we were not able to provide documentation that required Federal Direct Loan entrance counseling had been completed for the student prior to her first disbursement of Direct Stafford Loan funds as a first time borrower in the 2010/2011 academic year. To ensure that this student has been properly informed of her rights and responsibilities as a borrower, we have since verified that she successfully completed loan entrance counseling (*see Attachment N*).

The College began using PowerFaid’s financial aid management software from the College Board during the year this error occurred. Receipt of completion of loan entrance counseling on Mapping Your Future is one of the required conditions for first-time disbursement and LIM

maintains confirmation of completion as a lifetime document. We have conducted numerous tests of this process and have found it to be quite full-proof in ensuring that students who have not fulfilled this requirement are not able to receive loan disbursements. An isolated human error or system timing error led to this one oversight in our first year of PowerFaid's use, but we are confident that this procedure has and continues to work properly to ensure the compliant fulfillment of this requirement.

Thank you for the opportunity to respond to the Program Review Report. We hope and expect that you will find our responses and supporting documentation to be a thorough reply to the findings identified within that report. Should you need clarification of any information provided and/or additional documentation please contact Christopher E. Barto, Assistant Vice President for Student Finance/Chief Compliance Officer, at 212-310-0635 or [christopher.barto@limcollege.edu](mailto:christopher.barto@limcollege.edu).

**AUDITOR'S VERIFICATION OF  
CORRECTIVE ACTION PLAN**

Audit Firm: Jay R. Horowitz, CPA PC  
Audit Period: 6/30/2009 - 6/30/2010 and 6/30/2010 - 6/30/2011

We have reviewed and have confirmed all supporting documentation regarding the Full File Review performed by LIM College with respect to identifying all Title IV recipient students in award year 2009/2010 and 2010/2011. These are students who officially withdrew or unofficially stopped attending LIM College for which a return of Title IV payments was required. For these students, LIM College has provided the results in spreadsheet format with the following information:

- 1) Student's Name
- 2) Social Security Number
- 3) Withdrawal Date
- 4) Date of Determination
- 5) Amount of Unmade or late Title IV refund by program
- 6) Date Returned to Title IV Program(s), if Any
- 7) Number of Days Late

We have reviewed the procedures LIM College has implemented in its corrective action plan to ensure that there will be no reoccurrence of findings. In performing our review of the full file review, we have confirmed the results of the spreadsheet, listing steps 1 thru 7 above.



JAY R. HOROWITZ, CPA, PC  
New York, NY  
March 29, 2012

**LIM College**  
**Response to Program Review Report: 2012 10227741**

**March 30, 2012**

**Manifest of Enclosed Documents:**

- 1. LIM College Letter of Response to Program Review Report (PRCN: 201210227741)**
- 2. Auditor's Verification of Corrective Action Plan (Finding #2) from Jay R. Horowitz CPA, PC**
- 3. Copy of Student Sample from ED Report identifying student #'s**

**Attachments:**

- A. Copy of citation from Program Review Guide (2001)**
- B. Documentation confirming lack of need over award for student #6**
- C. Return of Title IV over award documentation for student #21**
- D. Return of Title IV funds documentation for student #20**
- E. Spreadsheet data stipulated in Finding #2 for full file review of Title IV recipients who officially withdrew or unofficially stopped attending in award year 2009/2010 and 2001/2011**
- F. Return of Title IV funds documentation for three additional late returns noted in our reply to Finding #2**
- G. Return of Title IV funds documentation for student who unofficially stopped attending noted in our reply to Finding #2**
- H. Blackboard participation documentation for student #17**
- I. Senior CO-OP internship participation documentation for student #17**
- J. Verification correction documents for 2010/2011 and 2011/2012 for student #37**
- K. Revised Professional Judgment Review Worksheet**
- L. Corrected NSLDS enrollment records for student #1 and #4**
- M. Corrected NSLDS enrollment records for student #8 and #17**
- N. Confirmation of completed loan entrance counseling for student #14**

LIM College

LIM College  
 Finding #2 - 2009-2010  
 Full File Review of all  
 Title IV Withdrawals

Last Name	First Name	Student ID#	Aid Type	Withdrawal Date	Determination Date	Not Amount	Amount Returned	Date Returned to Title IV Program(s)	Number of Days Late	Notes
(b)(6); (b)(7)(C)			DL Unsub	02/16/10	03/09/12	\$1,689.00	\$0.00	No return required		Unofficially Stopped attending
			DL Sub	02/16/10	03/09/12	\$2,619.00	\$0.00	No return required		Unofficially Stopped attending
			DL Unsub	04/07/10	04/30/10	\$5,970.00	\$0.00	No return required		Greater than 60% Enrollment
			DL Sub	04/07/10	04/30/10	\$3,483.00	\$0.00	No return required		Greater than 60% Enrollment
			Peff Grant	04/07/10	04/30/10	\$2,675.00	\$0.00	No return required		Greater than 60% Enrollment
			DL Unsub	04/08/10	04/30/10	\$3,234.00	\$0.00	No return required		Greater than 60% Enrollment
			DL Unsub	09/21/09	09/25/09	\$995.00	\$995.00	10/5/2009		
			DL Sub	09/21/09	09/25/09	\$1,742.00	\$1,742.00	10/5/2009		
			DL PLUS	09/21/09	09/25/09	\$13,809.00	\$9,044.00	10/5/2009		
			DL Unsub	10/30/09	11/11/09	\$4,106.00	\$1,899.00	11/23/2009		
			DL Unsub	03/23/10	04/30/10	\$995.00	\$995.00	5/5/2010		
			DL Sub	03/23/10	04/30/10	\$2,239.00	\$912.00	5/5/2010		
			DL Unsub	09/14/09	09/18/09	\$995.00	\$995.00	9/22/2009		
			DL Sub	09/14/09	09/18/09	\$1,742.00	\$1,742.00	9/22/2009		
			DL PLUS	09/14/09	09/18/09	\$12,799.00	\$8,729.00	9/22/2009		
			DL Unsub	04/01/10	05/26/10	\$3,943.00	\$3,943.00	5/27/2010		
			DL Sub	04/01/10	05/26/10	\$2,819.00	\$757.00	5/27/2010		
			DL Unsub	09/24/09	10/05/09	\$995.00	\$995.00	10/12/2009		
			DL Sub	09/24/09	10/05/09	\$1,742.00	\$1,742.00	10/12/2009		
			DL PLUS	09/24/09	10/05/09	\$8,009.00	\$4,290.00	10/12/2009		
			DL Unsub	03/15/10	04/30/10	\$3,234.00	\$3,234.00	5/5/2010		
			DL PLUS	03/15/10	04/30/10	\$6,806.00	\$1,555.00	5/5/2010		
			DL Unsub	5/6/2010	3/28/2012	\$995.00	\$0.00	No return required		Unofficially Stopped attending
			DL Sub	5/6/2010	3/28/2012	\$1,742.00	\$0.00	No return required		Unofficially Stopped attending
			DL PLUS	5/6/2010	3/28/2012	\$15,113.00	\$0.00	No return required		Unofficially Stopped attending
			DL Unsub	08/28/09	09/15/09	\$995.00	\$995.00	9/18/2009		
			DL Sub	08/28/09	09/15/09	\$1,742.00	\$1,742.00	9/18/2009		
			DL PLUS	08/28/09	09/15/09	\$14,784.00	\$12,401.00	9/18/2009		
			DL Unsub	03/02/10	04/30/10	\$995.00	\$995.00	5/5/2010		
			DL Sub	03/02/10	04/30/10	\$2,239.00	\$939.00	5/5/2010		
			DL Unsub	09/01/09	09/17/09	\$3,732.00	\$2,625.00	9/21/2009		
			DL PLUS	02/01/10	02/05/10	\$16,687.00	\$16,687.00	2/23/2010		
			DL Sub	02/01/10	02/05/10	\$2,239.00	\$2,239.00	2/23/2010		
			DL Unsub	02/01/10	02/05/10	\$995.00	\$995.00	2/23/2010		
			DL Sub	01/30/10	02/09/10	\$4,476.00	\$3,684.00	2/23/2010		
			DL Sub	01/21/10	04/30/10	\$1,742.00	\$1,742.00	5/5/2010		
			DL PLUS	01/21/10	04/30/10	\$14,625.00	\$14,167.00	5/5/2010		
			DL Unsub	09/09/09	09/15/09	\$995.00	\$995.00	9/18/2009		
			DL Sub	09/09/09	09/15/09	\$1,742.00	\$1,742.00	9/18/2009		
			DL PLUS	09/09/09	09/15/09	\$2,719.00	\$1,158.00	9/18/2009		
DL Unsub	10/30/09	11/09/09	\$5,121.00	\$1,385.00	11/23/2009					
DL Unsub	02/20/10	04/30/10	\$995.00	\$995.00	5/5/2010					
DL Sub	02/20/10	04/30/10	\$1,742.00	\$1,742.00	5/5/2010					
DL PLUS	02/20/10	04/30/10	\$12,346.00	\$7,709.00	5/5/2010					
DL Unsub	01/19/10	03/18/10	\$2,737.00	\$2,737.00	3/29/2010					
DL PLUS	01/19/10	03/18/10	\$7,508.00	\$7,508.00	3/29/2010					
DL PLUS	01/19/10	03/18/10	\$6,244.00	\$2,818.00	3/29/2010					
DL Unsub	09/24/09	09/25/09	\$995.00	\$995.00	10/5/2009					
DL Sub	09/24/09	09/25/09	\$1,742.00	\$14.00	10/5/2009					
DL Sub	08/17/09	09/03/09	\$2,243.00	\$2,243.00	9/14/2009					
DL Unsub	08/17/09	09/03/09	\$1,490.00	\$1,490.00	9/14/2009					
DL Unsub	11/10/2009	2/17/2010	\$3,980.00	\$0.00	No return required		Greater than 60% Enrollment			
DL Sub	11/10/2009	2/17/2010	\$2,819.00	\$0.00	No return required		Greater than 60% Enrollment			
DL Unsub	01/26/10	02/23/10	\$995.00	\$995.00	3/29/2010					
DL Sub	01/26/10	02/23/10	\$2,239.00	\$2,239.00	3/29/2010					
DL Plus	01/26/10	02/23/10	\$975.00	\$975.00	3/29/2010					
DL PLUS	01/26/10	02/23/10	\$8,276.00	\$5,237.00	3/29/2010					
DL Sub	03/03/10	04/30/10	\$2,737.00	\$2,737.00	5/5/2010					
Peff Grant	03/03/10	04/30/10	\$2,675.00	\$892.00	5/5/2010					
DL Sub	08/27/09	09/03/09	\$1,742.00	\$1,742.00	9/14/2009					
DL Unsub	08/27/09	09/03/09	\$995.00	\$995.00	9/14/2009					
DL PLUS	08/27/09	09/03/09	\$7,459.00	\$6,235.00	9/14/2009					
DL Unsub	11/16/09	11/19/09	\$995.00	\$0.00	No return required		Greater than 60% Enrollment			
DL Unsub	11/16/09	11/19/09	\$1,980.00	\$0.00	No return required		Greater than 60% Enrollment			
DL Sub	11/16/09	11/19/09	\$1,742.00	\$0.00	No return required		Greater than 60% Enrollment			
Peff Grant	11/16/09	11/19/09	\$2,675.00	\$0.00	No return required		Greater than 60% Enrollment			
SEOG	11/16/09	11/19/09	\$750.00	\$0.00	No return required		Greater than 60% Enrollment			

LIM College  
 Finding #2 - 2010-2011  
 Full File Review of all  
 Title IV Withdrawals

Last Name	First Name	Student ID#	Aid Type	Withdrawal Date	Determination Date	Net Amount	Amount Returned	Date Returned to Title IV Program(s)	Number of Days Late	Notes
(b)(6); (b)(7)(C)			DL Unsub	3/30/2011	4/28/2011	\$2,985.00	\$2,985.00	5/4/2011		
			DL Sub	3/30/2011	4/28/2011	\$2,239.00	\$471.00	5/4/2011		
			DL Unsub	2/9/2011	2/11/2011	\$2,985.00	\$2,985.00	2/23/2011		
			DL Sub	2/9/2011	2/11/2011	\$2,737.00	\$1,377.00	2/23/2011		
			DL Unsub	1/31/2011	3/25/2011	\$2,985.00	\$2,985.00	4/11/2011		
			DL Sub	1/31/2011	3/25/2011	\$2,239.00	\$1,287.00	4/11/2011		
			DL Unsub	2/21/2011	4/28/2011	\$995.00	\$995.00	5/4/2011		
			DL Sub	2/21/2011	4/28/2011	\$1,742.00	\$1,742.00	5/4/2011		
			DL Plus	2/21/2011	4/28/2011	\$5,353.00	\$2,957.00	5/4/2011		
			Pell Grant	6/23/2011	3/28/2012	\$2,081.00	\$0.00	No return required		Unofficially Stopped attending
			DL Sub	6/23/2011	3/28/2012	\$2,388.00	\$0.00	No return required		Unofficially Stopped attending
			DL Sub	4/13/2011	4/21/2011	\$2,737.00	\$0.00	No return required		Greater than 60% Enrollment
			DL Plus	4/13/2011	4/21/2011	\$6,825.00	\$0.00	No return required		Greater than 60% Enrollment
			Pell Grant	4/13/2011	4/21/2011	\$277.00	\$0.00	No return required		Greater than 60% Enrollment
			DL Unsub	10/25/2010	10/27/2010	\$995.00	\$995.00	3/6/2012	452 days	
			DL Sub	10/25/2010	10/27/2010	\$1,742.00	\$939.00	3/6/2012	452 days	
			DL Unsub	3/31/2011	4/28/2011	\$2,737.00	\$2,737.00	5/4/2011		
			DL Plus	3/31/2011	4/28/2011	\$7,763.00	\$1,715.00	5/4/2011		
			DL Unsub	8/11/2011	3/28/2012	\$995.00	\$0.00	No return required		Unofficially Stopped attending
			DL Sub	8/11/2011	3/28/2012	\$1,592.00	\$0.00	No return required		Unofficially Stopped attending
			Pell Grant	8/11/2011	3/28/2012	\$693.00	\$0.00	No return required		Unofficially Stopped attending
			DL Sub	3/23/2011	4/21/2011	\$1,742.00	\$1,742.00	5/4/2011		
			Federal Pell Grant	3/23/2011	4/21/2011	\$2,775.00	\$849.00	5/4/2011		
			DL Unsub	3/7/2011	3/8/2011	\$995.00	\$995.00	3/28/2011		
			DL Sub	3/7/2011	3/8/2011	\$1,742.00	\$241.00	3/28/2011		
			DL Unsub	10/13/2010	3/29/2012	\$2,985.00	\$2,661.00	3/30/2012	490 days	Unofficially Stopped attending
			DL Sub	10/13/2010	3/29/2012	\$1,742.00	\$0.00	No return required		Unofficially Stopped attending
			DL Unsub	10/29/2010	11/1/2010	\$2,737.00	\$2,737.00	3/6/2012	447 days	
			DL Plus	10/29/2010	11/1/2010	\$7,789.00	\$1,779.00	3/6/2012	447 days	
			DL Unsub	9/8/2010	9/8/2010	\$2,737.00	\$2,737.00	10/8/2010		
			DL Plus	9/8/2010	9/8/2010	\$15,503.00	\$12,695.00	10/8/2010		
			DL Sub	7/25/2011	3/28/2012	\$2,289.00	\$0.00	No return required		Unofficially Stopped attending
			DL Unsub	9/2/2010	9/8/2010	\$995.00	\$995.00	10/8/2010		
			DL Sub	9/2/2010	9/8/2010	\$1,742.00	\$1,742.00	10/8/2010		
			DL Plus	9/2/2010	9/8/2010	\$13,480.00	\$11,933.00	10/8/2010		
			DL Unsub	9/20/2010	9/29/2010	\$995.00	\$995.00	10/8/2010		
			DL Sub	9/20/2010	9/29/2010	\$1,742.00	\$992.00	10/8/2010		
			DL Unsub	4/8/2011	4/21/2011	\$3,483.00	\$0.00	No return required		Greater than 60% Enrollment
			DL Sub	4/8/2011	4/21/2011	\$2,737.00	\$0.00	No return required		Greater than 60% Enrollment
			Pell Grant	4/8/2011	4/21/2011	\$1,387.00	\$0.00	No return required		Greater than 60% Enrollment
			DL Unsub	10/20/2010	11/1/2010	\$995.00	\$995.00	12/8/2011	358 days	
			DL Sub	10/20/2010	11/1/2010	\$1,742.00	\$1,742.00	12/8/2011	358 days	
			DL Plus	10/20/2010	11/1/2010	\$13,553.00	\$6,107.00	12/8/2011	358 days	
			DL Sub	1/24/2011	2/11/2011	\$1,742.00	\$1,639.00	2/23/2011		
			DL Unsub	3/22/2011	4/6/2011	\$995.00	\$995.00	5/4/2011		
			DL Sub	3/22/2011	4/6/2011	\$2,737.00	\$1,662.00	5/4/2011		
			Federal Pell Grant	1/26/2011	5/10/2011	\$2,775.00	\$965.00	6/9/2011		
			DL Unsub	1/26/2011	5/10/2011	\$995.00	\$995.00	6/9/2011		
			DL Sub	1/26/2011	5/10/2011	\$1,742.00	\$1,742.00	6/9/2011		
			DL Plus	1/26/2011	5/10/2011	\$13,553.00	\$13,553.00	6/9/2011		
		Federal Pell Grant	9/15/2010	10/26/2010	\$1,300.00	\$83.00	12/14/2010	4 days		
		Pell Grant	6/20/2011	3/27/2012	\$694.00	\$0.00	No return required		Greater than 60% Enrollment	
		DL Sub	6/20/2011	3/27/2012	\$479.00	\$0.00	No return required		Greater than 60% Enrollment	
		DL Unsub	1/27/2011	4/6/2011	\$995.00	\$995.00	4/18/2011			
		DL Sub	1/27/2011	4/6/2011	\$2,239.00	\$1,964.00	4/18/2011			
		DL Unsub	4/6/2011	4/21/2011	\$995.00	\$0.00	No return required		Greater than 60% Enrollment	
		DL Sub	4/6/2011	4/21/2011	\$2,239.00	\$0.00	No return required		Greater than 60% Enrollment	
		DL Plus	4/6/2011	4/21/2011	\$6,270.00	\$0.00	No return required		Greater than 60% Enrollment	
		DL Unsub	4/8/2011	4/28/2011	\$995.00	\$0.00	No return required		Greater than 60% Enrollment	
		DL Sub	4/8/2011	4/28/2011	\$2,737.00	\$0.00	No return required		Greater than 60% Enrollment	
		DL Plus	4/8/2011	4/28/2011	\$11,200.00	\$0.00	No return required		Greater than 60% Enrollment	
		DL Unsub	3/21/2011	3/25/2011	\$995.00	\$995.00	4/11/2011			
		DL Sub	3/21/2011	3/25/2011	\$2,239.00	\$2,239.00	4/11/2011			
		DL Plus	3/21/2011	3/25/2011	\$6,338.00	\$1,629.00	4/11/2011			
		DL Unsub	2/1/2011	3/25/2011	\$995.00	\$995.00	4/11/2011			
		DL Sub	2/1/2011	3/25/2011	\$1,742.00	\$1,742.00	4/11/2011			
		DL Plus	2/1/2011	3/25/2011	\$1,000.00	\$9,468.00	4/11/2011			

**LIM College**  
**Update to Program Review Report: 2012 10227741**

Submitted to:  
Ms. Lydia M. Gonzalez  
Federal Student Aid  
School Participation Team – New York/Boston  
U.S. Department of Education

**FINDING #6: Student Enrollment Reporting Untimely/Inaccurate – Procedural Update**

As indicated in the College's initial response to the Program Review Report, we stated that an update would be provided in this area of enrollment reporting once additional procedural changes were made. This past spring our College Registrar and her staff resolved all of the data transmission errors that led to reporting problems for our MBA students in NSLDS and determined a permanent fix to prevent similar errors from reoccurring. We can also report that as of this past summer 2012 the College Registrar began successfully reporting summer enrollment data to the National Student Clearinghouse, which appropriately updated NSLDS enrollment data and resolved the few issues identified with untimely undergraduate reporting. This summer enrollment reporting has now been permanently added to the College's annual Clearinghouse submission timeline, which will ensure timely NSLDS updating. Lastly, we can report that as of late spring 2012 members of the Registrar have been provided with access to NSLDS and they are able to monitor, actively track, and make any necessary corrections to student enrollment information within NSLDS.

LIM COLLEGE FPRD

APPENDIX D: COST OF FUNDS LIABILITIES FOR FINDING 1



LIM COLLEGE FPRD

APPENDIX D1: ESTIMATED ACTUAL LOSS LIABILITIES FOR FINDING 1

**Estimated Loss Formula**  
 8/29/2012

Enter Institution Name LIM College

Select Institution Type 4 Yr

	Select Type of Loan	Select Award Year	Enter Ineligible Loan Amount	Enter School CDR	Total Subsidy Costs	Estimated Loss Liability
1	DL Subsidized	2010-2011	\$ 5,762.00	5.20%	9.93%	\$ 571.94
2						
3						
	Description		\$ 5,762.00			\$ 571.94
4						
5						
6						
	Description		\$ -			\$ -
7						
8						
9						
	Description		\$ -			\$ -
10						
11						
12						
	Description		\$ -			\$ -
	Original Ineligible Loan Liability		\$ 5,762.00	Total Estimated Loss		\$ 571.94

LIM COLLEGE FPRD

APPENDIX E: LATE REFUND (LOANS) COST OF FUNDS LIABILITY FOR FINDING 2



LIM COLLEGE FPRD

APPENDIX E1: LATE REFUND (NON-LOAN) COST OF FUNDS LIABILITY FOR FINDING

2



LIM COLLEGE FPRD

APPENDIX F: INELIGIBLE DISBURSEMENT (NON-LOAN) LIABILITIES FOR FINDING 3





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

**Institution:** LIM College

**City, State:** New York, New York

**PRCN:** 1210227741

**TIN:** 135579528

**DUNS:** 076828557

**Reviewer:** Lydia Gonzalez

**Region:** New York

**Date:** 1/22/2013

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

Programs	Type	Amount	Funding Code	Object Class
Federal Pell Grant (Closed AY)	Principal	2675.00	3220RNOYR	69017
	Interest	59.00	1435RNOYR	64020
ACG	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
National SMART	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
FSEOG (No FISAP Corrections)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
FWS (No FISAP Corrections)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
Direct Loan and Direct Loan EAL	Principal		4253XNOYR	53020 or 53010
	Interest	809.00	4253XNOYR	53040
FFEL and FFEL EAL	Interest/ SA/EAL		4251XNOYR	53020
Federal Perkins	Principal		2915RNOYR	53054