

DC



November 26, 2012

Mr. Stephen Schutt
President
Lake Forest College
555 North Sheridan Road
Lake Forest, Illinois 60045-2399

Certified Mail Return Receipt Requested
7008 0150 0003 0158 5676

RE: Expedited Final Program Review Determination Letter
OPE ID: 00170600
PRCN: 201240528000

Dear Mr. Schutt:

From July 30, 2012 through August 3, 2011, Oksana Apanovich and Gigi Moore conducted a review of Lake Forest College's (LFC) 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 purpose of this Final Program Review Determination Letter is to close the program review.

The focus of the review was to determine LFC'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 LFC'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 36 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. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review.

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

Federal Student Aid, Chicago/Denver School Participation Division
500 West Madison Street, Suite 1576
Chicago, Illinois 60661
www.FederalStudentAid.ed.gov

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The Chicago/Denver School Participation Division has made a Final Program Review Determination concerning the findings that were identified during the program review. Following is a discussion of the findings identified and the resolution of those findings.

Program Findings and Final Program Review Determinations:

Finding #1: Verification Deficiency

Section 34 CFR §668.51 through §668.61 of the Student Assistance General Provisions regulations specify the requirements for determining a student's eligibility for Title IV, HEA funds. An institution is responsible for verifying the information that is used to calculate an applicant's Estimated Family Contribution (EFC) as part of the determination of need for student financial assistance. Information is verified by securing additional documentation, or in some cases, a signed statement attesting to the accuracy of the information provided. The regulations also require an institution to verify discrepancies in information received from different sources regarding a student's application for financial aid under the Title IV, HEA programs.

Institutions are also required to have written policies and procedures for the following verification issues:

- Deadlines for students to submit documentation and the consequences of failing to meet those deadlines;
- Method of notifying students of award changes resulting from verification;
- Required correction procedures for students; and
- Standard procedures for referring overpayment cases to the Department.

The institution must also give each applicant a written account of the documentation needed to satisfy verification requirements, the responsibilities of the student in the verification process, including the deadlines for action and the consequences of failure to meet those deadlines. Students must also be informed of the process by which they will be notified of any changes as a result of verification.

The institution's failure to complete verification may have resulted in the improper use of Title IV, HEA funds and increased expense to the Department. An institution that fails to properly complete verification fails to properly determine student eligibility for Title IV, HEA assistance. Funds disbursed to students whose eligibility is not properly determined are funds that are disbursed to ineligible students and represent an institutional liability. Failure to properly determine student eligibility indicates a lack of administrative capability on the part of the institution.

Noncompliance:

Student #33 was selected for verification in the 2011-2012 award year. Per student's Verification Worksheet, the number in college was 3. The student's ISIR listed 2 for the number in college.

Institutional Action Taken to Resolve Noncompliance: While the reviewers were on site, LFC corrected the number in college for the student. The change did not affect the student's EFC.

Final Program Review Determination: LFC has taken the corrective action necessary to resolve this finding. Therefore, no further action is required and LFC may consider this finding closed.

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. If you have any questions concerning this report, please call Oksana Apanovich at (312) 730-1686.

Sincerely,

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

Douglas A. Parrott
Director

cc: Mr. Gerald J. Cebzynski, Financial Aid Director
Mrs. Leslie T. Chapman, Vice President for Business Affairs
North Central Association of Colleges and Schools-CIHE (Higher Educ)
Illinois Board of Higher Education

Appendix A: Student Sample

2010-2011

Student's Name	Student's SSN (last four digits only)
1.	(b)(6); (b)(7)(C), (b)(7)(C)
2.	
3.	
4.	
5.	
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7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16.	
17.	
18.	

Appendix A: Student Sample

2010-2011

Student's Name	Student's SSN (last four digits only)
1.	(b)(6); (b)(7)(C), (b)(7)(C)
2.	
3.	
4.	
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